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13 GRACE HOLMES, INC.

14
15 SUPERIOR COURT OF THE STATE OF CALIFORNIA
16 FOR THE COUNTY OF SANTA CLARA
17 COMPLEX CIVIL LITIGATION

18 LUIS MADRIZ-RIVAS, individually, and
on behalf of all others similarly situated,

19 *Plaintiff,*

20 vs.

21 GRACE HOLMES, INC., a Delaware
22 corporation; and DOES 1 through 10,
inclusive,

23 *Defendants.*

Case No. 24CV446239

ASSIGNED FOR ALL PURPOSES TO:
Hon. Charles F. Adams, Department 7

PAGA SETTLEMENT AGREEMENT

1 This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Luis
2 Madriz-Rivas (“Plaintiff”) and Defendant Grace Holmes, Inc. (“Defendant”). The Agreement
3 refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

4 **1. DEFINITIONS.**

5 1.1 “Action” means Plaintiff’s lawsuit alleging class and representative action wage and
6 hour violations against Defendant captioned *Madriz-Rivas v. Grace Holmes, Inc.*, Case No.
7 24CV446239, filed on August 30, 2024 in Santa Clara County Superior Court; and includes the
8 First Amended Complaint filed on July 28, 2025.

9 1.2 “Administrator” means Phoenix Settlement Administrators, Inc., the neutral entity the
10 Parties have agreed to appoint to administer the Settlement.

11 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid
12 from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance
13 with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval
14 of this Settlement.

15 1.4 “Aggrieved Employee(s)” means all individuals who worked for Defendant as a non-
16 exempt, hourly employee in California during the PAGA Period.

17 1.5 “Aggrieved Employee Data” means data in Defendant’s possession containing each
18 Aggrieved Employee’s name, last-known mailing address, Social Security number, and number
19 of PAGA Pay Periods that such Aggrieved Employee worked during the PAGA Pay Period.

20 1.6 “Aggrieved Employee Address Search” means the Administrator’s investigation and
21 search for Aggrieved Employees’ mailing addresses using all reasonably available sources,
22 methods, and means including, but not limited to, the National Change of Address database, skip
23 traces, and direct contact by the Administrator with Aggrieved Employees.

24 1.7 “Approval Order” means the Court Order Granting Approval of PAGA Settlement.

25 1.8 “Complaint” means, collectively, the Class Action Complaint filed on August 30, 2024,
26 and the First Amended Complaint for Civil Penalties under PAGA filed on July 28, 2025.

27 1.9 “Court” means the Superior Court of California, County of Santa Clara.

28 1.10 “Defendant” means Defendant Grace Homes, Inc.

1 1.11 "Defense Counsel" means Andrew Lichtenstein and Satoru Nagano of Littler Mendelson
2 P.C.

3 1.12 "Effective Date" means the date when all of the following events have occurred: (i) the
4 PAGA Settlement Agreement has been executed by Plaintiff, Defendant, PAGA Counsel, and
5 Defense Counsel; (ii) Notice of the Settlement has been sent to the LWDA; (iii) the Court has
6 given approval to the Settlement; (iv) the Court has entered the Court's Final Order and Judgment;
7 and (v) the Settlement is Final. The Settlement is "Final" when the last of the following events
8 occur: (A) the period for filing any appeal, writ or other appellate proceeding opposing the
9 Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed;
10 (B) any appeal, writ or other appellate proceeding opposing the Settlement has been dismissed
11 finally and conclusively with no right to pursue further remedies or relief; or (C) the Court's final
12 order and judgment has been upheld in any appeal, writ or other appellate proceeding with no
13 right to pursue further challenges to the Settlement. If the Court declines to approve the
14 Settlement, the entire PAGA Settlement Agreement is deemed void and unenforceable as if no
15 settlement of any claim was ever reached. All negotiations, statements and proceedings and data
16 relating thereto shall be protected by California Evidence Code Section 1152 and shall be without
17 prejudice to the rights of any of the Parties.

