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

11 JESSICA MARTINEZ, individually, and on
12 behalf of all others similarly situated,

13 *Plaintiff,*

14 v.

15 CORTICARE, INC., a California corporation;
16 and DOES 1 through 10, inclusive,

17 *Defendants.*

Case No.: 37-2023-00055906-CU-OE-CTL

CLASS ACTION

[Assigned to: Hon. Gregory W. Pollack, Dept.
C-71]

**DECLARATION OF ARRASH T. FATTAHI
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

PRELIMINARY APPROVAL HEARING

Date: July 31, 2025

Time: 9:30 a.m.

Dept: C-71

Complaint filed: December 27, 2023

Trial date: Not set

1 adding a claim for civil penalties under the PAGA (attached as **Exhibit 1**).

2 DISCOVERY AND INVESTIGATION

3 5. Following the filing of the initial complaint, the Parties exchanged documents and
4 information before mediating this action. Defendant produced a sampling of timekeeping and
5 payroll records for the class members. Defendant also provided documents of its wage and hour
6 policies and practices during the class period, and information regarding the total number of current
7 and former employees in its informal discovery responses.

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

14 SETTLEMENT NEGOTIATIONS

15 7. On July 2, 2024, the Parties participated in a private mediation with experienced
16 class action mediator, Michael Mandel, Esq. The mediation was conducted via Zoom. The
17 settlement negotiations were at arm’s length and, although conducted in a professional manner,
18 were adversarial. The Parties went into mediation willing to explore the potential for a settlement
19 of the dispute, but each side was also prepared to litigate their position through trial and appeal if
20 a settlement had not been reached.

21 8. After extensive negotiations and discussions regarding the strengths and
22 weaknesses of Plaintiff’s claims and Defendant’s defenses, the Parties were able to reach a
23 resolution via a mediator’s proposal that was accepted by the Parties on July 5, 2024, the material
24 terms of which are encompassed within the Settlement Agreement. Attached as **Exhibit 2** is a true
25 and correct copy of the Class Action and PAGA Settlement Agreement (“Settlement Agreement”).

26 9. Class Counsel submitted the proposed Settlement to the LWDA before filing the
27 Motion for Preliminary Approval.

28 10. My office requested several bids from experienced class action settlement

1 administrators to handle the responsibilities of the Settlement Administrator under this Settlement.
2 The Parties accepted the bid of Apex Class Action Administrators (“Apex”). Apex has multiple
3 years of experience in the field of Class Action Administration, particularly in the wage and hour
4 arena. In its bid, Apex agreed to cap its costs at \$5,000.00 if there are 60 class members. Apex’s
5 bid also accounts for Notice in English and Spanish.

6 11. No one at Wilshire Law Firm, PLC (meaning the law firm itself and anyone
7 employed at the law firm) has any interest, financial or otherwise, in the proposed third-party
8 administrator, Apex. No one at Wilshire Law Firm, PLC has any actual or potential conflict of
9 interest with any class member.

10 12. Wilshire Law Firm, PLC has no fee-splitting agreement with any other counsel in
11 this case.

12 13. Class Counsel is not aware of any other pending matter or action asserting claims
13 that will be extinguished or affected by the Settlement.

14 THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

15 14. Class Counsel has conducted a thorough investigation into the facts of this case.
16 Based on the foregoing discovery and their own independent investigation and evaluation, Class
17 Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best
18 interests of the Settlement Class Members in light of all known facts and circumstances, the risk
19 of significant delay, the defenses that could be asserted by Defendant both to certification and on
20 the merits, trial risk, and appellate risk.

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

1 Total Class Members: 36

2 Terminated Class Members during 3-year statute of limitations period: 23

3 Total Workweeks: 4,844

4 PAGA Pay Periods: 925

5 PAGA Eligible Employees: 36

6 Avg. Hourly Rate: \$30.99

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

13 17. Plaintiff alleges that Defendant failed to pay for all hours worked, including
14 minimum, straight time, and overtime wages, by requiring class members to work off-the-clock,
15 unpaid. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff
16 and the Class, I estimate that Defendant's maximum potential exposure by assuming that all unpaid
17 work time should have been paid at the overtime rate, and I assumed that Defendant is liable for
18 30 minutes of unpaid worktime per workweek. This results in an estimate of \$112,586.67 (4,844
19 workweeks * \$30.99 hourly overtime rate * 1.5 overtime rate * 0.5 hours of unpaid work per
20 workweek), but I discounted this figure by 70% to account for the difficulty of prevailing on a
21 motion for class certification and a trial on the merits because liability depends on whether
22 Defendant knew or should have known that class members were working off-the-clock, yielding a
23 realistic damage estimate of \$33,776.00.

24 18. With respect to the meal period claim, Plaintiff alleges that Defendant required her
25 and similarly situated class members to either work in lieu of taking meal periods, or their meal
26 periods were untimely or interrupted. My expert analyzed Defendant's timekeeping records and
27 found that approximately 55.0% of all meal breaks had violations of short, missed, or no meal
28 periods. Additionally, when factoring in waivable shifts (between 5-6 hours and 10-12 hours), the

1 violation rate was approximately 49.2%. Therefore, potential liability for the meal period claim is
2 \$324,970.16 (4,844 workweeks * \$30.99 * 49.2% * 4.4 average shifts per workweek). I discounted
3 this figure by 80% to account for the difficulty of certifying and proving meal period claims, as
4 well as Defendant's contention that the claim lacks merit, yielding a realistic damage estimate of
5 \$64,994.03.

6 19. With respect to the rest period claim, Plaintiff alleges that Defendant required her
7 and similarly situated class members to work in lieu of taking rest periods, or their rest periods
8 were interrupted. Assuming a 70% violation rate for the class period based on Plaintiff's and other
9 class members' experience working for Defendant, Defendant's potential liability for the rest
10 period claim is \$462,355.92 (4,844 workweeks * \$30.99 * 70% * 4.4 average shifts per workweek);
11 however, I discounted this figure by 80% to account for the difficulty of certifying and proving
12 rest period claims, particularly because rest periods do not have to be recorded, and to account for
13 the possibility of class members voluntarily choosing to forego a rest period, yielding a realistic
14 damage estimate of \$92,471.18.

15 20. Plaintiff further alleges that Defendant failed to reimburse necessary business
16 expenses. Plaintiff alleges that Defendant's employees (including Plaintiff) were frequently
17 required to: use their personal cell phones to communicate with their supervisors and managers
18 about work-related duties; and purchase certain work attire. For purposes of calculating
19 Defendant's liability based on a best-case scenario for Plaintiff and the Class, I estimated that
20 Defendant was liable to each class member for \$25 per month, or \$6.25 per workweek, in
21 unreimbursed expenses, for a total amount of \$30,275.00 (\$6.25 * 4,844 workweeks); however, I
22 discounted this figure by 50% to account for the difficulty of certifying and proving expense
23 reimbursement claims, particularly in light of practices providing a mechanism for class members
24 to seek reimbursement, yielding a realistic damage estimate of \$15,137.50.

25 21. In sum, I estimated that Plaintiff's maximum recovery for the off-the-clock claim,
26 meal period violations, rest period violations, and failure to reimburse expenses is \$930,187.75,
27 but, after factoring in the risk and uncertainty of prevailing at certification and trial, I estimate that
28 Plaintiff's realistic estimated recovery for the non-penalty claims is \$206,378.71.

1 22. With respect to Plaintiff’s derivative claims for statutory and civil penalties,
2 Plaintiff estimated that Defendant’s realistic potential liability is \$78,946.99. While Defendant’s
3 maximum potential liability for waiting time penalties is \$158,234.94 based on approximately 23
4 terminated class members during the 3-year statute of limitations period (23 * \$30.99 * 7.4 hours
5 * 30 days), \$144,000.00 for inaccurate wage statements based on approximately 36 class members
6 who worked during the 1-year statute of limitations period (36 * \$4,000 max), and \$92,500.00 for
7 PAGA violations based on the Court assessing a \$100 penalty for initial violations for all 925 pay
8 periods within PAGA period. I believe that it would be unrealistic to expect the Court to award
9 the full \$394,734.94 in penalties given Defendant’s defenses, the contested nature of Plaintiff’s
10 claims, and the discretionary nature of penalties. Considering that the underlying claims are
11 realistically estimated to be \$206,378.71, such a disproportionate award would also raise due
12 process concerns. Weighing these factors and applying a discount of 80% to account for the risk
13 and uncertainty of prevailing at trial, I arrived at \$78,946.99 for statutory and civil penalties.

14 23. Using these estimated figures, Plaintiff predicted that the realistic maximum
15 recovery for all claims, including penalties, would be \$285,325.70. This means that the
16 \$230,000.00 settlement figure represents 80.6% of the realistic maximum recovery ($\$230,000.00 /$
17 $\$285,325.70 = 80.6\%$). Considering the risk and uncertainty of prevailing at class certification and
18 at trial, this is an excellent result for the Class.¹ Indeed, because of the proposed Settlement, class
19 members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

20 24. While Plaintiff is confident in the merits of her claims, a legitimate controversy
21 exists as to each cause of action. Plaintiff also recognizes that proving the amount of wages due
22 to each Class Member would be an expensive, time-consuming, and uncertain proposition.

23 25. This Settlement avoids the risks and the accompanying expense of further litigation.
24 Although the Parties had engaged in a significant amount of investigation, formal and informal

25
26 ¹ See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019) 2019 WL 3943859 at
27 *8 (granting preliminary approval where the proposed allocation to settle class claims was between 9.53 percent of
28 Plaintiffs’ maximum recovery); *Bravo v. Gale Triangle, Inc.* (C.D. Cal. Feb 16, 2017) 2017 WL 708766 at * 10
(finding that “a settlement for fourteen percent recovery of Plaintiffs’ maximum recovery is reasonable”); *In re*
Omnivision Techs., Inc. (N.D. Cal. 2008) 559 F.Supp.2d 1036, 1042 (approving settlement amount that “is just over
9% of the maximum potential recovery asserted by either party.”).

1 discovery and class-wide data analysis, the Parties had not yet completed formal written discovery.
2 Plaintiff intended to further depose corporate officers and managers of Defendant. Moreover,
3 preparation for class certification and a trial remained for the Parties, as well as the prospect of
4 appeals in the wake of a disputed class certification ruling for Plaintiff and/or adverse summary
5 judgment ruling. Had the Court certified any claims, Defendant could move to decertify the claims.
6 As a result, the Parties would incur considerably more attorneys' fees and costs through trial.

7 26. The Net Settlement Amount available for settlement payments is estimated to be
8 \$103,333.34 for a class of 36 persons.² As a result, each Settlement Class Member is eligible to
9 receive an average net benefit of approximately \$2,870.37.

10 27. The proposed Settlement of \$230,000.00, therefore, represents a substantial
11 recovery when compared to Plaintiff's reasonably forecasted recovery. When considering the risks
12 of litigation, the uncertainties involved in achieving class certification, the burdens of proof
13 necessary to establish liability, the probability of appeal of a favorable judgment, it is clear that the
14 settlement amount of \$230,000.00 is well within the "ballpark" of reasonableness, and preliminary
15 settlement approval is appropriate.

16 ENHANCEMENT AWARD FOR PLAINTIFF IS REASONABLE

17 28. Class Counsel represent that Plaintiff devoted a great deal of time and work assisting
18 counsel in the case, communicated with counsel very frequently for litigation and to prepare for
19 mediation, and was frequently in contact with Class Counsel during the mediation. Plaintiff's
20 requested enhancement award is reasonable, particularly in light of the substantial benefits Plaintiff
21 generated for all class members.

22 29. Throughout this litigation, Plaintiff, who is a former employee of Defendant, has
23 cooperated immensely with my office and has taken many actions to protect the interests of the
24 class. Plaintiff provided valuable information regarding the off-the-clock, meal period, and rest
25 period claims. Plaintiff also informed my office of developments and information relevant to this
26 action, participated in decisions concerning this action, and made herself available to answer

27 ² The Net Settlement Amount is: \$230,000.00 minus \$76,666.66 for Class Counsel's attorneys' fees, minus
28 \$25,000.00 for Class Counsel's litigation expenses, minus \$5,000.00 in administration costs, minus \$10,000.00 for
the PAGA payment, and minus \$10,000.00 for the class representative service award to Plaintiff.

1 questions during the mediation. Plaintiff provided my office with documents regarding the claims
2 alleged in this action. The information and documentation provided by Plaintiff were instrumental
3 in establishing the wage and hour violations alleged in this action, and the recovery provided for
4 in the Settlement Agreement would have been impossible to obtain without Plaintiff's
5 participation.

