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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

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

Plaintiff,

v.

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

Defendants.

Case No. 24CV446239

*[Assigned for All Purposes to the Hon. Beth
McGowen, Dept. 22]*

**DECLARATION OF JOHN G. YSLAS IN
SUPPORT OF PLAINTIFF'S MOTION
FOR APPROVAL OF PAGA
SETTLEMENT**

PAGA Approval Hearing:

Date: December 10, 2026

Time: 1:30 p.m.

Dept.: 22

Action Filed: August 30, 2024

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1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC (“WLF” or “PAGA Counsel”), counsel for Plaintiff Luis Madriz-Rivas (“Plaintiff”) in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

Relevant Facts and Procedural History

4. On or about May 16, 2025, the Court granted the Parties stipulation and order to allow Plaintiff to amend his complaint, dismiss Plaintiff's class claims, and submit Plaintiff's individual claims to arbitration. Thereafter, the Parties agreed to attend a global mediation in an attempt to resolve the pending claims. In advance of mediation, PAGA Counsel conducted a thorough investigation into the facts of, and applicable law to, the PAGA Action. Prior to

mediation, Plaintiff obtained through informal discovery a representative sampling of time and payroll data for Aggrieved Employees and the necessary policy documents to properly evaluate the strengths and weaknesses of the claims and engage in meaningful settlement discussions.

5. On November 17, 2025, the Parties engaged in an all-day mediation session before Nikki Tolt. With the help of Ms. Tolt, the Parties were able to reach an agreement on general settlement terms. The settlement was negotiated in light of all known facts and circumstances and the uncertainty associated with litigation – including the risk of Plaintiff not being able to maintain representative claims, the difficulty of proving Plaintiff’s claims in a manageable trial, the merits of Defendant’s potential defenses, and the significant delay and potential appellate issues inherent to litigation – and was reached after extensive arm’s length negotiations, with the assistance of Ms. Tolt.

PAGA Settlement

6. The Settlement Agreement negotiated by the Parties provides for a Gross Settlement Amount (“GSA”) payment in the amount of \$225,000.00 to resolve the PAGA Action. Settlement Agreement §§ 1.15., 3.1. The GSA will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, Plaintiff’s Enhancement Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment. Settlement Agreement §§ 3.2.1. – 3.2.4. After deducting Plaintiff’s Enhancement Award, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and Administrator’s Expenses Payment from the GSA, the amount remaining is the Net Settlement Amount (“NSA”). Settlement Agreement § 1.20. The NSA, which is estimated to be \$129,469.17, shall be distributed as PAGA Penalties with 65% of the NSA allocated to the LWDA PAGA Payment and 35% of the NSA allocated to Individual PAGA Payments. Settlement Agreement §§ 1.27., 3.2.4. Attached hereto as **Exhibit 2** is a true and correct copy of the PAGA Settlement Agreement.

7. This PAGA Settlement amount compares favorably to the estimated amount of PAGA penalties. Plaintiff calculated that the maximum amount of statutory PAGA civil penalties was potentially \$1,408,800.00 for an estimated 886 employees based on 14,088 pay periods. The valuation of \$1,408,800.00 is the civil penalty amount calculated at the maximum statutory rate

1 and without stacking, which is not usually permitted. If stacking is permitted, then the valuation
2 increases with each additional penalty added to each pay period. Plaintiff, however, is not aware
3 of any PAGA award that permitted stacking and, in the cases cited herein, only one penalty per
4 pay period was assessed.

5 8. Defendant maintains that Plaintiff and the Aggrieved Employees were properly
6 compensated, and that they did not violate the Labor Code as to Plaintiff or the Aggrieved
7 Employees. Defendant also maintains that they have legally compliant wage and hour policies
8 and practices, which policies were provided prior to mediation. Accordingly, Defendant
9 strongly disputes and denies Plaintiff's allegations and claims asserted in the operative
10 complaint which are resolved by the Settlement Agreement. Defendant asserted additional
11 defenses to the PAGA claim, not only as to liability but also as to the amount of the penalties.
12 Defendant could argue that no penalties prior to the PAGA notification should be awarded because
13 the violations were not intentional, and at least one Court has so ruled. These defenses present a
14 risk to the PAGA claim and the potential that some or all the PAGA penalties sought may not be
15 awarded. Defendant would also argue for a good faith reduction of the PAGA penalties, if any
16 violations were found. Defendant has only agreed to the settlement in order to avoid the continued
17 expense, disruption, and uncertainty of further litigation.