18 1.13 "Enhancement Award" means the service award requested by Plaintiff, in an amount not
19 to exceed \$5,000, subject to Court approval, to compensate Plaintiff in connection with the
20 Action. The Enhancement Award is separate from any Individual PAGA Payment the Plaintiff
21 may receive as an Aggrieved Employee and will be reported on an IRS Form 1099.

22 1.14 "Final Disbursement" means the point at which: (a) all checks for Individual PAGA
23 Payments, the LWDA PAGA Payment, the Administration Costs Payment, the PAGA Counsel
24 Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Enhancement Award
25 have been mailed or otherwise distributed; (b) all re-mailing efforts required under Section 4 have
26 been completed; (c) the Void Date for all Individual PAGA Payment checks has passed; and (d)
27 all uncashed checks have been canceled and any amounts required to be transmitted to the
28 California State Controller's Unclaimed Property Fund have been remitted.

1 1.15 "Gross Settlement Amount" means (\$225,000.00), which is the total amount Defendant
2 agrees to pay under the Settlement, except to the extent Defendant elects to increase the Gross
3 Settlement Amount in accordance with Section 7 below.

4 1.16 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35%
5 of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during
6 the PAGA Period.

7 1.17 "Judgment" means the judgment entered by the Court based upon the Approval Order.

8 1.18 "LWDA" means the California Labor and Workforce Development Agency, the agency
9 referenced under Labor Code section 2699.

10 1.19 "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA
11 under Labor Code section 2699, subd. (m).

12 1.20 "Net Settlement Amount" means the Gross Settlement Amount, less the following
13 payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Counsel
14 Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses
15 Payment. The Net Settlement Amount is to be paid to Aggrieved Employees as Individual PAGA
16 Payments.

17 1.21 "PAGA Counsel" means John G. Yslas, William M. Pao of Wilshire Law Firm, PLC.

18 1.22 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment"
19 mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees
20 and expenses, respectively, incurred to prosecute the Action.

21 1.23 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee
22 worked for Defendant for at least one day during the PAGA Period.

23 1.24 "PAGA Period" means the period from June 20, 2023 through the date of approval of
24 the settlement.

25 1.25 "PAGA" means the Labor Code Private Attorneys General Act of 2004 (Labor Code §§
26 2698 *et seq.*).

27 1.26 "PAGA Notice" means Plaintiff's June 20, 2024 letter to the LWDA and Defendant
28 providing notice pursuant to Labor Code section 2699.3, subd.(a).

1 1.27 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the
2 Gross Settlement Amount after deducting Plaintiff's Enhancement Award, PAGA Counsel Fees
3 Payment, and Administration Expenses Payment, which will be allocated 35% to the Aggrieved
4 Employees and 65% to the LWDA in settlement of PAGA claims.

5 1.28 "Plaintiff" means Luis Madriz-Rivas, the named plaintiff in the Action.

6 1.29 "Released PAGA Claims" means the claims being released as described in Section 5.3
7 below.

8 1.30 "Released Parties" means Defendant, Defendant's parent, subsidiary, and/or affiliated
9 entities (including, without limitation, J. Crew), and each of their former and present directors,
10 officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns.

11 1.31 "Settlement" means the disposition of the Actions effected by this Agreement and the
12 Judgment.

13 **2. RECITALS.**

14 2.1 On August 30, 2024, Plaintiff filed a Class Action Complaint alleging causes of action
15 against Defendant for (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay
16 Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest
17 Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate
18 Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to
19 Produce Requested Employment Records; and (9) Unfair Business Practices. On July 28, 2025,
20 Plaintiff filed a First Amended Complaint adding a cause of action for civil penalties pursuant to
21 PAGA. Defendant denies the allegations in the Complaint, denies any failure to comply with the
22 laws identified in the Complaint and denies any and all liability for the causes of action alleged.

23 2.2 Pursuant to Labor Code §§2699.3(a)-(c), on June 20, 2024, Plaintiff gave timely written
24 notice to Defendant and the LWDA by sending the PAGA Notice.

25 2.3 On November 17, 2025, the Parties participated in an all-day mediation presided over
26 by Nikki Tolt, as a result of which the Parties reached the settlement memorialized in this
27 Agreement.