6 30. At the same time, Plaintiff faced many risks in adding herself as the class
7 representative in this matter. Plaintiff faced actual risks with her future employment, as putting
8 herself on public record in an employment lawsuit could also very well affect her likelihood for
9 future employment. Furthermore, as part of this Settlement, Plaintiff is executing a general release
10 of all claims against Defendant.

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

17 32. In the final analysis, this class action would not have been possible without the aid
18 of Plaintiff, who put her own time and effort into this litigation and placed herself at risk for the
19 sake of the class members. The requested enhancement award for Plaintiff for her service as the
20 class representatives and for her general release of all individual claims is a relatively small amount
21 of money when the time and effort put into the litigation are considered, and in comparison to
22 enhancements granted in other class actions. The requested incentive award is therefore reasonable
23 to compensate Plaintiff for her active participation in this lawsuit.

24 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

25 33. The Settlement provides for attorneys' fees payable to Class Counsel in an amount
26 up to 1/3 of the Settlement Amount, currently estimated at \$76,666.66, plus actual costs and
27 expenses not to exceed \$25,000.00. The proposed award of attorneys' fees to Class Counsel in
28 this case can be justified under either method – lodestar or percentage recovery. Class Counsel,

1 however, intend to base the proposed award of fees, costs and expenses on the percentage method
2 as many of the entries in the time records will have to be redacted to preserve attorney-client and
3 attorney work product privileges.

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

8 35. It is further estimated that my office will need to expend at least another 50 to 100
9 hours to monitor the process leading up to the final approval and payments made to the class. My
10 office also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

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

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

25 MY EXPERIENCE AND QUALIFICATIONS

26 38. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World
27 Report as one of the nation's Best Law Firms for every year since 2020 and is comprised of over
28 120 attorneys and over 600 total employees. Wilshire Law Firm, PLC is actively and continuously

1 practicing in employment litigation, representing employees in both individual and class actions
2 in both state and federal courts throughout California.

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

8 40. I graduated from the University of California, Los Angeles with a Bachelor of Arts
9 in Political Science, *summa cum laude*. I received my Juris Doctor from The George Washington
10 University Law School. During law school, I was a member of the student editorial board for the
11 Federal Circuit Bar Journal.

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

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

20 43. I was selected as a “Southern California Rising Star” in 2025.

21 44. My current contingent billing rate of \$750 per hour is consistent with the legal
22 market, accepted hourly rates, and my expertise and knowledge as it pertains to wage and hour
23 matters. Below is a non-exhaustive list of the cases where I have been appointed as class counsel
24 in my own right (as opposed to being part of a firmwide appointment of counsel):

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

27 b. *Frias-Estrada v. Trek Retail Corporation*, Contra Costa County, Case No. MSC20-
28 01916; Motion for Final Approval granted on March 3, 2023.

- 1 c. *Reyes v. Everytable, PBC, et al.*, Los Angeles County, Case No. 21STCV35987;
2 Motion for Final Approval granted on May 3, 2023.
- 3 d. *Ortiz v. Tara Materials, Inc.*, San Diego County, Case No. 37-2021-0001473-CU-
4 OE-CTL; Motion for Final Approval granted on May 30, 2023.
- 5 e. *Cruz-Sanchez v. Eagle Lath & Plaster, Inc.*, Sacramento County, Case No. 34-2021-
6 00293739-CU-OE-GDS; Motion for Final Approval granted on May 30, 2023.
- 7 f. *Garduno v. New Generation Framing, Inc., et al.*, Stanislaus County, Case No. CV-
8 21-000544; Motion for Final Approval granted on August 11, 2023.
- 9 g. *Hernandez, et al. v. Burford Farming Company, Inc.*, Fresno County, Case No.
10 21CECG03817; Motion for Final Approval granted on August 21, 2023.
- 11 h. *Barajas v. Final Phase Construction, Inc.*, San Bernardino County, Case No.
12 CIVSB2118622; Motion for Final Approval granted on September 13, 2023.
- 13 i. *Jaimes, et al. v. Infiniti Health LLC*, Los Angeles County, Case No. 22STCV07261;
14 Motion for Final Approval granted on October 17, 2023.
- 15 j. *Nunez v. Gabriel Container*, Los Angeles County, Case No. 21STCV09787; Motion
16 for Final Approval granted on November 2, 2023.
- 17 k. *Lupercio v. Western CNC, Inc.*, San Diego County, Case No. 37-2021-00010314-
18 CU-OE-CTL; Motion for Final Approval granted on January 26, 2024.
- 19 l. *Jackson, et al. v. Apple Valley Communications, Inc., et al.*, San Bernardino County,
20 Case No. CIVSB2124721; Motion for Final Approval granted on February 1, 2024.
- 21 m. *Cuadras, et al. v. Guinn Corporation*, Kern County, Case No. BCV-21-101520;
22 Motion for Final Approval granted on February 22, 2024.
- 23 n. *Williams v. Total Longterm Care, Inc., et al.*, San Bernardino County, Case No.
24 CIVSB2213347; Motion for Final Approval granted on April 2, 2024.
- 25 o. *Meza v. Argus Management Company, LLC, et al.*, Los Angeles County, Case No.
26 21STCV31612; Motion for Final Approval granted on May 20, 2024.
- 27 p. *Wade v. Mallory Safety and Supply LLC*, Siskiyou County, Case No. 23CV00951;
28 Motion for Final Approval granted on July 11, 2024.

- 1 q. *Snell v. Shasta Community Health Center*, Shasta County, Case No. CVCV22-
2 199416; Motion for Final Approval granted on November 12, 2024.
- 3 r. *Arce v. Sammy’s Woodfired Pizza*, San Diego County, Case No. 37-2023-00037670-
4 CU-OE-CTL; Motion for Final Approval granted on January 10, 2025.
- 5 s. *Ochoa, et al. v. La Tavola, LLC*, Napa County, Case No. 22CV000862; Motion for
6 Final Approval granted on January 23, 2025.
- 7 t. *Brown, et al. v. Fidelity Security Services, Inc.*, Los Angeles County, Case No.
8 21STCV31617; Motion for Final Approval granted on January 28, 2025.

9 45. Arman A. Salehi is a second-year Associate Attorney at Wilshire Law Firm, PLC.
10 He was admitted to practice law in the State of California in 2023. Arman graduated from the
11 University of California, Los Angeles with a Bachelor of Arts in Sociology. He received his Juris
12 Doctor from the University of California College of the Law, San Francisco (formerly known as
13 U.C. Hastings). Since November 2023, his practice has mainly been focused on wage and hour
14 class action litigation.

15 46. Justin F. Marquez was a Senior Partner at Wilshire Law Firm, PLC. He graduated
16 from the University of California, Los Angeles’s College Honors Program in 2004 with Bachelor
17 of Arts degrees in History and Japanese, *magna cum laude* and *Phi Beta Kappa*. As an
18 undergraduate, he also received a scholarship to study abroad for one year at Tokyo University in
19 Tokyo, Japan. He received his Juris Doctor from Notre Dame Law School in 2008. He has
20 received numerous awards for his legal work. From 2017 to 2020, Super Lawyers selected him as
21 a “Southern California Rising Star,” and from 2022 to 2025, he was selected as a “Southern
22 California Super Lawyer.” He was selected as one of the “Best Lawyers in America” from 2023
23 to 2025. In 2016 and 2017, the National Trial Lawyers selected him as a “Top 40 Under 40”
24 attorney. In 2024, he, along with his colleagues at Wilshire Law Firm, PLC, received a CLAY
25 (California Lawyer Attorneys of the Year) award for his work on a false advertising case against
26 Apple which ultimately led to a \$25 million settlement. His contingent hourly rate while at
27 Wilshire Law Firm, PLC was \$1,500 per hour. The reasonableness of Wilshire Law Firm, PLC’s
28 hourly rates is also supported by several surveys of legal rates, including the following:

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

10 b. In an article entitled “Big Law Rates Topping \$2,000 Leave Value ‘In Eye of
11 Beholder,’” written by Roy Strom and published by Bloomberg Law on June 9,
12 2022, the author describes how Big Law firms have crossed the \$2,000-per hour
13 rate. The article also notes that law firm rates have been increasing by just under
14 3% per year. A true and correct copy of this article is attached hereto as **Exhibit 4.**

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

17 Executed on July 17, 2025, at Los Angeles, California.

18 

19 _____
20 Arrash T. Fattahi

Exhibit 1

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8 Attorneys for Plaintiff

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

11 JESSICA MARTINEZ, individually, on behalf of
12 all others similarly situated, and on behalf of the
13 State of California and other aggrieved persons,

14 *Plaintiff,*

15 v.

16 CORTICARE, INC., a California corporation;
17 and DOES 1 through 10, inclusive,

18 *Defendants.*

Case No.: 37-2023-00055906-CU-OE-CTL

**FIRST AMENDED CLASS &
REPRESENTATIVE ACTION
COMPLAINT:**

1. Failure to Pay Minimum and Straight Time Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197);
2. Failure to Pay Overtime Wages (Cal. Lab. Code §§ 1194 and 1198);
3. Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512);
4. Failure to Authorize and Permit Rest Periods (Cal. Lab. Code §§ 226.7);
5. Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203);
6. Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226);
7. Failure to Indemnify Employees for Expenditures (Cal. Lab. Code § 2802);
8. Unfair Business Practices (Cal. Bus. & Prof. Code §§ 17200, *et seq.*); and
9. Civil Penalties Under PAGA (Cal. Lab. Code § 2699, *et seq.*).

DEMAND FOR JURY TRIAL

1 Plaintiff JESSICA MARTINEZ (“Plaintiff”), based upon facts that either have
2 evidentiary support or are likely to have evidentiary support after a reasonable opportunity for
3 further investigation and discovery, alleges as follows:

4 **INTRODUCTION & PRELIMINARY STATEMENT**

5 1. Plaintiff brings this action against Defendant CORTICARE, INC. and DOES 1
6 through 10 (hereinafter collectively referred to as “Defendants”) for California Labor Code
7 violations and unfair business practices stemming from Defendants’ failure to pay for all hours
8 worked (minimum, straight time, and overtime wages), failure to provide meal periods, failure to
9 authorize and permit rest periods, failure to timely pay final wages, failure to furnish accurate
10 wage statements, and failure to indemnify employees for expenditures.

11 2. Plaintiff brings the First through Eighth Causes of Action individually and as a
12 class action on behalf of herself and certain current and former employees of Defendants
13 (hereinafter collectively referred to as the “Class” or “Class Members,” and defined more fully
14 below). The Class consists of Plaintiff and all other persons who have been employed by any
15 Defendant in California as an hourly-paid or non-exempt employee during the statute of
16 limitations period applicable to the claims pleaded here.

17 3. Plaintiff brings the Ninth Cause of Action as a representative action under the
18 California Private Attorneys General Act (“PAGA”) to recover civil penalties that are owed to
19 her, the State of California, and past and present non-exempt employees employed by Defendants
20 in the State of California during the statute of limitations period for her PAGA claim (hereinafter
21 referred to as the “Aggrieved Employees”).

22 4. Defendants own/owned and operate/operated an industry, business, and
23 establishment within the State of California, including San Diego County. As such, and based
24 upon all the facts and circumstances incident to Defendants’ business in California, Defendants
25 are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare
26 Commission (“IWC”), and the California Business & Professions Code.

27 5. Despite these requirements, throughout the statutory period, Defendants
28 maintained a systematic, company-wide policy and practice of:

- 1 (a) Failing to pay employees for all hours worked, including all minimum,
2 straight time, and overtime wages in compliance with the California Labor
3 Code and IWC Wage Orders;
- 4 (b) Failing to provide employees with timely and duty-free meal periods in
5 compliance with the California Labor Code and IWC Wage Orders, failing
6 to maintain accurate records of all meal periods taken or missed, and
7 failing to pay an additional hour's pay for each workday a meal period
8 violation occurred;
- 9 (c) Failing to authorize and permit employees to take timely and duty-free rest
10 periods in compliance with the California Labor Code and IWC Wage
11 Orders, and failing to pay an additional hour's pay for each workday a rest
12 period violation occurred;
- 13 (d) Willfully failing to pay employees all minimum, straight time, overtime,
14 meal period premium, and rest period premium wages due within the time
15 period specified by California law when employment terminates;
- 16 (e) Failing to provide employees with accurate, itemized wage statements
17 containing all the information required by the California Labor Code and
18 IWC Wage Orders; and
- 19 (f) Failing to indemnify employees for expenditures incurred in direct
20 discharge of duties of employment.