18 9. While Plaintiff is confident in the merits of the case, a legitimate controversy exists
19 as to each cause of action for penalties, the factual allegations, the evidentiary basis, and the
20 underlying claims. Plaintiff also took into account the fact that continued litigation would be
21 expensive, involving a trial and possible appeals, and would substantially delay and potentially
22 reduce any recovery to the State of California and the Aggrieved Employees. Assuming Plaintiff
23 could prove at least one violation per pay period and the Court awarded \$100.00 in PAGA
24 penalties for each of the 14,088 pay periods during the PAGA Period, the total penalties would
25 be approximately \$1,408,800.00. As such, the Gross Settlement Amount of \$225,000.00 is
26 approximately 16% of the maximum realistic liability in this case.

27 10. Thus, when the risks of litigation, the burdens of proof necessary to establish
28 liability, and the probability of appeal of a favorable judgment are considered, it is clear the

1 settlement amount of \$225,000.00 is reasonable and in the best interest of the State of California
2 and the public. Plaintiff objectively and knowledgably balanced the strengths and weaknesses of
3 his claims against the risk of continued litigation and were able to determine a realistic range of
4 settlement recovery for PAGA penalties.

5 Attorneys' Fees and Costs

6 11. Plaintiff is represented by WLF. The attorneys at WLF performed significant work
7 and expended litigation costs in prosecuting this matter with no guarantee of payment.

8 12. WLF has been selected by Best Lawyers and U.S. News & World Report as one of
9 the nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600
10 employees. WLF is actively and continuously practicing in employment litigation, representing
11 employees in both individual and class actions in both state and federal courts throughout
12 California.

13 13. WLF is qualified to handle this litigation because its attorneys are experienced in
14 litigating Labor Code violations in individual, class action, and representative action cases. WLF
15 has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as
16 class actions involving consumer rights and data privacy litigation.

17 14. I graduated from the University of California, Santa Barbara with High Honors in
18 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law
19 School in 1996.

20 15. Upon graduating from law school in 1996, I worked for a boutique law firm
21 practicing general litigation which included employment law matters. Since 2000 (that is, the last
22 26 years) my practice has been exclusively focused on labor and employment matters including
23 handling wage and hour class, collective and representative actions (including the California
24 Private Attorneys General Act, or "PAGA"), including in the international law firms of Morgan,
25 Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a
26 partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright
27 LLP (where I was a partner) and Seyfarth Shaw LLP (where I was a partner and member of the
28 Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or

1 took a major leading role in defending employers on numerous wage and hour class, collective and
2 representative actions.

3 16. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire
4 Law Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and
5 hour class and representative actions litigating such matters on behalf of plaintiff employees in
6 numerous Superior Courts and District Courts. From matters representing both plaintiffs and
7 defendants, I have successfully mediated the resolution of many wage and hour class, collective,
8 and representative actions. Just since starting to settle cases in late April 2023 I have already
9 successfully mediated matters in which I have been counsel or co-counsel resulting in **over \$280**
10 **million** in settlements and verdicts which are in the process of being finalized, and with numerous
11 upcoming mediations scheduled. In those and numerous other matters, I have managed and assisted
12 with the litigation and settlement of many wage and hour PAGA and class actions. In those actions,
13 I performed similar tasks as those performed in the course of prosecuting this action. Indeed, I
14 recently tried and prevailed in achieving a jury verdict in a wage and hour class action in the matter
15 of *Aguilar-Flores v. Javier's – CC LLC*, Los Angeles County Superior Court, Case No.
16 19STCV36438 (settled after verdict).