28 2.4 Prior to mediation, Plaintiff obtained, through informal discovery, a representative

1 sampling of time and payroll data for Aggrieved Employees and the necessary policy documents.

2 2.5 The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of
3 any other pending matter or action asserting claims that will be extinguished or affected by the
4 settlement.

5 **3. MONETARY TERMS.**

6 3.1 Gross Settlement Amount. Defendant promises to pay \$225,000 and no more as the
7 Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior
8 to the deadline stated in Section 4.3 of this Agreement. The Administrator will disburse the entire
9 Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim
10 as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

11 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct
12 the following payments from the Gross Settlement Amount, in the amounts specified by the Court
13 in the Approval Order:

14 3.2.1 To Plaintiff: A payment for the Enhancement Award to Plaintiff of not more than
15 \$5,000.00 in addition to any Individual PAGA Payment the Plaintiff is entitled to receive as an
16 Aggrieved Employee. Defendant will not oppose Plaintiff's request for an Enhancement Award
17 that does not exceed this amount. As part of the motion for the PAGA Counsel Fees and Litigation
18 Expenses Payments, Plaintiff will seek Court approval for any Enhancement Award no later than
19 sixteen (16) court days prior to the Approval Hearing, or as otherwise ordered by the Court. If the
20 Court approves an Enhancement Award less than the amount requested, the Administrator will
21 include the remainder in the Net Settlement Amount to be distributed to the Aggrieved
22 Employees. The Administrator will pay the Enhancement Award using an IRS Form 1099.
23 Plaintiff assumes full responsibility and liability for employee taxes owed on the Enhancement
24 Award.

25 3.2.2 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of
26 the Gross Settlement Amount, which is \$75,000.00 and a PAGA Counsel Litigation Expenses
27 Payment for actual costs, not to exceed \$22,000.00 (twenty-two thousand dollars with zero cents).
28 Defendant will not oppose requests for these payments. Plaintiff and/or PAGA Counsel will file

1 a motion for PAGA Counsel Fees Payment no later than sixteen (16) court days prior to the
2 Approval Hearing, or as otherwise ordered by the Court. If the Court approves a PAGA Counsel
3 Fees Payment less than the amounts requested, the Administrator will allocate the remainder to
4 the Net Settlement Amount for distribution to Aggrieved Employees. Released Parties shall have
5 no liability to PAGA Counsel or any other Plaintiff's counsel arising from any claim to any
6 portion of PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The
7 Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment
8 using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for
9 taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses
10 Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or
11 controversy regarding any division or sharing of any of these Payments. Any decision by the
12 Court regarding the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses
13 Payment, or the Enhancement Award shall not impair the enforceability of the Agreement.

14 3.2.3 To the Administrator: An Administrator Costs Payment not to exceed \$7,500.00,
15 except for a showing of good cause and as approved by the Court. To the extent the
16 Administration Costs are less or the Court approves payment of less than \$7,500.00, the
17 Administrator will retain the remainder in the Net Settlement Amount to be distributed to
18 Aggrieved Employees.

19 3.2.4 To the LWDA and Aggrieved Employees: After deducting Plaintiff's Enhancement
20 Awards, PAGA Counsel's Fees Payment, and Administration Expenses Payment, the amount
21 remaining from the Gross Settlement Amount shall be allocated to the resolution of claims for
22 civil penalties arising under PAGA ("PAGA Penalties"). Pursuant to PAGA, 65% of the PAGA
23 Penalties payment shall be paid to the LWDA, and 35% of the PAGA Penalties payment shall
24 constitute the Net Settlement Amount to be paid pro-rata by pay periods to all Aggrieved
25 Employees who worked during the PAGA Period as Individual PAGA Payments. All Individual
26 PAGA Payments will be allocated 100% to the settlement of claims for statutory penalties and
27 shall be reported on an IRS Form 1099 by the Settlement Administrator.