21 6. On information and belief, Defendants, and each of them were on actual and
22 constructive notice of the improprieties alleged herein and intentionally refused to rectify their
23 unlawful policies. Defendants' violations, as alleged above, during all relevant times herein were
24 willful and deliberate.

25 7. At all relevant times, Defendants were and are legally responsible for all of the
26 unlawful conduct, policies, practices, acts and omissions as described in each and all of the
27 foregoing paragraphs as the employers of Plaintiff, the Class, and the Aggrieved Employees.
28 Further, Defendants are responsible for each of the unlawful acts or omissions complained of

1 herein under the doctrine of “respondeat superior.”

2 **THE PARTIES**

3 **A. Plaintiff**

4 8. Plaintiff JESSICA MARTINEZ is a resident of San Diego County, California who
5 worked for Defendants in San Diego County, California as an hourly-paid, non-exempt employee
6 from approximately May 2019 to approximately October 2023.

7 9. Plaintiff reserves the right to seek leave to amend this complaint to add new
8 Plaintiffs, if necessary, in order to establish suitable representative(s) pursuant to *La Sala v.*
9 *American Savings and Loan Association* (1971) 5 Cal.3d 864, 872, and other applicable law.

10 **B. Defendants**

11 10. Plaintiff is informed and believes, and based upon that information and belief
12 alleges, that Defendant CORTICARE, INC. is, and at all times herein mentioned, was:

- 13 (a) A California corporation qualified to do business and actually conducting
14 business in numerous counties throughout the State of California, including
15 in San Diego County; and,
16 (b) The former employer of Plaintiff and the current and/or former employer
17 of the putative Class and Aggrieved Employees because Defendant
18 CORTICARE, INC. suffered and permitted Plaintiff, the Class, and the
19 Aggrieved Employees to work, and/or controlled their wages, hours, or
20 working conditions.

21 11. Plaintiff does not know the true names or capacities of the persons or entities sued
22 herein as Does 1-10, inclusive, and therefore sues said Defendants by such fictitious names.
23 Each of the Doe Defendants was in some manner legally responsible for the damages suffered by
24 Plaintiff, the Class, and the Aggrieved Employees as alleged herein. Plaintiff will amend this
25 complaint to set forth the true names and capacities of these Defendants when they have been
26 ascertained, together with appropriate charging allegations, as may be necessary.

27 12. At all times mentioned herein, the Defendants named as Does 1-10, inclusive, and
28 each of them, were residents of, doing business in, availed themselves of the jurisdiction of,

1 and/or injured a significant number of the Plaintiff, the Class, and the Aggrieved Employees in
2 the State of California.

3 13. Plaintiff is informed and believes and thereon alleges that at all relevant times
4 each Defendant, directly or indirectly, or through agents or other persons, employed Plaintiff and
5 the other employees described in the class definitions below, and exercised control over their
6 wages, hours, and working conditions. Plaintiff is informed and believes and thereon alleges
7 that, at all relevant times, each Defendant was the principal, agent, partner, joint venturer, officer,
8 director, controlling shareholder, subsidiary, affiliate, parent corporation, successor in interest
9 and/or predecessor in interest of some or all of the other Defendants, and was engaged with some
10 or all of the other Defendants in a joint enterprise for profit, and bore such other relationships to
11 some or all of the other Defendants so as to be liable for their conduct with respect to the matters
12 alleged below. Plaintiff is informed and believes and thereon alleges that each Defendant acted
13 pursuant to and within the scope of the relationships alleged above, that each Defendant knew or
14 should have known about, and authorized, ratified, adopted, approved, controlled, aided and
15 abetted the conduct of all other Defendants.

16 **ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

17 14. Plaintiff worked for Defendants in San Diego County, California as an hourly-
18 paid, non-exempt employee from approximately May 2019 to approximately October 2023.
19 During Plaintiff's employment for Defendants, Defendants paid Plaintiff an hourly wage and
20 classified her as non-exempt from overtime. Defendants typically scheduled Plaintiff to work at
21 least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked
22 more than eight hours in a workday and/or more than forty (40) hours in a workweek.

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

1 16. Throughout the statutory period, Defendants maintained a policy and practice of
2 not paying Plaintiff, the Class, and the Aggrieved Employees for all hours worked, including
3 minimum, straight time, and overtime wages. Defendants required Plaintiff, the Class, and the
4 Aggrieved Employees to work “off-the-clock,” uncompensated, by, for example, requiring
5 Plaintiff, the Class, and the Aggrieved Employees to perform work prior to clocking in for the
6 workday, during unpaid meal periods, and after clocking out for the workday. Some of this
7 unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked,
8 Defendants also failed to maintain accurate records of the hours Plaintiff, the Class, and the
9 Aggrieved Employees worked.

10 17. Throughout the statutory period, Defendants wrongfully failed to include non-
11 discretionary bonuses, commissions, incentive pay, production pay, performance pay, and/or
12 shift differentials in the calculation of Plaintiff’s, the other Class Members’, and the Aggrieved
13 Employees’ regular rate of pay used to calculate their overtime rate for the payment of overtime
14 wages. Plaintiff, the Class, and the Aggrieved Employees earned non-discretionary bonuses,
15 commissions, incentive pay, production pay, performance pay, and/or shift differentials in the
16 same pay periods where they worked overtime hours. Accordingly, Defendants failed to
17 compensate Plaintiff, the Class, and the Aggrieved Employees for all overtime compensation
18 they were owed.

19 18. Throughout the statutory period, Defendants wrongfully failed to provide Plaintiff,
20 the Class, and the Aggrieved Employees with legally compliant meal periods. Defendants
21 regularly, but not always, required Plaintiff, the Class, and the Aggrieved Employees to work in
22 excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-
23 free meal period for every five hours of work, or without compensating Plaintiff, the Class, and
24 the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of
25 work or tenth hour of work. Instead, Defendants continued to assert control over Plaintiff, the
26 Class, and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform
27 work tasks which could not be completed without working in lieu of taking mandatory meal
28 periods, or by denying Plaintiff, the Class, and the Aggrieved Employees permission to take a

1 meal period. Accordingly, Defendants’ policy and practice was not to provide meal periods to
2 Plaintiff, the Class, and the Aggrieved Employees in compliance with California law.

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

16 20. Throughout the statutory period, Defendants willfully failed and refused to timely
17 pay Plaintiff, the Class, and the Aggrieved Employees all final wages due at their termination of
18 employment. In addition, Plaintiff’s final paychecks did not include payment for all
19 expenditures, minimum wages, straight time wages, overtime wages, meal period premium
20 wages, and rest period premium wages owed to her by Defendants at the conclusion of her
21 employment. On information and belief, Defendants’ failure to timely pay Plaintiff’s final wages
22 when her employment terminated was not a single, isolated incident, but was instead consistent
23 with Defendants’ policy and practice that applied to Plaintiff, the Class, and the Aggrieved
24 Employees.

25 21. Throughout the statutory period, Defendants failed to furnish Plaintiff, the Class,
26 and the Aggrieved Employees with accurate, itemized wage statements showing all applicable
27 hourly rates, all overtime hourly rates, and all gross and net wages earned (including correct
28 hours worked, correct wages for meal periods that were not provided in accordance with

1 California law, and correct wages for rest periods that were not authorized and permitted to take
2 in accordance with California law). As a result of these violations of California Labor Code §
3 226(a), the Plaintiff, the Class, and the Aggrieved Employees suffered injury because, among
4 other things:

- 5 (a) the violations led them to believe that they were not entitled to be paid
6 minimum, straight time, overtime, meal period premium, and rest period
7 premium wages, even though they were entitled;
- 8 (b) the violations led them to believe that they had been paid the minimum,
9 straight time, overtime, meal period premium, and rest period premium
10 wages, even though they had not been;
- 11 (c) the violations led them to believe they were not entitled to be paid minimum,
12 straight time, overtime, meal period premium, and rest period premium
13 wages at the correct California rate even though they were entitled;
- 14 (d) the violations led them to believe they had been paid minimum, straight time,
15 overtime, meal period premium, and rest period premium wages at the
16 correct California rate even though they had not been;
- 17 (e) the violations hindered them from determining the amounts of minimum,
18 straight time, overtime, meal period premium, and rest period premium
19 wages owed to them;
- 20 (f) in connection with their employment before and during this action, and in
21 connection with prosecuting this action, the violations caused them to have
22 to perform mathematical computations to determine the amounts of wages
23 owed to them, computations they would not have to make if the wage
24 statements contained the required accurate information;
- 25 (g) by understating the wages truly due to them, the violations caused them to
26 lose entitlement and/or accrual of the full amount of Social Security,
27 disability, unemployment, and other governmental benefits;
- 28 (h) the wage statements inaccurately understated the wages, hours, and wage

1 rates to which Plaintiff, the Class, and the Aggrieved Employees were
2 entitled, and Plaintiff, the Class, and the Aggrieved Employees were paid
3 less than the wages and wage rates to which they were entitled.

4 Thus, Plaintiff, the Class, and the Aggrieved Employees are owed the amounts provided for in
5 California Labor Code § 226(e) and injunctive relief under California Labor Code § 226(h).

6 22. Throughout the statutory period, Defendants have wrongfully required Plaintiff,
7 the Class, and the Aggrieved Employees to pay expenses that they incurred in direct discharge of
8 their duties for Defendants. Plaintiff, the Class, and the Aggrieved Employees regularly paid
9 out-of-pocket for necessary employment-related expenses, including, without limitation, use of
10 personal cell phones and work-related equipment.

11 23. Plaintiff, the Class, and the Aggrieved Employees incurred substantial expenses
12 as a direct result of performing their job duties for Defendants, but Defendants failed to
13 indemnify Plaintiff, the Class, and the Aggrieved Employees for these employment-related
14 expenses.

15 **CLASS ACTION ALLEGATIONS**

16 24. Plaintiff brings certain claims individually, as well as on behalf of each and all
17 other persons similarly situated, and thus, seeks class certification under California Code of Civil
18 Procedure § 382.

19 25. All claims alleged herein arise under California law for which Plaintiff seeks relief
20 authorized by California law.

21 26. The proposed Class consists of and is defined as:

22 All persons who worked for any Defendant in California as an hourly-paid or
23 non-exempt employee at any time during the period beginning four years and 178
24 days before the filing of the initial complaint in this action and ending when
notice to the Class is sent.¹

25 27. At all material times, Plaintiff was a member of the Class.

26 28. Plaintiff undertook this concerted activity to improve the wages and working

27 ¹ In response to the COVID-19 pandemic, the Judicial Council of California adopted Emergency Rule 9(a)
28 (California Rules of Court), whereby “statutes of limitations and repose for civil causes of action that exceed
180 days are tolled from April 6, 2020 to October 1, 2020.”

1 conditions of all Class Members.

2 29. There is a well-defined community of interest in the litigation and the Class is
3 readily ascertainable:

4 (a) Numerosity: The members of the Class (and each subclass, if any) are so
5 numerous that joinder of all members would be unfeasible and impractical.
6 The membership of the entire Class is unknown to Plaintiff at this time;
7 however, the Class is estimated to be greater than forty (40) individuals
8 and the identity of such membership is readily ascertainable by inspection
9 of Defendants' records.

10 (b) Typicality: Plaintiff is qualified to, and will, fairly and adequately protect
11 the interests of each Class Member with whom there is a shared, well-
12 defined community of interest, and Plaintiff's claims (or defenses, if any)
13 are typical of all Class Members' claims as demonstrated herein.

14 (c) Adequacy: Plaintiff is qualified to, and will, fairly and adequately protect
15 the interests of each Class Member with whom there is a shared, well-
16 defined community of interest and typicality of claims, as demonstrated
17 herein. Plaintiff has no conflicts with or interests antagonistic to any Class
18 Member. Plaintiff's attorneys, the proposed class counsel, are versed in
19 the rules governing class action discovery, certification, and settlement.
20 Plaintiff has incurred, and throughout the duration of this action, will
21 continue to incur costs and attorneys' fees that have been, are, and will be
22 necessarily expended for the prosecution of this action for the substantial
23 benefit of each class member.