17 17. I have received numerous awards for my legal work. For example, from 2015 to
18 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters).
19 I have also served on numerous prominent boards and in other leadership positions, including
20 serving as Southern California Regional President for the Hispanic National Bar Association and
21 on the board of directors of the Mexican American Bar Foundation. I also previously served on the
22 5-member Los Angeles Civil Service Commission, which generally oversees the personnel
23 decisions for the City of Los Angeles.

24 18. I have also published numerous blogs on labor and employment issues including
25 on wage and hour issues. For example, I published “Headline News: Wal-Mart v. Dukes-Impact
26 on Class Action Litigation” (while a partner with Foley & Lardner LLP) and “Are You Really
27 Protected From Wage-and-Hour Successor Liability in an Asset Purchase” (while a partner with
28 Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a

1 presenter involving the “Employment Law Update” at a National Employment Law Council
2 conference. I currently bill at an hourly rate of \$1,500.00.

3 19. William M. Pao is a Junior Partner at WLF. He graduated from the University of
4 Southern California with a double-major in Psychology and Humanities (Emphasis in Theatre Arts)
5 and received his juris doctorate degree from Loyola Law School. William has dedicated his 20+
6 year career to plaintiffs’ class action litigation. Prior to joining WLF, he worked at various
7 prominent defense firms and a very-well known plaintiffs’ boutique class action litigation firm
8 where he recovered more than \$100+ million in settlements. His wealth of experience includes
9 successful work on all stages of class action litigation, including class certification motions, and
10 class settlements. William was the principal drafter of a successful and reportable appeal in Harris
11 v. KM Industrial, Inc., (2020) 980 F.3d 694 affirming the standards when challenging the amount-
12 in-controversy standard under the Class Action Fairness Act. William has been involved in
13 hundreds of wage-and-hour and Federal Credit Reporting Act class actions and Private Attorneys
14 General Act representative actions throughout the state of California. Mr. Pao currently bills at an
15 hourly rate of \$1,000.00.

16 20. Refugio Ortega-Carrillo was an Associate Attorney at WLF. He was admitted to
17 practice law in the State of California in 2022. Mr. Ortega-Carrillo graduated from the University
18 of California, Irvine with a Bachelor of Arts in History and a minor in Humanities and Law &
19 Political Science. He received his Juris Doctor from Loyola Law School. During law school, he
20 served as a judicial extern to the Honorable Sheri Bluebond in the Central District of California.
21 Mr. Ortega-Carrillo’s time at WLF was focused on Plaintiff-side wage and hour cases. Mr. Ortega-
22 Carrillo billed at an hourly rate of \$500.00.

23 21. Lisa B. Iturriaga was a Settlement Attorney at Wilshire Law Firm, PLC. She was
24 admitted to practice law in the State of California in 2021. Ms. Iturriaga graduated from University
25 of South Florida with a Bachelor of Science in Finance and a Bachelor of Arts in Marketing. She
26 received her Juris Doctor from Chapman University Dale E. Fowler School of Law. Since
27 graduating, her practice has been in insurance defense (previously) and employment law
28 (currently). Since 2023, she has exclusively worked on Plaintiff-side wage and hour cases. Ms.

1 Iturriaga is also a member of the California Employment Lawyers Association (CELA). Ms.
2 Iturriaga billed at an hourly rate of \$600.00.

3 22. Courtney M. Miller is a Settlement Attorney at WLF. She was admitted to practice
4 law in the State of California in 2019. Ms. Miller graduated from the University of California,
5 Santa Cruz, with a Bachelor of Arts in Sociology. Prior to becoming an attorney, Ms. Miller worked
6 at a boutique civil litigation firm for nearly a decade, primarily handling employment matters. She
7 earned her Juris Doctor from Southwestern Law School in 2019. Ms. Miller has prosecuted wage
8 and hour class and PAGA actions, almost exclusively, since 2020. As a handling attorney, Ms.
9 Miller obtained over \$30 million dollars in settlements on behalf of California employees. Ms.
10 Miller currently bills at an hourly rate of \$700.00.