28 3.2.4.1 The Administrator will calculate each Individual PAGA Payment by (a)

1 dividing the amount of the Net Settlement Amount by the total number of PAGA Period Pay
2 Periods worked by all Aggrieved Employees during the PAGA Period, and (b) multiplying the
3 result by the PAGA Pay Periods worked by the individual Aggrieved Employee during the PAGA
4 Period. Aggrieved Employees assume full responsibility and liability for any taxes owed on their
5 Individual PAGA Payment.

6 3.2.4.2 The Administrator will report the Individual PAGA Payments on IRS 1099
7 Forms.

8 3.2.4.3 The Parties agree that if the Court approves PAGA Counsel Fees Payment,
9 PAGA Counsel Litigation Expenses, or Plaintiff's Individual PAGA Payment in an amount less
10 than that requested, or denies all or any of such payments in their entirety, such decision shall not
11 constitute a material modification of this Agreement and shall not otherwise affect the validity or
12 enforceability of the Settlement.

13 **4. SETTLEMENT FUNDING AND PAYMENTS.**

14 4.1 Aggrieved Employee Pay Periods. Based on a review of its records, Defendant
15 represents that Aggrieved Employees who worked a total of 14,088 PAGA Pay Periods during
16 the PAGA Period.

17 4.2 Aggrieved Employee Data. Not later than sixty (60) days after the Effective Date,
18 Defendant will deliver the Aggrieved Employee Data to the Administrator, in the form of a
19 Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator
20 must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data
21 only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved
22 Employee Data to Administrator employees who need access to the Aggrieved Employee Data to
23 effect and perform under this Agreement. Defendant must notify PAGA Counsel if it discovers
24 that the Aggrieved Employee Data omitted Aggrieved Employee identifying information and to
25 provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. The
26 Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or
27 otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

28 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement

1 Amount by transmitting the funds to the Administrator no later than thirty (30) days after the date
2 the Administrator acknowledges receipt of the Aggrieved Employee Data from Defendant and
3 confirms such data is sufficient to issue the Individual PAGA Payments.

4 4.4 Payments from the Gross Settlement Amount. Within ten (10) days after Defendant fully
5 funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA
6 Payments, the LWDA PAGA Payment, the Administration Costs Payment, the PAGA Counsel
7 Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Enhancement Award.
8 Disbursement of the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses
9 Payment, and the Enhancement Award shall not precede disbursement of Individual PAGA
10 Payments.

11 4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send
12 them to the Aggrieved Employees via First Class U.S. Mail. The face of each check shall
13 prominently state the date (180 days after the date of mailing) when the check will be voided
14 (“Void Date”). The Administrator will cancel all checks not cashed by the Void Date. The
15 Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees who
16 qualify as Aggrieved Employees. Before mailing any checks, the Settlement Administrator must
17 update the recipients’ mailing addresses using the National Change of Address Database.

18 4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all
19 other Aggrieved Employees whose checks are returned undelivered without USPS forwarding
20 address. Within seven (7) days of receiving a returned check, the Administrator must re-mail
21 checks to the USPS forwarding address provided or to an address ascertained through the
22 Aggrieved Employee Address Search. The Administrator need not take further steps to deliver
23 checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The
24 Administrator shall promptly send a replacement check to any Aggrieved Employee whose
25 original check was lost or misplaced, if such is requested by the Aggrieved Employee prior to the
26 Void Date.

27 4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed
28 and canceled after the Void Date, the Administrator shall transmit the funds represented by such

1 checks to California Controller's Unclaimed Property Fund in the name of the employee. As all
2 unclaimed Individual PAGA Payment amounts are remitted to the California Controller's
3 Unclaimed Property Fund following cancellation, there will be no residual funds resulting from
4 uncashed or unclaimed checks, and no unpaid residue will exist as a result of this Settlement
5 within the meaning of California Code of Civil Procedure section 384.

6 4.4.4 The payment of Individual PAGA Payments shall not obligate Defendant to confer
7 any additional benefits or make any additional payments to Aggrieved Employees (such as 401(k)
8 contributions or bonuses) beyond those specified in this Agreement.