24 (d) Superiority: A Class Action is superior to other available methods for the
25 fair and efficient adjudication of the controversy, including consideration
26 of:

27 1) The interests of the members of the Class in individually
28 controlling the prosecution or defense of separate actions;

- 1 2) The extent and nature of any litigation concerning the controversy
- 2 already commenced by or against members of the Class;
- 3 3) The desirability or undesirability of concentrating the litigation of
- 4 the claims in the particular forum; and,
- 5 4) The difficulties likely to be encountered in the management of a
- 6 class action.

7 (e) Public Policy Considerations: The public policy of the State of California
8 is to resolve the California Labor Code claims of many employees through
9 a class action. Indeed, current employees are often afraid to assert their
10 rights out of fear of direct or indirect retaliation. Former employees are
11 also fearful of bringing actions because they believe their former
12 employers might damage their future endeavors through negative
13 references and/or other means. Class actions provide the class members
14 who are not named in the complaint with a type of anonymity that allows
15 for the vindication of their rights at the same time as their privacy is
16 protected.

17 30. There are common questions of law and fact as to the Class (and each subclass, if
18 any) that predominate over questions affecting only individual members, including without
19 limitation, whether, as alleged herein, Defendants have:

- 20 (a) Failed to pay Class Members for all hours worked, including minimum,
21 straight time, and overtime wages;
- 22 (b) Failed to include non-discretionary bonuses, commissions, monetary and
23 non-monetary incentives, production pay, performance pay, and/or shift
24 differentials in the calculation of the Class Members' regular rate of pay
25 used to calculate the overtime rate for the payment of overtime wages;
- 26 (c) Failed to provide meal periods and pay meal period premium wages to
27 Class Members;
- 28 (d) Failed to authorize and permit rest periods and pay rest period premium

1 wages to Class Members;

- 2 (e) Failed to provide Class Members with timely final wages;
- 3 (f) Failed to provide Class Members with accurate wage statements;
- 4 (g) Failed to indemnify Class Members for expenditures; and,
- 5 (h) Violated California Business & Professions Code §§ 17200 *et. seq.* as a
- 6 result of their illegal conduct as described above.

7 31. This Court should permit this action to be maintained as a class action pursuant to
8 California Code of Civil Procedure § 382 because:

- 9 (a) The questions of law and fact common to the Class predominate over any
10 question affecting only individual members;
- 11 (b) A class action is superior to any other available method for the fair and
12 efficient adjudication of the claims of the members of the Class;
- 13 (c) The members of the Class are so numerous that it is impractical to bring all
14 members of the class before the Court;
- 15 (d) Plaintiff, and the other members of the Class, will not be able to obtain
16 effective and economic legal redress unless the action is maintained as a
17 class action;
- 18 (e) There is a community of interest in obtaining appropriate legal and
19 equitable relief for the statutory violations, and in obtaining adequate
20 compensation for the damages and injuries for which Defendants are
21 responsible in an amount sufficient to adequately compensate the members
22 of the Class for the injuries sustained;
- 23 (f) Without class certification, the prosecution of separate actions by
24 individual members of the class would create a risk of:
 - 25 1) Inconsistent or varying adjudications with respect to individual
26 members of the Class which would establish incompatible standards
27 of conduct for Defendants; and/or,
 - 28 2) Adjudications with respect to the individual members which would,

1 as a practical matter, be dispositive of the interests of other
2 members not parties to the adjudications, or would substantially
3 impair or impede their ability to protect their interests, including but
4 not limited to the potential for exhausting the funds available from
5 those parties who are, or may be, responsible Defendants; and,

6 (g) Defendants have acted or refused to act on grounds generally applicable to
7 the Class, thereby making final injunctive relief appropriate with respect to
8 the class as a whole.

9 32. Plaintiff contemplates the eventual issuance of notice to the proposed members of
10 the Class that would set forth the subject and nature of the instant action. The Defendants' own
11 business records may be utilized for assistance in the preparation and issuance of the contemplated
12 notices. To the extent that any further notices may be required, Plaintiff contemplates the use of
13 additional techniques and forms commonly used in class actions, such as published notice, e-mail
14 notice, website notice, first-class mail, or combinations thereof, or by other methods suitable to the
15 Class and deemed necessary and/or appropriate by the Court.

16 **FIRST CAUSE OF ACTION**

17 **(Against All Defendants for Failure to Pay Minimum and Straight Time Wages for All**
18 **Hours Worked)**

19 33. Plaintiff incorporates by reference and re-alleges as if fully stated herein
20 paragraphs 1 through 23 in this Complaint.

21 34. "Hours worked" is the time during which an employee is subject to the control of
22 an employer, and includes all the time the employee is suffered or permitted to work, whether or
23 not required to do so.

24 35. At all relevant times herein mentioned, Defendants knowingly failed to pay to
25 Plaintiff and the Class compensation for all hours they worked. By their failure to pay
26 compensation for each hour worked as alleged above, Defendants willfully violated the
27 provisions of California Labor Code § 1194, and any additional applicable Wage Orders, which
28 require such compensation to non-exempt employees.

1 receive additional compensation beyond their regular wages in amounts specified by law.

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

7 46. At all times relevant hereto, Plaintiff and the Class have worked more than eight
8 hours in a workday and/or more than forty (40) hours in a workweek, as employees of
9 Defendants.

10 47. At all times relevant hereto, Defendants failed to pay Plaintiff and the Class
11 overtime compensation for the hours they have worked in excess of the maximum hours
12 permissible by law as required by California Labor Code §§ 510 and 1198.

13 48. At all times relevant hereto, Defendants failed to include non-discretionary
14 bonuses, commissions, monetary and non-monetary incentives, production pay, performance pay,
15 and/or shift differentials in the calculation of Plaintiff's and the other Class Members' regular
16 rate of pay used to calculate the overtime rate for the payment of overtime wages.

17 49. By virtue of Defendants' unlawful failure to pay additional premium rate
18 compensation to the Plaintiff and the Class for their overtime hours worked, Plaintiff and the
19 Class have suffered, and will continue to suffer, damages in amounts which are presently
20 unknown to them but which exceed the jurisdictional minimum of this Court and which will be
21 ascertained according to proof at trial.

22 50. By failing to keep adequate time records required by Labor Code § 1174(d),
23 Defendants have made it difficult to calculate the full extent of overtime compensation due to
24 Plaintiff and the Class.

25 51. Plaintiff and the Class also request recovery of overtime compensation according
26 to proof, interest, attorneys' fees and costs pursuant to California Labor Code § 1194(a), as well
27 as the assessment of any statutory penalties against Defendants, in a sum as provided by the
28 California Labor Code and/or other statutes.

FOURTH CAUSE OF ACTION

(Against All Defendants for Failure to Authorize and Permit Rest Periods)

57. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 23 in this Complaint.

58. Defendants are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). California Labor Code § 512, the applicable Wage Orders require that the employer permit and authorize all employees to take paid rest periods of ten minutes each for each 4-hour period worked. Thus, for example, if an employee’s work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California’s rest break laws. It is a violation of California Labor Code § 226.7 for an employer to require any employee to work during any rest period mandated under any Wage Order.

59. Despite these legal requirements, Defendants failed to authorize Plaintiff and the Class to take rest breaks, regardless of whether employees worked more than four hours in a workday. By their failure to permit and authorize Plaintiff and the Class to take rest periods as alleged above (or due to the fact that Defendants made it impossible or impracticable to take these uninterrupted rest periods), Defendants willfully violated the provisions of California Labor Code § 226.7 and the applicable Wage Orders.

60. Under California law, Plaintiff and the Class are entitled to be paid one hour of premium wages rate for each workday he or she was not provided with all required rest break(s), plus interest thereon.

FIFTH CAUSE OF ACTION

(Against All Defendants for Failure to Pay Wages of Discharged Employees – Waiting Time Penalties)

61. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 23 in this Complaint.

62. At all times herein set forth, California Labor Code §§ 201 and 202 provide that if

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

6 63. Within the applicable statute of limitations, the employment of many other
7 members of the Class ended, i.e. was terminated by quitting or discharge, and the employment of
8 others will be. However, during the relevant time period, Defendants failed, and continue to fail
9 to pay terminated Class Members, without abatement, all wages required to be paid by California
10 Labor Code §§ 201 and 202 either at the time of discharge, or within seventy-two (72) hours of
11 their leaving Defendants' employ.

12 64. Defendants' failure to pay those Class members who are no longer employed by
13 Defendants their wages earned and unpaid at the time of discharge, or within seventy-two (72)
14 hours of their leaving Defendants' employ, is in violation of California Labor Code §§ 201 and
15 202.

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

20 66. The Class is entitled to recover from Defendants their additionally accruing wages
21 for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days
22 maximum pursuant to California Labor Code § 203.

23 67. Pursuant to California Labor Code §§ 218.5, 218.6 and 1194, the Class is also
24 entitled to an award of reasonable attorneys' fees, interest, expenses, and costs incurred in this
25 action.

26 ///

27 ///

28 ///

SIXTH CAUSE OF ACTION

(Against All Defendants for Failure to Provide and Maintain Accurate and Compliant Wage Records)

68. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 23 in this Complaint.

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

70. Defendants have intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify the gross wages earned by Plaintiff and the Class, the failure to list the true “total hours worked by the employee,” and the failure to list the true net wages earned.

71. As a result of Defendants’ violation of California Labor Code § 226(a), Plaintiff and the Class have suffered injury and damage to their statutorily protected rights.

72. Specifically, Plaintiff and the members of the Class have been injured by Defendants’ intentional violation of California Labor Code § 226(a) because they were denied both their legal right to receive, and their protected interest in receiving, accurate, itemized wage statements under California Labor Code § 226(a).

73. Calculation of the true wage entitlement for Plaintiff and the Class is difficult and time consuming. As a result of this unlawful burden, Plaintiff and the Class were also injured as

1 a result of having to bring this action to attempt to obtain correct wage information following
2 Defendants' refusal to comply with many of the mandates of California's Labor Code and related
3 laws and regulations.

4 74. Plaintiff and the Class are entitled to recover from Defendants the greater of their
5 actual damages caused by Defendants' failure to comply with California Labor Code § 226(a), or
6 an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee.

7 75. Plaintiff and the Class are also entitled to injunctive relief, as well as an award of
8 attorney's fees and costs to ensure compliance with this section, pursuant to California Labor
9 Code § 226(h).

10 **SEVENTH CAUSE OF ACTION**

11 **(Against All Defendants for Failure to Indemnify Employees for Expenditures)**

12 76. Plaintiff incorporates by reference and re-alleges as if fully stated herein
13 paragraphs 1 through 23 in this Complaint.

14 77. As set forth above, Plaintiff and the Class were required to incur substantial
15 necessary expenditures and losses in direct consequence of the discharge of their duties or of
16 their obedience to directions of Defendants.

17 78. Defendants violated California Labor Code § 2802, by failing to pay and
18 indemnify Plaintiff and the Class for necessary expenditures and losses incurred in direct
19 consequence of the discharge of their duties or of their obedience to directions of Defendants.

20 79. As a result, Plaintiff and the Class were damaged at least in the amounts of the
21 expenses they paid, or which were deducted by Defendants from their wages.

22 80. Plaintiff and the Class are entitled to reasonable attorney's fees, expenses, and
23 costs of suit pursuant to California Labor Code § 2802(c) and interest pursuant to California
24 Labor Code § 2802(b).

25 **EIGHTH CAUSE OF ACTION**

26 **(Against All Defendants for Violation of California Business & Professions Code §§ 17200,**
27 **et seq.)**

28 81. Plaintiff incorporates by reference and re-alleges as if fully stated herein

1 paragraphs 1 through 23 in this Complaint.

2 82. Defendants, and each of them, are “persons” as defined under California Business
3 & Professions Code § 17201.

4 83. Defendants’ conduct, as alleged herein, has been, and continues to be, unfair,
5 unlawful, and harmful to Plaintiff, other Class members, and to the general public. Plaintiff
6 seeks to enforce important rights affecting the public interest within the meaning of Code of Civil
7 Procedure § 1021.5.