11 23. Jonathan A. Valmeo is a Paralegal at WLF. Mr. Valmeo graduated from University
12 of California, Riverside with a Bachelor of Arts in Political Science and a Minor in U.S. History.
13 Thereafter, he received his Juris Doctor from Thomas Jefferson School of Law in 2018. During
14 law school, Mr. Valmeo was a competitor and student coach for the Epstein, Grinnell & Howell,
15 APC National Mock Trial Team, President for the Thomas Jefferson Business Law Society, and
16 active member of the San Diego County Bar Association, American Bar Association, and
17 American Association for Justice. After graduating law school, he worked for several law firms,
18 where he has accumulated over 10 years of litigation experience in various fields including
19 corporate formation and management, general civil litigation, and employment defense. Since
20 April 2022, Mr. Valmeo has focused his experience on wage and hour class action litigation. Mr.
21 Valmeo currently bills at an hourly rate of \$300.00.

22 24. WLF's hourly rates are comparable to those charged by other class action plaintiffs'
23 counsel and the firms defending class actions. WLF's rates are well within the range of hourly
24 rates that the Los Angeles legal marketplace would compensate counsel for similar services
25 accomplishing similar results. For example, in *Bronshteyn v. State of California*, Los Angeles
26 County Superior Ct. No. 19SMCV00057, Order Granting Plaintiff's Motion for Statutory
27 Attorneys' Fees and Costs filed March 30, 2023, an employment action brought by two small law
28 firms (Levy, Vinick, Burrell & Hyams LLP and Law Offices of Wendy Musell), the court found

1 that counsel's 2022 hourly rates of \$1,100 and \$1,000 per hour were reasonable for the plaintiff's
2 five senior attorneys, including \$1,000 per hour for the plaintiff's 23-year lead counsel and \$850
3 per hour for a senior associate. These rates were then augmented by a 1.75 lodestar multiplier and
4 affirmed by the California Court of Appeals. The rates (and multiplier) requested here are well in
5 line with those found reasonable in *Bronshteyn*. In *Tran v. Golden State FC LLC, et al.* (LASC
6 Case No. BC699931), Fee Order filed 4/8/2022, the court found hourly rates of \$1,300 per hour
7 reasonable for plaintiff's 32-year attorney and \$1,000 per hour reasonable for a 14-year attorney.

8 25. WLF has been approved as Class Counsel by courts in California. *See, e.g., Matthew*
9 *Veliz v. DrinkPak, LLC*, Los Angeles County Superior Court, Case No. 22STCV37384, *Ismael*
10 *Villegas-Sanchez v. COE Orchard Equipment, Inc.*, Sutter County Superior Court, Case No.
11 CVCS22-0002261; *Jessica Bronsal v. PTI Technologies Inc.*, Ventura County Superior Court,
12 Case No. 202200570361CUOE; *Miguel A. Vigil Ruiz v. The De Ruosi Group, LLC*, San Joaquin
13 County Superior Court, Case No. STK-CV-UOE-2022-8780; *Gutierrez v. Top Drawer Merch, LLC*
14 *et al*, Los Angeles County Superior Court, Case No. 23STCV04299; *Wing v. Road Machinery,*
15 *LLC et al*, Kern County Superior Court, Case No. BCV-22-102896; *Hernandez v. SGPS Showrig*
16 *Los Angeles, Inc.*, Los Angeles County Superior Court, Case No. 22STCV28155; *Azevedo v.*
17 *Tulare Nursing & Rehabilitation Hospital, Inc.*, Tulare County Superior Court, Case No.
18 VCU293325; *Haser v. Universal Chain of California, Inc.*, Sacramento County Superior Court,
19 Case No. 34-2022-00332268; *Caldera v. Performance Online, Inc. et al*, Riverside County
20 Superior Court, Case No. CVRI2306013; *Goosby v. CiminoCare, Inc.*, Sacramento County
21 Superior Court, Case No. 34-2022-00329033; *Rooks v. Hot Cakes Restaurant Group, Inc.*, San
22 Joaquin County Superior Court, Case No. STK-CV-UOE-2022-11056; *Garcia v. Compassionate*
23 *Heart*, Orange County Superior Court, Case No. 30-2022-01294409-CU-OE-CXC; *Parra v. Citrus*
24 *Valley Management Services, Inc.*, Riverside County Superior Court, Case No. CVRI2301768;
25 *Torres v. HomeShield Pest Control Inc.*, Placer County Superior Court, Case No. S-CV-0049525;
26 *Cabrera v. Creekside Auto Group*, Santa Clara County Superior Court, Case No. 23CV415661;
27 *Simpson v. Arcos*, Riverside Superior Court, Case No. CVRI2303337; *Payne v. Planned*
28 *Parenthood: Shasta-Diablo, Inc.*, San Francisco County Superior Court, Case No. CGC-23-