9 **5. RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the Gross
10 Settlement Amount, Plaintiff, Aggrieved Employees, and PAGA Counsel will release claims
11 against all Released Parties as follows:

12 5.1 Plaintiff's Release. Plaintiff discharges Released Parties from any and all claims,
13 actions, causes of action, rights, suits, debts, contracts, obligations, agreements, proceedings,
14 damages, charges, losses, and expenses (including attorneys' fees and costs) of any nature
15 whatsoever, whether based in contract, federal, state, or local statute, or the common law, relating
16 to any matters of any kind, whether known or unknown, suspected or unsuspected, that Plaintiff
17 may possess arising from any omissions, acts, and any and all events or facts that have occurred
18 up until and including the date of the signing of this Agreement that Plaintiff may have or claim
19 to have against any Released Parties, as well as their members, owners, employees, officers,
20 agents, affiliates, and insurers. In connection with said release, Plaintiff shall waive all rights
21 under California Civil Code section 1542 and any other provision of law that may restrict the
22 release of unknown claims, as further set forth in Section 5.2 below. Plaintiff agrees that this
23 release is effective regardless of whether any Individual PAGA Payment ultimately approved for
24 or distributed to Plaintiff, and that Plaintiff's Enhancement Award constitutes full and adequate
25 consideration for this Release. Plaintiff's Release does not extend to any claims or actions to
26 enforce this Agreement, or to any claims for vested retirement benefits, vested equity awards,
27 unemployment benefits, disability benefits, social security benefits, or workers' compensation
28 benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law

1 different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true
2 but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects,
3 notwithstanding such different or additional facts or Plaintiff's discovery of them, and
4 acknowledges that this Release is a material, bargained-for term of the Parties' Settlement.

5 5.2 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
6 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights,
7 and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

12 5.3 Release by Aggrieved Employees: All Aggrieved Employees will release any and all
13 claims under PAGA that were alleged or could have been alleged, based on the facts, legal
14 theories, pay practices, policies, and/or omissions alleged in the Complaint and in the PAGA
15 Notice. This includes, without limitation, all PAGA claims for civil penalties predicated on
16 alleged violations of any Labor Code provisions referenced in the Complaint or the PAGA Notice,
17 or arising from the same alleged facts during the PAGA Period, whether known or unknown,
18 suspected, or unsuspected. The Released PAGA Claims are those that accrued during the PAGA
19 Period. In accordance with this release, the res judicata effect of the Judgment shall bar all
20 Released PAGA Claims by Aggrieved Employees and the State of California for the PAGA
21 Period.

22 5.4 Release by PAGA Counsel: PAGA Counsel releases on behalf of their present and
23 former attorneys, employees, agents, successors, and assigns the Released Parties from all claims
24 for PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment incurred
25 in connection with the Complaint and the PAGA Period facts states in the Complaint.

26 **6. SETTLEMENT ADMINISTRATION.**

27 6.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement
28 Administrators, Inc. to serve as the Administrator and verified that, as a condition of appointment,

1 the Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties
2 specified in this Agreement in exchange for payment of Administration Costs. The Parties and
3 their Counsel represent that they have no interest or relationship, financial or otherwise, with the
4 Administrator other than a professional relationship arising out of prior experiences administering
5 settlements.

6 6.2 Employer Identification Number. The Administrator shall have and use its own
7 Employer Identification Number for tax purposes and for providing reports to state and federal
8 tax authorities.

9 6.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
10 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
11 section 468B-1 for the funding of the Gross Settlement Amount. Any interest that accrues on the
12 Gross Settlement Amount sums paid into the QSF prior to distribution by the Administrator will
13 become part of the NSA for distribution to Aggrieved Employees.

14 6.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
15 performed or observed by the Administrator contained in this Agreement or otherwise.

16 6.5 Final Report by Settlement Administrator. Within ten (10) days after the Final
17 Disbursement, the Administrator will provide PAGA Counsel and Defense Counsel with a final
18 report detailing its disbursements by employee identification number only of all payments made
19 under this Agreement. At least fifteen (15) days before any deadline set by the Court, the
20 Administrator will prepare, and submit to PAGA Counsel and Defense Counsel, a signed
21 declaration suitable for filing in Court attesting to its disbursement of all payments required under
22 this Agreement. PAGA Counsel is responsible for filing the Administrator's declaration in Court.