8 84. Defendants’ activities, as alleged herein, are violations of California law, and
9 constitute unlawful business acts and practices in violation of California Business & Professions
10 Code §§ 17200, *et seq.*

11 85. A violation of California Business & Professions Code §§ 17200, *et seq.* may be
12 predicated on the violation of any state or federal law. All of the acts described herein as
13 violations of, among other things, the California Labor Code, are unlawful and in violation of
14 public policy; and in addition are immoral, unethical, oppressive, fraudulent and unscrupulous,
15 and thereby constitute unfair, unlawful and/or fraudulent business practices in violation of
16 California Business & Professions Code §§ 17200, *et seq.*

17 **Failure to Pay Minimum and Straight Time Wages**

18 86. Defendants’ failure to pay minimum and straight time wages, and other benefits in
19 violation of the California Labor Code constitutes unlawful and/or unfair activity prohibited by
20 California Business & Professions Code §§ 17200, *et seq.*

21 **Failure to Pay Overtime Wages**

22 87. Defendants’ failure to pay overtime compensation and other benefits in violation
23 of California Labor Code §§ 510, 1194, and 1198 constitutes unlawful and/or unfair activity
24 prohibited by California Business & Professions Code §§ 17200, *et seq.*

25 **Failure to Provide Meal Periods**

26 88. Defendants’ failure to provide meal periods in accordance with California Labor
27 Code §§ 226.7 and 512, and the IWC Wage Orders, as alleged above, constitutes unlawful and/or
28 unfair activity prohibited by California Business & Professions Code §§ 17200, *et seq.*

1 **Failure to Authorize and Permit Rest Periods**

2 89. Defendants’ failure to authorize and permit rest periods in accordance with
3 California Labor Code § 226.7 and the IWC Wage Orders, as alleged above, constitutes unlawful
4 and/or unfair activity prohibited by Business and Professions Code §§ 17200, *et seq.*

5 **Failure to Indemnify Business Expenses**

6 90. Defendants’ failure to reimburse expenses incurred in accordance with California
7 Labor Code § 2802, as alleged above, constitutes unlawful and/or unfair activity prohibited by
8 California Business & Professions Code §§ 17200, *et seq.*

9 91. By and through their unfair, unlawful and/or fraudulent business practices
10 described herein, the Defendants, have obtained valuable property, money and services from
11 Plaintiff, and all persons similarly situated, and has deprived Plaintiff, and all persons similarly
12 situated, of valuable rights and benefits guaranteed by law, all to their detriment.

13 92. Plaintiff and the Class Members suffered monetary injury as a direct result of
14 Defendants’ wrongful conduct.

15 93. Plaintiff, individually, and on behalf of members of the putative Class, is entitled
16 to, and does, seek such relief as may be necessary to disgorge money and/or property which the
17 Defendants have wrongfully acquired, or of which Plaintiff and the Class have been deprived, by
18 means of the above-described unfair, unlawful and/or fraudulent business practices. Plaintiff and
19 the Class are not obligated to establish individual knowledge of the wrongful practices of
20 Defendants in order to recover restitution.

21 94. Plaintiff, individually, and on behalf of members of the putative class, is further
22 entitled to, and does, seek a declaration that the above-described business practices are unfair,
23 unlawful and/or fraudulent, and injunctive relief restraining the Defendants, and each of them,
24 from engaging in any of the above-described unfair, unlawful and/or fraudulent business
25 practices in the future.

26 95. Plaintiff, individually, and on behalf of members of the putative class, has no
27 plain, speedy, and/or adequate remedy at law to redress the injuries which the Class Members
28 suffered as a consequence of the Defendants’ unfair, unlawful and/or fraudulent business

1 practices. As a result of the unfair, unlawful and/or fraudulent business practices described
2 above, Plaintiff, individually, and on behalf of members of the putative Class, has suffered and
3 will continue to suffer irreparable harm unless the Defendants, and each of them, are restrained
4 from continuing to engage in said unfair, unlawful and/or fraudulent business practices.

5 96. Plaintiff also alleges that if Defendants are not enjoined from the conduct set forth
6 herein above, they will continue to avoid paying the appropriate taxes, insurance and other
7 withholdings.

8 97. Pursuant to California Business & Professions Code §§ 17200, *et seq.*, Plaintiff
9 and putative Class Members are entitled to restitution of the wages withheld and retained by
10 Defendants during a period that commences four years and 178 days prior to the filing of this
11 complaint; a permanent injunction requiring Defendants to pay all outstanding wages due to
12 Plaintiff and Class Members; an award of attorneys' fees pursuant to California Code of Civil
13 Procedure § 1021.5 and other applicable laws; and an award of costs.

14 **NINTH CAUSE OF ACTION**

15 **(Against All Defendants for Civil Penalties Under the Private Attorneys General Act of**
16 **2004, Cal. Lab. Code § 2698, et seq.)**

17 98. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs
18 1 through 23 in this Complaint.

19 99. At all times herein mentioned, Defendants were subject to the Labor Code of the
20 State of California and the applicable Industrial Welfare Commission Orders.

21 100. California Labor Code § 2699(a) specifically provides for a private right of action
22 to recover penalties for violations of the Labor Code: "Notwithstanding any other provision of
23 law, any provision of this code that provides for a civil penalty to be assessed and collected by
24 the Labor and Workforce Development Agency or any of its departments, divisions,
25 commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative,
26 be recovered through a civil action brought by an aggrieved employee on behalf of himself or
27 herself and other current or former employees pursuant to the procedures specified in Section
28 2699.3."

As to the First Cause of Action

4. That the Court declare, adjudge, and decree that Defendants violated California Labor Code §§ 204 and 1194 and applicable IWC Wage Orders by willfully failing to pay all minimum and straight time wages due;

5. For unpaid wages as may be appropriate;

6. For pre-judgment interest on any unpaid compensation commencing from the date such amounts were due;

7. For liquidated damages;

8. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to California Labor Code § 1194(a); and,

9. For such other and further relief as the Court may deem equitable and appropriate.

As to the Second Cause of Action

10. That the Court declare, adjudge, and decree that Defendants violated California Labor Code §§ 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all overtime wages due;

11. For unpaid wages at overtime wage rates as may be appropriate;

12. For pre-judgment interest on any unpaid overtime compensation commencing from the date such amounts were due;

13. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to California Labor Code § 1194(a); and,

14. For such other and further relief as the Court may deem equitable and appropriate.

As to the Third Cause of Action

15. That the Court declare, adjudge, and decree that Defendants violated California Labor Code §§ 226.7 and 512, and the IWC Wage Orders;

16. For unpaid meal period premium wages as may be appropriate;

17. For pre-judgment interest on any unpaid compensation commencing from the date such amounts were due;

18. For reasonable attorneys' fees under California Code of Civil Procedure § 1021.5,

1 and for costs of suit incurred herein; and,

2 19. For such other and further relief as the Court may deem equitable and appropriate.

3 As to the Fourth Cause of Action

4 20. That the Court declare, adjudge, and decree that Defendants violated California
5 Labor Code §§ 226.7 and 512, and the IWC Wage Orders;

6 21. For unpaid rest period premium wages as may be appropriate;

7 22. For pre-judgment interest on any unpaid compensation commencing from the date
8 such amounts were due;

9 23. For reasonable attorneys' fees under California Code of Civil Procedure § 1021.5,
10 and for costs of suit incurred herein; and,

11 24. For such other and further relief as the Court may deem equitable and appropriate.

12 As to the Fifth Cause of Action

13 25. That the Court declare, adjudge and decree that Defendants violated California
14 Labor Code §§ 201, 202, and 203 by willfully failing to pay all compensation owed at the time of
15 termination of the employment;

16 26. For statutory wage penalties pursuant to California Labor Code § 203 for former
17 employees who have left Defendants' employ;

18 27. For pre-judgment interest on any unpaid wages from the date such amounts were
19 due;

20 28. For reasonable attorneys' fees and for costs of suit incurred herein; and,

21 29. For such other and further relief as the Court may deem equitable and appropriate.

22 As to the Sixth Cause of Action

23 30. That the Court declare, adjudge, and decree that Defendants violated the record
24 keeping provisions of California Labor Code § 226(a) and applicable IWC Wage Orders, and
25 willfully failed to provide accurate itemized wage statements thereto;

26 31. For all actual damages, according to proof;

27 32. For statutory penalties pursuant to California Labor Code § 226(e);

28 33. For injunctive relief to ensure compliance with this section, pursuant to California

1 Labor Code § 226(h);

2 34. For reasonable attorneys' fees and for costs of suit incurred herein; and,

3 35. For such other and further relief as the Court may deem equitable and appropriate.

4 As to the Seventh Cause of Action

5 36. That the Court declare, adjudge, and decree that Defendants violated California
6 Labor Code § 2802 by willfully failing to indemnify employees for expenditures;

7 37. For unpaid wages or unreimbursed business expenses as may be appropriate;

8 38. For pre-judgment interest on any unpaid compensation commencing from the date
9 such amounts were due;

10 39. For reasonable attorneys' fees and for costs of suit incurred herein; and,

11 40. For such other and further relief as the Court may deem equitable and appropriate.

12 As to the Eighth Cause of Action

13 41. That the Court declare, adjudge, and decree that Defendants violated California
14 Business & Professions Code §§ 17200, *et seq.* by failing to pay for all hours worked (minimum,
15 straight time, and overtime wages), failing to provide meal periods, failing to authorize and
16 permit rest periods, and failing to indemnify employees for expenditures;

17 42. For restitution of unpaid wages to Plaintiff and all Class Members and
18 prejudgment interest from the day such amounts were due and payable;

19 43. For the appointment of a receiver to receive, manage and distribute any and all
20 funds disgorged from Defendants and determined to have been wrongfully acquired by
21 Defendants as a result of violations of California Business & Professions Code §§ 17200 *et seq.*;

22 44. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
23 California Code of Civil Procedure § 1021.5;

24 45. For injunctive relief to ensure compliance with this section, pursuant to California
25 Business & Professions Code §§ 17200, *et seq.*; and,

26 46. For such other and further relief as the Court may deem equitable and appropriate.

27 As to the Ninth Cause of Action

28 47. That the Court declare, adjudge and decree that Defendants violated the California

1 Labor Code by failing to pay wages for all hours worked (including minimum, straight time, and
2 overtime), failing to provide meal periods and pay the correct amount of meal period premium
3 wages, failing to authorize and permit rest periods and pay the correct amount of rest period
4 premium wages, failing to pay all earned wages twice per month, failing to maintain accurate
5 records of hours worked and meal periods, failing to pay all final wages to terminated employees,
6 failing to furnish accurate wage statements, and failing to indemnify employees for expenditures;

7 48. For all actual, consequential and incidental losses and damages, according to
8 proof;

9 49. For all civil penalties pursuant to California Labor Code §§ 2699, et seq., and all
10 other applicable Labor Code provisions;

11 50. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
12 California Labor Code § 2699; and,

13 51. For such other and further relief as the Court may deem equitable and appropriate.

14 As to all Causes of Action

15 52. For any additional relief that the Court deems just and proper.

16 Respectfully submitted,

17 Dated: July 17, 2025

WILSHIRE LAW FIRM

18
19 By: 

20 Arrash T. Fattahi
Arman A. Salehi

21 Attorneys for Plaintiff

22 **DEMAND FOR JURY TRIAL**

23 Plaintiff demands a trial by jury as to all causes of action triable by jury.

24 Dated: July 17, 2025

WILSHIRE LAW FIRM

25 By: 

26 Arrash T. Fattahi
Arman A. Salehi

27 Attorneys for Plaintiff

Exhibit 2

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Jessica Martinez (“Plaintiff”) and defendant CortiCare, Inc. (“CortiCare”). The Agreement refers to Plaintiff and CortiCare collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against CortiCare captioned Jessica Martinez, on behalf of herself and those similarly situated v. CortiCare, Inc. et al. initiated on December 27, 2023, and pending in San Diego County Superior Court, Case No. 37-2023-00055906-CU-OE-CTL. The Action includes the First Amended Complaint, which Plaintiff will promptly file, to add the claim under the Private Attorneys General Act as described in the PAGA notice submitted by Plaintiff on January 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 persons employed by CortiCare in California and classified as a non-exempt who worked for CortiCare during the PAGA Period.

1.5 “Class” means all persons employed by CortiCare in California and classified as non-exempt who worked for CortiCare during the Class Period.

1.6 “Class Counsel” means Arrash T. Fattahi and Arman A. Salehi of Wilshire Law Firm.

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 CortiCare’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 July 2, 2019 through the earlier of (a) 90 days from July 5, 2024; or (b) the date the Court grants preliminary approval of the settlement.

1.13 “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15 “Court” means the Superior Court of California, County of San Diego.

1.16 “CortiCare” means named Defendant CortiCare, Inc.

1.17 “Defense Counsel” means Mark J. Payne and Kristalyn F. Lee of Troutman Pepper Locke LLP.