607359. The total hours expended on this action are reasonable and in line with those expended in comparable cases.

26. In cases in which WLF has been approved as Class Counsel, California courts have approved rates similar to those requested by WLF in the instant case. *See, e.g., Rodolfo Ponce v. Youbar, Inc.*, Los Angeles County Superior Court, Case No. 22STCV37519 (WLF's rates were approved as follows: John G. Yslas (\$1,500.00), Samantha A. Smith (\$1,000.00), Jeffrey C. Bils (\$850.00), Aram Boyadjian (\$600.00), Lisa B. Iturriaga (\$550.00), and Andrew Sandoval (\$500.00)); *Sabrina N. Batres v. Wish Automotive II, Inc. dba Infiniti of Van Nuys*, Los Angeles County Superior Court, Case No. 23STCV19968 (WLF's rates were approved as follows: John G. Yslas (\$1,500.00), Jeffrey C. Bils (\$850.00), Aram Boyadjian (\$600.00), Lisa B. Iturriaga (\$550.00), and Andrew Sandoval (\$500.00)); *Diandrea Correa et al. v. CareMeridian, LLC, et. al.*, Los Angeles County Superior Court, Case No. 23STCV10707 (WLF's rates were approved as follows: John G. Yslas (\$1,500.00), Samantha A. Smith (\$1,000.00), Jeffrey C. Bils (\$850.00), Fawn F. Bekam (\$800.00), Diego Aviles (\$800.00), Aram Boyadjian (\$600.00), Harry Erganyan (\$600.00), Lisa B. Iturriaga (\$550.00), and Andrew Sandoval (\$500.00)); *Carlos Santos Granados v. Sunny Hills Management Co., Inc.*, Los Angeles County Superior Court, Case No. 23STCV02109 (WLF's rates were approved as follows: John G. Yslas (\$1,500.00), Samantha A. Smith (\$1,000.00), Jeffrey C. Bils (\$850.00), Diego Aviles (\$750.00), Courtney M. Miller (\$650.00), Aram Boyadjian (\$600.00), Harry Erganyan (\$600.00), Mariam Nazaretyan (\$550.00), Lisa B. Iturriaga (\$550.00), and Andrew Sandoval (\$500.00)); *Kayla Kurges v. Khanna Enterprises, Ltd. dba Sheraton Agoura Hills*, Los Angeles County Superior Court, Case No. 24STCV01590 (WLF's rates were approved as follows: John G. Yslas (\$1,500.00), Jeffrey C. Bils (\$850.00), Aram Boyadjian (\$600.00), Lisa B. Iturriaga (\$550.00), and Andrew Sandoval (\$500.00)); *Thora Magney et al. v. Levi Strauss & Co., et al.*, Los Angeles County Superior Court, Case No. 24STCV02320 (WLF's rates were approved as follows: John G. Yslas (\$1,500.00), Samantha A. Smith (\$1,000.00), Jeffrey C. Bils (\$850.00), Fawn F. Bekam (\$800.00), Aram Boyadjian (\$600.00), Lisa B. Iturriaga (\$550.00), and Andrew Sandoval (\$500.00)); *Armando Muniz, et al. v. Lot LLC, dba Lot Management LLC (fka Red Cow, Inc.) et. al.*, Los Angeles County