23 7. ESCALATOR CLAUSE. Based on its records, Defendant represents there are a total of
24 14,088 PAGA Pay during the PAGA Period. If, on final calculation, the total number of Pay
25 Periods worked by Aggrieved Employees during the PAGA period is more than 15% greater than
26 the current pay periods, i.e. exceeds 16,201 pay periods (the "Escalation Threshold"), then
27 Defendant, at is option, can choose to either (1) increase the Gross Settlement Amount
28 proportionally by the number of pay periods worked in excess of the Escalation Threshold, or (2)

1 end the PAGA Period on the date that the total number of pay periods in the PAGA Period
2 exceeded the Escalation Threshold. For example, if the final number of total pay periods worked
3 by Aggrieved Employees during the PAGA Period exceeds the current pay periods by 20% (i.e.
4 equals 16,906 Pay Periods), the Gross Settlement Amount will either increase by 5%, or the
5 PAGA Period will end on the date that the total number of Pay Periods in the PAGA Period
6 exceeded 16,201. If this provision is triggered, and Defendant elects to increase the Gross
7 Settlement Amount, the Parties agree that the portion of the Gross Settlement Amount allocated
8 to attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains
9 one-third of the Gross Settlement Amount after the upward adjustment.

10 **8. MOTION FOR APPROVAL.** Not later than sixteen (16) court days before the calendared
11 Approval Hearing, unless otherwise scheduled by the Court, Plaintiff will file in Court, a Motion
12 for Approval of the Settlement that includes a request for approval of the PAGA settlement under
13 Labor Code section 2699, subd. (s)(2); a Proposed Approval Order; and a proposed Judgment
14 (collectively "Motion for Approval"). Plaintiff shall provide drafts of these documents to Defense
15 Counsel at least three (3) calendar days prior to filing the Motion for Approval. PAGA Counsel
16 and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good
17 faith, to resolve any disagreements concerning the Motion for Approval.

18 **8.1 Duty to Cooperate.** If the Court does not grant approval or conditions approval on any
19 material change to the Settlement, the Parties will expeditiously work together in good faith to
20 address the Court's concerns by revising the Agreement as necessary to obtain an Approval Order.
21 The Court's decision to award less than the amounts requested for the Enhancement Award,
22 PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and/or
23 Administrator Costs Payment shall not constitute a material modification to the Agreement within
24 the meaning of this paragraph. Under no circumstances will Defendant be required to pay
25 additional monies beyond the Gross Settlement Amount. The Gross Settlement Amount, the Net
26 Settlement Amount, and the release of Plaintiff and of Aggrieved Employees are material and
27 essential to the settlement of the Action. If any of these terms are modified by the Court, to include
28 any scenario where Defendant is required to pay additional monies beyond the Gross Settlement

1 Amount, Defendant shall have the option to revoke the Settlement.

2 8.2 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
3 Court will retain jurisdiction over the Parties, the Actions, and the Settlement for purposes of (i)
4 enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and
5 (iii) addressing such post-Judgment matters as are permitted by law.

6 8.3 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
7 conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA
8 Counsel Litigation Expenses Payment as set forth in this Settlement, the Parties, their respective
9 counsel, and all Aggrieved Employees waive all rights to appeal from the Judgment, including all
10 rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment,
11 motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any
12 waiver of the right to oppose such motions, writs or appeals. If an appeal to the Judgment is filed,
13 the Parties' obligations to perform under this Agreement will be suspended until such time as the
14 appeal is finally resolved and the Judgment becomes final. However, if Plaintiff appeals the
15 Court's decision on the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses, or
16 Plaintiff's Individual PAGA Payment, such appeal shall not otherwise impact or impair the
17 validity and enforceability of this Agreement. Accordingly, if Plaintiff appeals the Court's
18 decision on the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses, or Plaintiff's
19 Individual PAGA Payment, and such decision is affirmed, this Agreement will remain in full
20 force and effect, and no Party will be able to void or withdraw from this Agreement because of
21 the Court's decision on the PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses,
22 or Plaintiff's Individual PAGA Payment.