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 (c) 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 \$230,000 which is the total amount CortiCare agrees to pay under the Settlement except as provided in Paragraph 8 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 Pay Periods 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 the 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 CortiCare for at least one day during the PAGA Period.

1.31 “PAGA Period” means the period from January 15, 2023 through the earlier of (a) 90 days from July 5, 2024; or (b) the date the Court grants preliminary approval of the settlement.

1.32 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698 et seq.).

1.33 “PAGA Notice” means Plaintiff’s January 15, 2024, letter to CortiCare 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, allocated 25% to the Aggrieved Employees (\$2,500) and the 75% to LWDA (\$7,500) 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 Jessica Martinez, the named plaintiff in the Action.

1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.

1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.39 “Released Class Claims” means the claims being released as described in Paragraph 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 CortiCare and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, parents, subsidiaries, and affiliates.

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 30 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 CortiCare for at least one day, during the Class Period.

2. RECITALS.

2.1 On December 27, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against CortiCare for 1. Failure to Pay Minimum Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); 2. Failure to Pay Overtime (Cal. Lab. Code §§ 1194, and 1198); 3. Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); 4. Failure to Provide Rest Breaks (Cal. Lab. Code §§ 226.7); 5. Failure to Timely Pay Final Wages (Cal. Lab. Code §§ 201-203); 6. Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code §§ 226); 7. Failure to Reimburse Business Expenses (Cal. Lab. Code § 2802) and 8. Unfair Competition (Cal. Bus. & Prof. Code §§ 17200, et seq.). Within 30 days of executing this Agreement, Plaintiff will file a First Amended Complaint adding a cause of action for PAGA penalties. The First Amended Complaint will be the operative complaint in the Action (the “Operative Complaint”). CortiCare denies the allegations in the Operative Complaint, denies any failure to

comply with the laws identified in in the Operative Complaint and denies any and all liability for the causes of action alleged.

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

2.3 On July 2, 2024, the Parties participated in an all-day mediation presided over by Michael Mandel, which led to this Agreement to settle the Action.

2.4 Prior to mediation, Plaintiff obtained, through informal discovery, Plaintiff's personnel file, Plaintiff's complete payroll and timekeeping data, all applicable employee handbooks, and a thirty percent sampling of class payroll, time records, and offer letters. 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.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, CortiCare promises to pay \$230,000 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. CortiCare 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 CortiCare.

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 \$10,000.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). CortiCare 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 Payment 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 1/3 of the Gross Settlement Amount, which is currently estimated to be \$76,666.66, and a Class Counsel Litigation Expenses Payment of not more than \$25,000.00. CortiCare 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 Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds CortiCare harmless, and indemnifies CortiCare, 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 \$5,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,000.00, 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. 33% 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 67% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and civil penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

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

3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$10,000 to be paid from the Gross Settlement Amount, with 75% (\$7,500) allocated to

the LWDA PAGA Payment and 25% (\$2,500) 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 (\$2,500) 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. Based on a review of its records to date and reasonable extrapolation, CortiCare estimates there are 36 Class Members who collectively worked a total of 4,844 Workweeks from July 2, 2019 to approximately June 19, 2024.

4.2 Class Data. Not later than 14 days after the Court grants Preliminary Approval of the Settlement, CortiCare 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. The Class Data shall not be disclosed to Plaintiff or Class Counsel under any circumstances. CortiCare 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 CortiCare 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. CortiCare shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay CortiCare's share of payroll taxes by transmitting the funds to the Administrator no later than 30 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 14 days after CortiCare 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 California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384, subdivision (b).]

4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate CortiCare 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. The payment of Individual Class Payments does not extend or alter the Class Member's period of employment with Defendant for any purpose.

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

5.1 Plaintiff's Release. Plaintiff and 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, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under 5.2, below; and, (c) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with their employment with Defendant, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date that Plaintiff executes this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, including but not limited to, §§ 201-204, 226.7, 512, 1194, 1194.2, 1197, 1198, and 2802, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs. ("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 Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action including, any and all claims involving any alleged 1. Failure to Pay Minimum Wages; 2. Failure to Pay Overtime; 3. Failure to Provide Meal Periods; 4. Failure to Provide Rest Breaks; 5. Failure to Timely Pay Final Wages; 6. Failure to Provide Accurate Wage Statements; 7. Failure to Reimburse Business Expenses; and 8. Unfair Competition. 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, including but not limited to Non-Participating Class Members, 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, the PAGA Notice, and ascertained in the course of the Action including, any and all claims involving any alleged 1. Failure to Pay Minimum Wages; 2. Failure to Pay Overtime; 3. Failure to Provide Meal Periods; 4. Failure to Provide Rest Breaks; 5. Failure to Timely Pay Final Wages; 6. Failure to Provide Accurate Wage Statements; and 7. Failure to Reimburse Business Expenses.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval").

6.21 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 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. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In the Declaration, Class Counsel shall aver that they are not aware of any other

pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.3 Responsibilities of Counsel. Class Counsel is responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; 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 in person 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 in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected 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 purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

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

7.4 Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class 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 30 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, CortiCare 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 30 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 30 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 the Administrator's determination the challenges. The Administrator will provide redacted copies of challenges to calculation of Workweeks and/or Pay Periods without any reference to the Class Member's name, contact information, or any other identifying information.

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 30 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 Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion¹⁵ ("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). The Administrator shall not provide the names, identity, or any other identifying information of any such Class Members to Plaintiff or Class Counsel, but shall instead provide only the number of Class Members on the Exclusion List.

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 provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

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

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

7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator 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, CortiCare estimates that, from July 2, 2019 to June 19, 2024, there are 36 Class Members and 4,844 Total Workweeks during the Class period. If the number of Workweeks worked by the Class Members during the Class Period is greater than 10% above that estimated by CortiCare (i.e., 5,328) based on the available records and reasonable extrapolation, then the Gross Settlement Amount shall be increased proportionately for each additional Workweek above the 10% buffer.

9. CORTICARE'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5 Class Members, CortiCare may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if CortiCare 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.

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 (I), 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 three business days prior to filing 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. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

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 CortiCare that any of the allegations in the Operative Complaint have merit or that CortiCare has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that CortiCare'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, CortiCare reserves the right to contest certification of any class for any reasons, and CortiCare 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 CortiCare'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, CortiCare 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, CortiCare 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. Plaintiff and Class Counsel agree not to discuss, answer questions about, promote, or publicize the settlement, this Agreement and its terms, or the negotiations leading up to this Agreement with anyone other than the Court, Class Members or those individuals necessary to effectuate the terms of this Agreement.

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 CortiCare, 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, CortiCare 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 CortiCare 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 records and Class Data received from CortiCare and shall certify this has been done, unless, prior to the Court's discharge of the Administrator's obligation, CortiCare 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:

Arrash T. Fattahi (SBN 333676)
afattahi@wilshirelawfirm.com
Arman A. Salehi (SBN 351112)
asalehi@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010

To CortiCare:

Mark J. Payne (SBN 157989)
mark.payne@troutman.com
Kristalyn F. Lee (SBN 300677)
kristalyn.lee@troutman.com
TROUTMAN PEPPER LOCKE LLP
100 Spectrum Center Dr., Suite 1500
Irvine, California 92618

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.

APPROVAL AND EXECUTION BY PARTIES

CLASS REPRESENTATIVE:

Dated: 3/12/2025

DocuSigned by:

3660D79EED70428...

Jessica Martinez
Plaintiff and Class Representative

DEFENDANT:

Dated: 3/3/2025

CortiCare, Inc.

David Roe

By: David C. Roe

Title: CEO

APPROVED AS TO FORM BY COUNSEL

CLASS COUNSEL:

Dated: 3/12/2025

WILSHIRE LAW FIRM

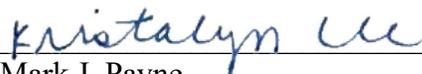


Arrash T. Fattahi
Arman A. Salehi
Attorneys for Plaintiff

DEFENSE COUNSEL:

Dated: March 13, 2025

Troutman Pepper Locke LLP



Mark J. Payne
Kristalyn Lee
Attorney for Defendants

Exhibit A

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

Jessica Martinez v. CortiCare, Inc.
Case No. 37-2023-00055906-CU-OE-CTL (San Diego County Superior Court)

***The San Diego County Superior Court authorized this notice.
It is not junk mail, spam, an advertisement, or solicitation by a lawyer.
Please read it carefully! You are not being sued.***

You may be eligible to receive money from an employee class and a representative action lawsuit (“Action”) against CortiCare, Inc. (“Defendant”) for alleged wage and hour violations. The Action was filed by former employee, Jessica Martinez, and seeks (1) alleged payment of back wages and other relief for a class of all persons who were employed by Defendant in California and classified as non-exempt employees (“Class Members”) during the Class Period (July 2, 2019 to October 3, 2024); and (2) alleged penalties under the California Private Attorney General Act (“PAGA”) for all persons who were employed by Defendant in California and classified as non-exempt employees during the PAGA Period (January 15, 2023 to October 3, 2024) (“Aggrieved Employees”)

The proposed Settlement has two main parts: (1) a Class settlement in which Defendant agrees to fund Individual Class Payments, and (2) a PAGA settlement in which Defendant agrees to fund Individual PAGA Payments and pay alleged PAGA Penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Defendant’s records, and the Parties’ current assumptions, **your estimated Individual Class Payment would be \$ [REDACTED] (less withholding) and your estimated Individual PAGA Payment would be \$ [REDACTED]**. 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 estimated Individual PAGA Payment, then according to Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] Workweeks during the Class Period and you worked [REDACTED] Pay Periods during the PAGA Period**. If you believe that you worked more during either period, you can submit a challenge by the deadline date. Note that you must have actually worked during the workweek or pay period for it to count towards your estimated Individual Class Payment or PAGA Payment. For example, workweeks in which you were on a leave or took vacation do not count.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval of the Settlement. Your legal rights are affected whether you act or do not act. **READ THIS NOTICE CAREFULLY.** You will be deemed to have 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 Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	Be eligible to receive an Individual Class Payment and a portion of the PAGA settlement (if eligible). Give up rights to sue Defendant for wage claims released as part of the Class and PAGA Settlement.
EXCLUDE YOURSELF	Receive no money from the Class settlement. You will retain the right to pursue your own legal claims against Defendant. However, even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.
OBJECT	If you do not exclude yourself from the Class Settlement, write to the Court about why you object to the Class Settlement. If the Settlement receives Final Approval, you will still receive an Individual Class Payment and a portion of the PAGA settlement (if eligible), and give up rights to sue Defendant for wage claims released in the Class and PAGA Settlement.
CHALLENGE YOUR NUMBER OF WORKWEEKS AND/OR PAY PERIODS	Challenge your number of Workweeks or Pay Periods listed in this Notice and provide supporting evidence. If you challenge your workweeks or pay periods, you will still be included as part of the Settlement and will give up rights to sue Defendant for wage claims released in the Class and PAGA Settlement.

BASIC INFORMATION

1. WHY AM I RECEIVING THIS NOTICE?

Defendant’s records indicate that you worked for Defendant at some point(s) between July 2, 2019 to October 3, 2024, and are therefore a member of the alleged Class for purposes of this Settlement.

You received this Notice because you have a right to know about a proposed Settlement of the Action, and about all of your options, before the Court decides whether to finally approve the Settlement. The Settlement will resolve all Class Members’ claims, which are described below, during the Class Period. The Settlement will also resolve claims for civil penalties brought under the California Private Attorneys’ General Act (“PAGA”). If you are a Class Member, you are also an “Aggrieved Employee” if you worked for Defendant during the “PAGA Period,” which is January 15, 2023 to October 3, 2024.

If the Court grants Final Approval of the Settlement, a settlement Administrator appointed by the Court will issue the payments provided for by the Settlement to Class Members. You are encouraged to always keep your address up to date with the Administrator (the Administrator’s contact information can be found in Section 12, below).

QUESTIONS? CALL **1-800-XXX-XXXX** TOLL FREE

This Notice package explains the allegations and background regarding the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive those benefits.

The Court in charge of the Action is the San Diego County Superior Court, and the case is titled, *Jessica Martinez v. CortiCare, Inc.*, Case No. 37-2023-00055906-CU-OE-CTL. The person who sued, Jessica Martinez, is the Plaintiff, and the company sued, CortiCare, Inc. is the Defendant.

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2. WHAT IS THE LAWSUIT ABOUT?