1 Superior Court, Case No. 22STCV32901 (WLF's rates were approved as follows: John G. Yslas
2 (\$1,500.00), Samantha A. Smith (\$1,000.00), Jeffrey C. Bills (\$850.00), Diego Aviles (\$750.00),
3 Aram Boyadjian (\$600.00), Harry Erganyan (\$600.00), Mariam Nazaretyan (\$550.00), Lisa B.
4 Iturriaga (\$550.00), and Andrew Sandoval (\$500.00)); *George Munoz v. Century West, LLC dba*
5 *Century West BMW*, Los Angeles County Superior Court, Case No. 23STCV04247 (WLF's rates
6 were approved as follows: John G. Yslas (\$1,500.00), Samantha A. Smith (\$1,000.00), Jeffrey C.
7 Bills (\$850.00), Aram Boyadjian (\$600.00), Lisa B. Iturriaga (\$550.00), and Andrew Sandoval
8 (\$500.00)); *Ivan S. Martinez II et. al. v. The Haar Company, et. al.*, Los Angeles County Superior
9 Court, Case No. 23STCV21651 (WLF's rates were approved as follows: John G. Yslas (\$1,500.00),
10 Samantha A. Smith (\$1,000.00), Jeffrey C. Bills (\$850.00), Diego Aviles (\$750.00), Aram
11 Boyadjian (\$600.00), Harry Erganyan (\$600.00), Mariam Nazaretyan (\$550.00), Lisa B. Iturriaga
12 (\$550.00), and Andrew Sandoval (\$500.00)).

13 27. In support of the reasonableness of WLF's hourly rates, attached as **Exhibit 3** is a
14 true and correct excerpt from the *2025 Real Rate Report* published by Wolters Kluwer. The Real
15 Rate Report is widely relied upon in the legal industry because it is derived from anonymized
16 billing data taken from actual law firm invoices that were submitted to clients and approved for
17 payment, rather than from voluntary surveys or self-reported rates. Although the report refers to
18 "2025" rates, the data reflects rates charged by law firms during the first half of 2024 and therefore
19 represents the most recent available objective evidence of prevailing market rates.

20 a. The report provides rate information filtered by geographic market, practice
21 type, and timekeeper role. Page 26 reports third-quartile rates for attorneys handling litigation
22 matters in San Francisco and San Jose, which are the primary Northern California legal markets
23 and serve as the dominant rate-setting centers for complex litigation throughout the region. In San
24 Francisco, the dataset shows third-quartile hourly rates of \$1,378 for litigation partners and \$875
25 for associates. In San Jose, the report shows third-quartile hourly rates of \$1,250 for litigation
26 partners and \$1,030 for associates. The report's in-depth city analyses for San Francisco and San
27 Jose further confirm that these markets consistently reflect some of the highest billing rates in the
28 country for experienced litigators and serve as the benchmark markets for Northern California legal

1 services. Courts evaluating fee requests in Santa Clara County routinely look to the prevailing rates
2 in the nearest major metropolitan markets as benchmarks when assessing reasonableness. The
3 closest and most relevant comparison markets for litigation in Santa Clara County are San
4 Francisco and San Jose, where experienced partners routinely bill well above \$1,200 per hour
5 based on rates actually charged to clients.

6 b. The 2025 Real Rate Report’s practice-area-specific data further supports this
7 conclusion. Page 81 provides third-quartile rates for the detailed practice category “Employment
8 and Labor: Other Litigation,” which is directly analogous to the type of work performed in this
9 case. That dataset includes 24 partners and 14 associates and shows a third-quartile rate of \$1,252
10 per hour for partners and \$564 per hour for associates. These figures demonstrate that even within
11 the specialized employment litigation market, partners regularly bill well above \$1,200 per hour
12 based on rates actually charged to clients. When this practice-specific benchmark is considered
13 together with the broader regional market data, it confirms that WLF’s hourly rate for highly
14 experienced counsel in a representative employment action falls within the upper range of
15 prevailing market rates rather than outside it.