23 8.4 Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the Court or any
24 appellate tribunal vacates, reverses, or modifies the Judgment in a manner that requires a material
25 modification of this Agreement (including, but not limited to, the scope of release to be granted
26 by Aggrieved Employees), this Agreement shall be null and void. The Parties shall nevertheless
27 expeditiously work together in good faith to address the reviewing court's concerns and to obtain
28 the Approval Order and Entry of Judgment. An appellate decision to vacate, reverse, or modify

1 the Court's award of the Enhancement Award or any payments to PAGA Counsel shall not
2 constitute a material modification of the Judgment within the meaning of this paragraph, as long
3 as the Gross Settlement Amount remains unchanged.

4 **9. AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil
5 Procedure § 384, the Parties will work together in good faith to jointly submit a proposed amended
6 judgment.

7 **10. ADDITIONAL PROVISIONS.**

8 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This
9 Agreement represents a compromise and settlement of highly disputed claims. Nothing in this
10 Agreement is intended or should be construed as an admission by Defendant or any Released
11 Party that any of the allegations in the Complaint have merit or that Defendant or any Released
12 Party have any liability for any claims asserted; nor should it be intended or construed as an
13 admission by Plaintiff that Defendant's defenses in the Actions have merit. If, for any reason, the
14 Court does not grant the Approval Order, or enter Judgment, Defendant reserves all available
15 defenses to the claims in the Actions, and Plaintiff reserves the right to contest Defendant's
16 defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions will have
17 no bearing on, and will not be admissible in connection with, any litigation (except for
18 proceedings to enforce or effectuate the Settlement and this Agreement).

19 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
20 together with its attached exhibits shall constitute the entire agreement between the Parties
21 relating to the Settlement, superseding any and all oral representations, warranties, covenants, or
22 inducements made to or by any Party.

23 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and
24 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate
25 action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate
26 its terms, and to execute any other documents reasonably required to effectuate the terms of this
27 Agreement including any amendments to this Agreement.

28 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their

1 best efforts, in good faith, to implement the Settlement by, among other things, modifying the
2 Settlement Agreement and/or submitting supplemental evidence and supplementing points and
3 authorities as requested by the Court. In the event the Parties are unable to agree upon the form
4 or content of any document necessary to implement the Settlement, or on any modification of the
5 Agreement that may become necessary to implement the Settlement, the Parties will seek the
6 assistance of a mediator and/or the Court for resolution.

7 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not
8 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
9 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
10 action, or right released and discharged by the Party in this Settlement.

11 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are
12 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied
13 upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR
14 Part 10, as amended) or otherwise.

15 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended,
16 modified, changed, or waived only by an express written instrument signed by all Parties or their
17 representatives, and approved by the Court. Notwithstanding the above, after the Approval Order
18 and Judgment, the Parties, through mutual agreement, may modify or amend the Agreement
19 without further Court approval so long as such modification or amendment are consistent with
20 the material terms of the Settlement.

21 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to
22 the benefit of, the successors of each of the Parties.

23 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
24 governed by and interpreted according to the internal laws of the state of California, without
25 regard to conflict of law principles.

26 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
27 of this Agreement. This Agreement will not be construed against any Party on the basis that the
28 Party was the drafter or participated in the drafting.

1 10.11 Confidentiality. Plaintiff, Defendant, PAGA Counsel, and Defense Counsel agree
2 that, until the Motion for Approval of the Settlement is filed, they and each of them will not
3 disclose, disseminate, or publicize this Agreement or any of its terms, whether directly, indirectly,
4 specifically, or generally, to any person, corporation, association, government agency, or other
5 entity, except (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed
6 to keep this Agreement confidential, (2) to the extent necessary to report income to appropriate
7 taxing authorities, (3) in response to a court order or subpoena, or (4) in response to an inquiry or
8 subpoena issued by a federal, state, or local government agency. Each Party agrees to
9 immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking
10 such information. To the extent permitted by law, all agreements made, and orders entered during
11 Action and in this Agreement relating to the confidentiality of information shall survive the
12 execution of this Agreement.