The Plaintiff in the lawsuit alleges wage and hour violations against Defendant for: (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; and (8) Unfair Business Practices. In addition, Plaintiff is seeking to recover civil penalties pursuant to PAGA (“PAGA Penalties”) based on the alleged violations of the California Labor Code listed above. Defendant strongly denies the allegations in the Action, denies violating any laws or failing to pay any wages, and contends that it complied with all applicable laws at all times, and therefore denies any wrongdoing.

Plaintiff has not proven these allegations, and the Court has not ruled on whether or to what extent any of these allegations are true.

3. WHY IS THIS A CLASS ACTION?

In an employment class action, one or more people called “Class Representatives” (in this case, the Plaintiff) sue on behalf of all workers who they contend have similar claims. All of these workers are a Class or Class Members. Plaintiff contends that bringing one lawsuit, as opposed to many small ones, saves money, time and court resources. A class action resolves the issues for all Class Members, except for those who exclude themselves from the Class Settlement.

4. WHY IS THERE A SETTLEMENT?

The Court has not decided in favor of the Plaintiff or Defendant on the merits of the claims alleged in the lawsuit. Instead, rather than continuing the expensive and time-consuming process of litigation, the Parties have agreed to a negotiated settlement, subject to the court’s final approval. The Settlement represents a compromise and settlement of highly disputed claims. The Plaintiff, as well as Plaintiff’s lawyers (called “Class Counsel”), believes the Settlement is fair and reasonable and in the best interests of all Class Members. By agreeing to the Settlement, Defendant does not admit any violations or concede the merit of any claims.

WHO IS INCLUDED IN THE SETTLEMENT?

5. WHO IS INCLUDED IN THE SETTLEMENT?

QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

If you received this Notice, you are a Class Member for settlement purposes. The Class includes: All persons who worked for Defendant in California as hourly, non-exempt employees at any time from July 2, 2019 to October 3, 2024.

6. ARE THERE EXCEPTIONS TO BEING INCLUDED?

You are not a Class Member if you already have resolved the claims asserted in this lawsuit, whether by settlement or a separate legal proceeding (i.e., another lawsuit).

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THE SETTLEMENT BENEFITS—WHAT YOU GET

7. WHAT DOES THE SETTLEMENT PROVIDE?

Defendant has agreed to pay a Gross Settlement Amount (“GSA”) of \$230,000.00 (Two Hundred and Thirty Thousand Dollars and Zero Cents) to settle the Action. From the GSA, Class Counsel will apply to the Court for attorneys’ fees of up to one-third of the GSA, currently estimated at \$76,666.66 and up to \$25,000.00 in costs; a Class Representative Service Payment of \$10,000.00 to Plaintiff (for Plaintiff’s work and efforts prosecuting this case); a PAGA Penalties payment of \$10,000.00 to resolve the PAGA claims; and Settlement Administration Costs to APEX Class Action Administration, not to exceed \$5,000.00. The exact amount of the Class Counsel’s attorneys’ fees and costs, Class Representative Service Payment, and Settlement Administration Costs will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement amount, the “Net Settlement Amount” or the “NSA,” is currently estimated to be approximately \$103,333.34. The NSA will be apportioned and paid out as Individual Class Payments to the Settlement Class Members, who are the Class Members that do not request to be excluded (“opt out”) of the Settlement.

PAGA Penalties payment: As part of the PAGA portion of the Settlement, the Parties will ask the Court to approve a \$10,000.00 PAGA Penalties payment in settlement of claims for alleged civil penalties under PAGA. As required under PAGA, 75% of the PAGA Penalties payment, or \$7,500.00, will be paid to the California Labor and Workforce Development Agency. The remaining 25% of the PAGA Penalties payment, or \$2,500.00, will be distributed to the Aggrieved Employees as Individual PAGA Payments.

8. HOW MUCH WILL MY PAYMENT BE?

An approximation of your Individual Class Payment appears on the first page of this Notice. If you are also an Aggrieved Employee, an approximation of your Individual PAGA Payment will also appear on the first page of this Notice.

Individual Class Payment: Your Individual Class Payment is based on the number Workweeks you worked, as represented in Defendant’s records, in comparison to the total number of Workweeks worked by all Class Members during the Class Period (July 2, 2019 to October 3, 2024). Sixty-seven percent

QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

(67%) of each Class Member's Individual Class Payment will be treated as a payment in settlement of the alleged claims for penalties and interest and will be reported on a Form 1099 by the Settlement Administrator, and thirty-three percent (33%) of each Class Member's Individual Class Payment will be treated as a payment in settlement of alleged claims for unpaid wages. The 67% allocated as alleged unpaid wages will be reduced by applicable payroll tax withholdings and deductions and reported on a Form W-2.

Individual PAGA Payment: If you worked for Defendant from January 15, 2023 to October 3, 2024 ("PAGA Period"), you are also an "Aggrieved Employee" and will receive an Individual PAGA Payment in addition to your Individual Class Payment. The Individual PAGA Payments are based on the number of PAGA Pay Periods worked by each Aggrieved Employee in comparison to the total amount of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period. One hundred percent (100%) of each Aggrieved Employees' Individual PAGA Payment will be characterized as penalties and will not be reduced by payroll tax withholdings and deductions. The Individual PAGA Payment will be reported on a Form 1099 by the Settlement Administrator. An approximation of your anticipated Individual PAGA Payment appears on the first page of this Notice.

For the Class Members who are also Aggrieved Employees, their Individual Class Payment will be combined with their Individual PAGA Payment, and they will receive a single check for the combined payments. If a Class Member chooses to opt-out of the Settlement, they will still receive an Individual PAGA Payment, as Aggrieved Employees cannot opt-out of the PAGA portion of the Settlement under California law.

HOW YOU GET A PAYMENT

9. HOW DO I RECEIVE A PAYMENT?

You do not need to do anything to receive a payment. However, if you believe that the number of Workweeks or PAGA Pay Periods you worked is incorrect, please correct it and provide any supporting evidence to the settlement Administrator, whose contact information is listed in Section 12 below.

10. WHEN WOULD I GET MY PAYMENT?

The Court will hold a Final Fairness Hearing on [REDACTED], to decide whether to approve the Settlement. If the Judge approves the Settlement, and anyone objects, there may be appeals. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. If there is no objection, the Effective Date of the Settlement will be the date of entry of the Court's Order granting final approval.

Following the Effective Date, Individual Class Payments and Individual PAGA Payments will be mailed to Participating Class Members and Aggrieved Employees approximately 45 days after the Court's approval of the Settlement becomes final so long as there are no appeals.

Settlement checks should be cashed promptly upon receipt. Proceeds of checks which remain uncashed after 180 days from the date of issuance will be forwarded to the California Controller's Unclaimed Property Fund in your name. If your settlement check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

For an update on the status of payments, please contact the Settlement Administrator (see Section 12).

11. WHAT AM I GIVING UP TO GET A PAYMENT?

If the Court approves this Settlement and unless you exclude yourself, you will become a Participating Class Member, and that means that you cannot sue, continue to sue, or be part of any other lawsuit against Defendant concerning the legal claims being resolved in this Settlement. Specifically, you will be giving up or “releasing” the Released Class Claims described below against Defendant and all of Defendant’s former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, parents, subsidiaries, and affiliates (“Released Parties”). The releases become effective once the GSA is fully funded by Defendant.

Released Class Claims: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint, the PAGA Notice, and ascertained in the course of the Action, including, any and all claims involving any alleged 1. Failure to Pay Minimum Wages; 2. Failure to Pay Overtime; 3. Failure to Provide Meal Periods; 4. Failure to Provide Rest Breaks; 5. Failure to Timely Pay Final Wages; 6. Failure to Provide Accurate Wage Statements; 7. Failure to Reimburse Business Expenses; and 8. Unfair Competition. Except as set forth in Section 5.3 of the Class Action and PAGA 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.

Released PAGA Claims: All Aggrieved Employees, including but not limited to Non-Participating Class Members, 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, the PAGA Notice, and ascertained in the course of the Action including, any and all claims involving any alleged 1. Failure to Pay Minimum Wages; 2. Failure to Pay Overtime; 3. Failure to Provide Meal Periods; 4. Failure to Provide Rest Breaks; 5. Failure to Timely Pay Final Wages; 6. Failure to Provide Accurate Wage Statements; and 7. Failure to Reimburse Business Expenses.

EXCLUDING YOURSELF FROM THE SETTLEMENT

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

To exclude yourself from the Settlement, you must send the Settlement Administrator a written and signed request for exclusion that reasonably communicates your election to be excluded from the Class Settlement, which must be postmarked no later than 30 days after Class Notice is mailed (plus an additional 14 days for Class members whose Class Notice is re-mailed). Your written request must include your name, address, and email address or telephone number. You can send your request for exclusion to the settlement Administrator at:

QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

APEX Class Action Administration
Jessica Martinez v. CortiCare, Inc.

XXXXX
City, State, XXXXX
Email:

If you ask to be excluded from the Settlement, you will not be legally bound by anything that happens in the Action, except as it relates to settlement of the PAGA claim. If you ask to be excluded from the Settlement you will not be able to object to the Settlement and you will not receive an Individual Class Payment, but you will still receive an Individual PAGA Payment if you worked for Defendant during the PAGA Period (January 15, 2023 to October 3, 2024).

13. IF I DON'T EXCLUDE MYSELF, CAN I SUE DEFENDANT FOR THE SAME THING LATER?

No. Unless you exclude yourself, you give up any right to sue Defendant for the claims that this Settlement resolves, including any pending lawsuits. The exclusion deadline is 30 days after Class Notice is mailed (plus an additional 14 days for Class members whose Class Notice is re-mailed).

14. IF I EXCLUDE MYSELF, CAN I GET MONEY FROM THIS SETTLEMENT?

Not unless you worked during the PAGA Period. If you timely exclude yourself, you will not receive any Individual Class Payment, but you will retain the right to pursue your own claims against Defendant, if you desire. Even if you exclude yourself from the Class settlement, you will still receive a portion of the PAGA settlement and be bound by it if you worked during the PAGA Period.

THE LAWYERS REPRESENTING YOU IN THIS LAWSUIT

15. DO I HAVE A LAWYER IN THIS CASE?

The Court has determined that Wilshire Law Firm is qualified to represent you and the Class Members in the lawsuit. These lawyers are called Class Counsel and their contact information is listed below. If you want to be represented by your own lawyer, you may hire one at your own expense.

Arrash T. Fattahi
arrash.fattahi@wilshirelawfirm.com
Arman A. Salehi
arman.salehi@wilshirelawfirm.com
WILSHIRE LAW FIRM
3055 Wilshire Blvd., 12th Floor
Los Angeles, California 90010
Telephone: (213) 784-3830
Facsimile: (213) 381-9989

QUESTIONS? CALL [1-800-XXX-XXXX](tel:1-800-XXX-XXXX) TOLL FREE

6. HOW WILL THE LAWYERS BE PAID?

Class Counsel will ask the Court to approve up to one-third (1/3) of the GSA (currently estimated at \$76,666.66) for attorneys' fees incurred in investigating the facts, litigating the case, and negotiating the Settlement. Class Counsel will also seek Court-approval of up to \$25,000.00 in litigation expenses incurred in this matter. The Court may award Class Counsel less than what they request. Class Counsel will also ask the Court to approve a Class Representative Service Payment to Plaintiff Jessica Martinez in the amount of \$10,000.00, in addition to Plaintiff's Individual Class Payment and Individual PAGA Payment for the initiative, risk, and time and energy Plaintiff has spent in service to the Class as the Class Representative. The Court may award the Class Representative less than what is requested.

OBJECTING TO THE SETTLEMENT

You can and have the right to tell the Court you do not agree with the Settlement or some part of it.

17. HOW DO I TELL THE COURT THAT 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 Defendant are asking the Court to approve. If you disagree with any aspect of the Settlement (for example, you do not believe the proposed Settlement is fair or the amounts requested by Class Counsel are too high or too low), you can object to some or all of the Settlement. You can either object to the Settlement in person at the Final Approval Hearing or you can submit a written objection. Written objections and notices of intent to appear at the Final Approval Hearing must be mailed to the Settlement Administrator and postmarked on or before the Response Deadline, which is 30 days after Class Notice is mailed (plus an additional 14 days for Class members whose Class Notice is re-mailed), at the following address:

APEX Class Action Administration
Jessica Martinez v. CortiCare, Inc.