16 c. The Real Rate Report does not provide 1st quartile or 4th quartile rates,
17 presumably to provide a sense of the average attorney billing rates. Importantly, the third quartile
18 represents the point below which 75% of rates fall; it is not a cap on reasonable rates. By definition,
19 a substantial portion of partners in the relevant benchmark market routinely bill above that level,
20 particularly those with extensive experience, specialized expertise, or leadership roles in complex
21 litigation. Courts evaluating fee requests recognize that leading counsel in complex or
22 representative actions may reasonably bill above median or third-quartile benchmarks where their
23 experience, results obtained, and responsibilities justify higher rates. We firmly believe WLF
24 belongs in the 4th quartile of attorney billing rates in Northern California. As previously discussed,
25 WLF is a nationally recognized employment litigation firm that has been named one of the nation’s
26 *Best Law Firms* by U.S. News & World Report and Best Lawyers since 2020, and its attorneys
27 regularly litigate complex wage-and-hour class and representative actions throughout California. I
28 am a UCLA School of Law graduate with nearly three decades of experience litigating labor and

1 employment matters—including as a partner and holding leadership roles at major international
2 law firms when I was on the defense side for 26 years, as well as substantial recent class and
3 representative action results including being one of the few attorneys in the state of California to
4 try a wage and hour class action to verdict (and prevail), and achieving results exceeding \$255
5 million in just the last three years since starting to settle matters as a plaintiffs’ attorney. My
6 credentials and experience place my \$1,500 hourly rate within the highest tier of Northern
7 California employment litigators, consistent with rates that would fall within the fourth quartile
8 beyond those reported in the Real Rate Report.

9 28. WLF has performed significant work and incurred litigation costs in prosecuting
10 this matter with no guarantee of any payment. The efforts expended by PAGA Counsel to achieve
11 this result include, but are not limited to, the following:

12 a. The investigation of the matter, including meeting with Plaintiff, reviewing
13 Defendant’s policies, and requesting and reviewing Plaintiff’s time and pay records, personnel
14 files, and exploring the corporate structure of Defendant;

15 b. filing the Action;

16 c. attending status conferences and meeting and conferring with Defendant
17 regarding the case;

18 d. drafting and filing joint case management conference statements;

19 e. reviewing Defendant’s notice of removal of action to federal court;

20 f. remanding the action to state court;

21 g. drafting and filing joint stipulations and orders;

22 h. drafting and filing the First Amended Complaint;

23 i. meeting and conferring with Defendant regarding mediation, exchange of
24 informal discovery beforehand, and negotiating with opposing counsel regarding the parameters
25 thereof;

26 j. selecting a mediator and mediation date;

27 k. working with opposing counsel and expert consultants for the receipt of a
28 representative sampling and analyzing the same with the aid of expert consultants and Plaintiff

to perform analyses of liability and exposure prior to attendance of the mediation in this matter;

- l. reviewing policy documents from Defendant and researching applicable defenses;
- m. preparing the mediation brief and damages model for use at mediation;
- n. attending mediation;
- o. communicating with Plaintiff;
- p. negotiating, finalizing and fully executing the settlement agreement; and
- q. preparing and filing the instant Motion for Approval of PAGA Settlement and supporting documents.

29. WLF's current lodestar reflects the efficiencies achieved by attorneys experienced in this field with **134.3** hours of work resulting in **\$136,310.00** in fees. The chart below shows the calculation of hours spent by each of WLF's attorneys on this case:

Attorney	Hours	Hourly Rate	Total
Courtney M. Miller	3.0	\$700.00	\$2,100.00
Refugio Ortega-Carrillo	5.1	\$500.00	\$2,550.00
Jonathan Valmeo	7.7	\$300.00	\$2,310.00
Lisa B. Iturriaga	10.0	\$600.00	\$6,000.00
John G. Yslas	29.7	\$1,500.00	\$44,550.00
William M. Pao	78.8	\$1,000.00	\$78,800.00
TOTAL	134.3		\$136,310.00