13 10.12 Headings. The descriptive heading of any section or paragraph of this Agreement is
14 inserted for convenience of reference only and does not constitute a part of this Agreement.

15 10.13 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
16 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
17 weekend or federal legal holiday, such date or deadline shall be on the first business day
18 thereafter.

19 10.14 Notice. All notices, demands, or other communications between the Parties in
20 connection with this Agreement will be in writing and deemed to have been duly given as of the
21 third business day after mailing by United States mail, or the day sent by email or messenger,
22 addressed as follows:

23 To Plaintiff:

24 John G. Yslas (SBN 187324)
25 john.yslas@wilshirelawfirm.com
26 William M. Pao (SBN 219846)
27 william.pao@wilshirelawfirm.com
28 WILSHIRE LAW FIRM, PLC
660 S. Figueroa St., Sky Lobby
Los Angeles, California 90017
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

23 To Defendant:

24 Andrew Lichtensein
25 alichtenstein@littler.com
26 Satoru Nagano
27 snagano@littler.com
28 LITTLER MENDELSON P.C.
2049 Century Park East, 5th Floor
Los Angeles, California 90067
Telephone: (310) 772-7210
Facsimile: (800) 715-1330

1 10.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts
2 by facsimile, electronically (i.e. DocuSign), or by email which for purposes of this Agreement
3 shall be accepted as an original. All executed counterparts and each of them will be deemed to be
4 one and the same instrument if counsel for the Parties will exchange between themselves signed
5 counterparts. Any executed counterpart will be admissible in evidence to prove the existence and
6 contents of this Agreement.

7 10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the
8 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
9 agree that upon the signing of this Agreement, pursuant to CCP section 583.330, the time within
10 which to bring this Action to trial will be extended during the settlement-approval process.

11 10.17 Binding Agreement. The Parties intend that this Agreement shall be fully enforceable
12 and binding upon all Parties within the provisions of Cal. Civil Proc. § 664.6, and that it shall be
13 admissible and subject to disclosure in any proceeding to enforce its terms pursuant to Cal. Evid.
14 Code §§ 1122(a)(1) and 1123(b), notwithstanding the confidentiality provisions that otherwise
15 might apply under federal or state law. The Parties further agree and intend that the Santa Clara
16 County Superior Court may enforce this Agreement pursuant to Code of Civil Procedure § 664.6.

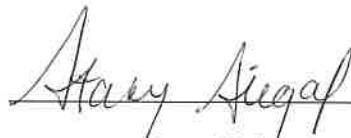
17 IT IS SO AGREED.

18 By the Parties:

19
20 DATED: _____

21 Plaintiff Luis Madriz-Rivas

22
23 DATED: 3/25/20

24 

25 Defendant Grace Holmes, Inc.

26 By: Stacy Siegal

27 Position: Chief Legal Officer

1 Approved by counsel:

2 DATED:

WILSHIRE LAW FIRM, PLC

3
4 BY: _____

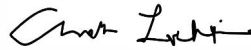
5 John G. Yslas

6 William M. Pao

Counsel for Plaintiff Luis Madriz-Rivas

7
8 DATED: 4/9/26

LITTLER MENDELSON P.C.

9
10 
11 BY: _____

12 Andrew Lichtenstein

13 Satoru Nagano

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

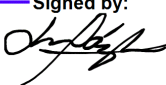
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IT IS SO AGREED.

By the Parties:

DATED: 3/25/2026

Signed by:


DB257747126947A...

Plaintiff Luis Madriz-Rivas

DATED: _____

Defendant Grace Holmes, Inc.

By: Stacy Siegal
Position: Chief Legal Officer

Approved by counsel:

DATED: 3/25/2026

WILSHIRE LAW FIRM, PLC

BY: 
John G. Yslas
William M. Pao
Counsel for Plaintiff Luis Madriz-Rivas

DATED:

LITTLER MENDELSON P.C.

BY: _____
Andrew Lichtenstein
Satoru Nagano
Counsel for Defendant Grace Holmes, Inc.