XXXXXX

City, State, XXXXX

Email:

The written objection should the Action (*Jessica Martinez v. CortiCare, Inc.*, Case No. 37-2023-00055906-CU-OE-CTL) and state your name and address and describe all legal and factual reasons that you object to the terms of the Settlement. You should also include or attach any documents upon which your objection is based. If the Court overrules the objection at the Final Approval hearing, the Settlement Agreement will be approved, and you will be considered a Participating Class Member. If you do not submit a written objection, you may still appear at the Final Approval hearing to voice your objection or to otherwise observe the proceedings.

18. WHAT'S THE DIFFERENCE BETWEEN OBJECTING AND REQUESTING EXCLUSION?

Objecting is simply telling the Court that you do not agree with something about the Settlement. You can object only if you stay in the Class.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

Requesting exclusion is telling the Court that you do not want to be part of the Class. If you exclude yourself, you have no basis to object because the case no longer affects you, and you are not eligible to receive an Individual Class Payment as part of this Settlement. If you submit both an objection and a request to be excluded from the Settlement, the request to be excluded will control and you will not get receive an Individual Class Payment from this Settlement.

THE COURT'S FAIRNESS HEARING

The Court will hold a Final Approval Hearing to decide whether to approve the Settlement. You may attend and you may ask to speak, but you don't have to.

19. WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE SETTLEMENT?

The Court will hold a Final Approval Hearing at [REDACTED] on [REDACTED] in Department C-71 of the San Diego County Superior Court, Hall of Justice, located at 330 West Broadway, San Diego, CA 92101 to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. If there are objections, the Court will consider them at that time. The Court will also be asked to approve the requests for the Class Representative Service Payment, the Class Counsel Fees and Litigation Expenses Payments, and the Settlement Administration Costs.

20. DO I HAVE TO COME TO THE HEARING?

No. Class Counsel will answer questions the Court may have. However, you are welcome to attend. If you send an objection, you do not have to come to the Court to talk about it. As long as you mailed your written objection to the settlement administrator on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

IF YOU DO NOTHING

21. WHAT IF I DO NOTHING AT ALL?

If you do nothing, you will receive a Settlement payment, and you will be bound by the terms of Settlement, which means that you will not be able to start a lawsuit, continue a lawsuit, or be a part of any other lawsuit against the Defendant about the Released Class Claims or the Released PAGA Claims.

GETTING MORE INFORMATION

22. HOW DO I GET MORE INFORMATION?

You may contact Class Counsel at the contact information listed above in Section 15 if you have any questions about the Settlement. You may also contact the Court-appointed Settlement Administrator, APEX Class Action Administration, by calling toll free 1-800 [REDACTED], or you can write to the Administrator at the following address:

APEX Class Action Administration

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

Jessica Martinez v. CortiCare, Inc.

XXXXX

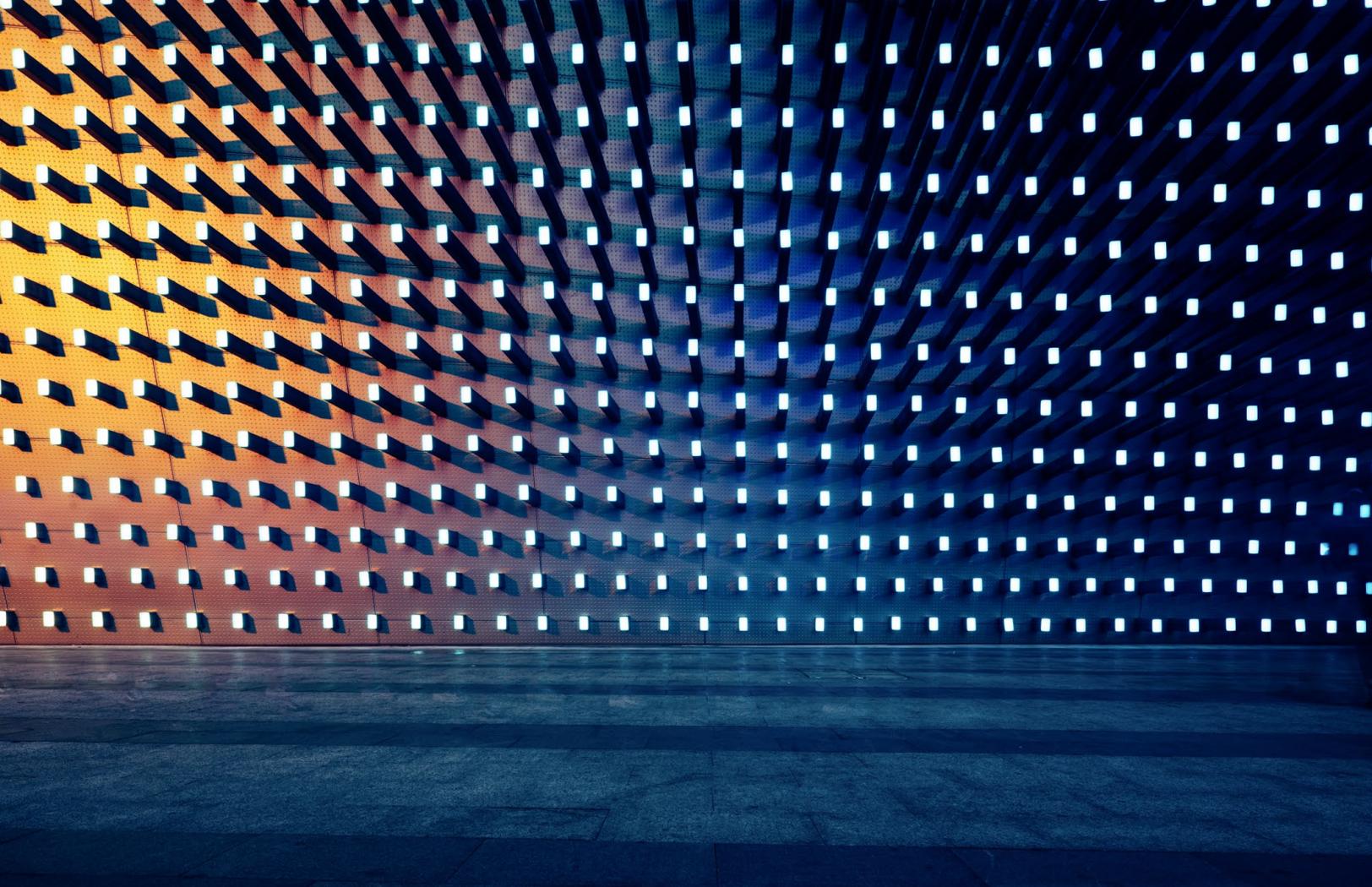
City, State, XXXXX

Email:

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS. YOU MAY, HOWEVER, CALL CLASS COUNSEL OR THE SETTLEMENT ADMINISTRATOR, LISTED ABOVE.

QUESTIONS? CALL 1-800-XXX-XXXX TOLL FREE

Exhibit 3



ELM Solutions

2022 Real Rate Report[®]

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

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Report Use Considerations

2022 Real Rate Report

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

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

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

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

Some key factors¹ that drive rates²:

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

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

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

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

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

¹ David Goguen, J.D., University of San Francisco School of Law (2020) Guide to Legal Services Billing Retrieved from: <https://www.lawyers.com/legal-info/research/guide-to-legal-services-billing-rates.html>

² Source: 2018 RRR. Factor order validated in multiple analyses since 2010

Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2022

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Matter Type

2022 - Real Rates for Associate and Partner

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Associate

Trend Analysis - Mean

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

Section I: High-Level Data Cuts

Cities

By Years of Experience

2022 - Real Rates for Partner

Trend Analysis - Mean

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

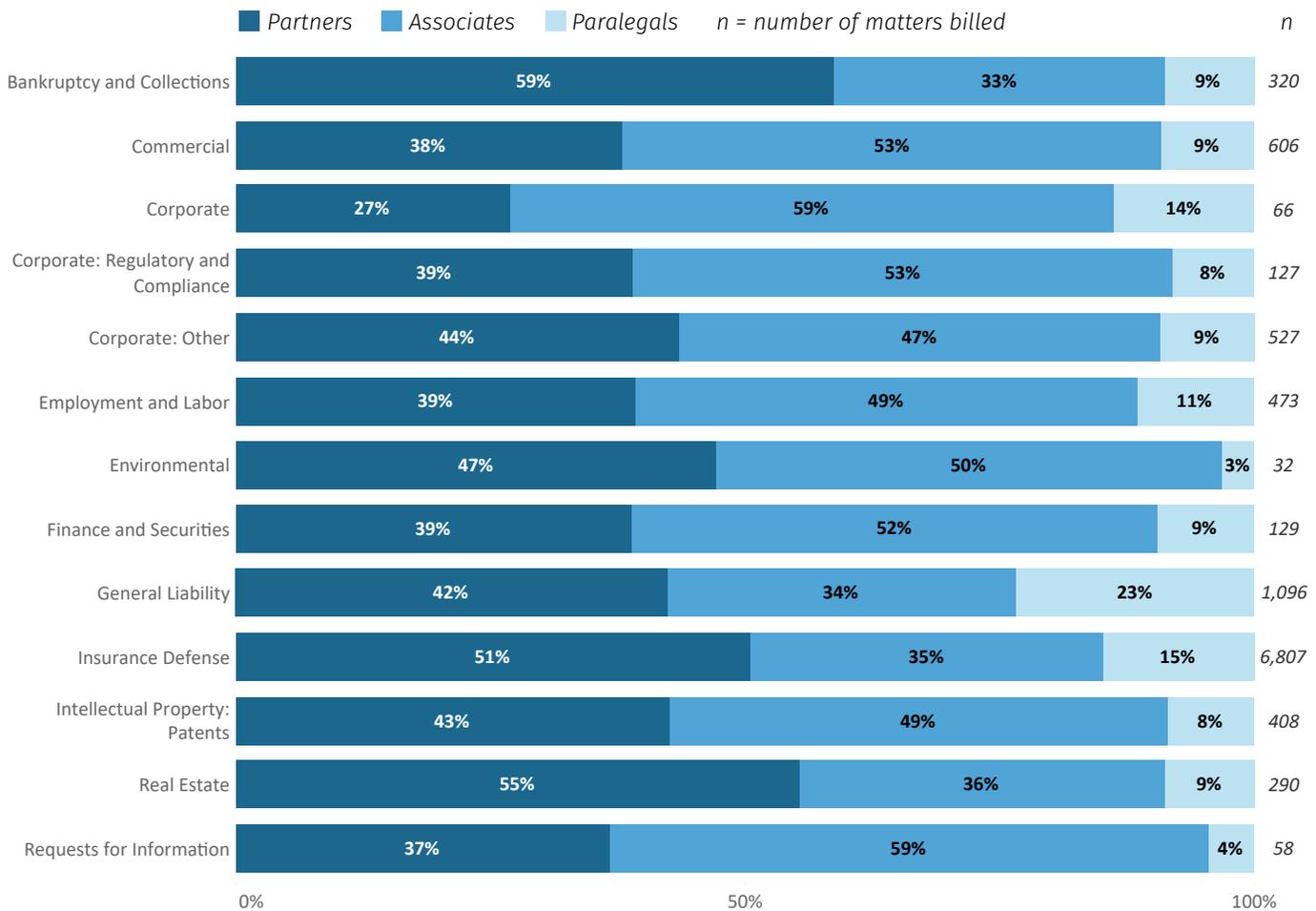
Section VI: Matter Staffing Analysis

All data and analysis based on
data collected thru Q2 2022

Section VI: Matter Staffing Analysis

Long Litigation Matters, More Than 100 Total Hours Billed

2019 to 2022 -- Percentage of Hours Billed per Matter



Section VII: Data Methodology

All data and analysis based on
data collected thru Q2 2022

Appendix: Data Methodology

Invoice Information

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

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

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

Non-Invoice Information

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

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

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

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

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

Appendix: Data Methodology

A Note on US Cities

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

Appendix: Data Methodology

Bankruptcy and Collections

Chapter 11	General/Other
Collections	Workouts and Restructuring

Commercial (Commercial Transactions and Agreements)

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

Corporate¹

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

Employment and Labor

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

Environmental

General/Other	Superfund
Health and Safety	Waste/Remediation

Finance and Securities

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

General Liability

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

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

Exhibit 4

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Business & Practice

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

By Roy Strom

Column

June 9, 2022, 2:30 AM

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

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

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

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

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

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

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

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

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

Charge It Up

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

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

Source: Court documents

Bloomberg Law

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Worth Your Time

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

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

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



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

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Documents

[Trustee's Objection](#)

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