30. This amount surpasses the requested fee award of \$75,000.00, resulting in a negative multiplier. This amount does not include the time PAGA Counsel will spend dismissing the Class Action, preparing for/attending the PAGA approval hearing and assisting the Settlement Administrator following final approval. PAGA Counsel dedicated significant resources to this case by dividing the tasks required according to skill level. The hours expended by each attorney were not duplicative and reflect the extensive investigation and analysis that was required to achieve this Settlement. This time could have been spent on other potentially

lucrative cases. PAGA Counsel's lodestar reflects the efficiencies achieved by attorneys experienced in this field. Moreover, PAGA Counsel has singularly assumed the risk and costs of litigation purely on a contingency basis. And, while Plaintiff is confident in the merits of his claims, a legitimate controversy exists as to each cause of action, posing an actual risk that Plaintiff may not succeed at class certification and/or trial. Any of these obstacles could have prevented recovery completely, meaning PAGA Counsel would have been left with no compensation for all the time and money invested in litigating this case. Despite these risks, PAGA Counsel took this case on a contingency basis so that Aggrieved Employees (a particularly vulnerable group of hourly paid workers) could be compensated for their unpaid wages. Consequently, PAGA Counsel was precluded from focusing on, or taking on, other cases which could have resulted in a larger, and less risky, monetary gain.

31. The Court should also consider that PAGA Counsel's efforts have resulted in substantial benefits to the State of California and the Aggrieved Employees, in the form of a significant, non-reversionary settlement fund established to compensate the State of California and the Aggrieved Employees and to punish Defendant for the alleged PAGA violations. Without the efforts of PAGA Counsel, the claims alleged in the complaint would likely have gone without remedy.

32. In litigation costs, WLF has incurred \$7,970.83 in expenses on items such as filing fees, service fees, mediation fees, and expert fees. A true and correct copy of WLF's cost reports in this matter is attached hereto as **Exhibit 4**. Additionally, WLF will incur a charge of \$60.00 for the filing fee of the instant motion. Therefore, WLF seeks to recover \$8,030.83 in total costs. All the costs incurred were reasonable and necessary for the prosecution of this case.

33. PAGA Counsel has negotiated a settlement here that they believe is fair, reasonable, and adequate based on their prior experience litigating these types of cases.

34. Pursuant to California Labor Code Section 2699(s)(1), Plaintiff submitted a copy of the First Amended Complaint to the LWDA on November 22, 2025. Attached hereto as **Exhibit 5** is a true and correct copy of the submission confirmation for the First Amended Complaint. Pursuant to California Labor Code Section 2699(s)(2), Plaintiff submitted the proposed Settlement

1 Agreement to the LWDA on June 11, 2026. Attached hereto as **Exhibit 6** is a true and correct copy
2 of the submission confirmation for the proposed Settlement Agreement. To date, the LWDA has
3 not responded to or objected to the Settlement in this matter. Plaintiff will submit a copy of the
4 Court's judgment and order approving the Settlement Agreement to the LWDA within ten (10)
5 days after entry of judgment or order.

6 35. WLF has no actual or potential conflict of interest with the Aggrieved Employees
7 in this PAGA Action or with the Settlement Administrator that the Parties agreed to appoint,
8 Phoenix Settlement Administrators, Inc.

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

11 Executed on July 29, 2026, at Los Angeles, California.

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13 _____
14 John G. Yslas
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EXHIBIT 1

WILSHIRE LAW FIRM, PLC

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Los Angeles, CA 90010
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Sean Paisan, Esq.
Justin F. Marquez, Esq.
John Yslas, Esq.

Stephanie Mazepa, Esq.
Nicol Hajjar, Esq.
Thiago Coelho, Esq.

June 20, 2024

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(Via Online Submission)

Grace Holmes, Inc.
225 Liberty Street, 17th Floor
New York, NY 10281
(Via Certified Mail, Return Receipt Requested)
9489 0090 0027 6620 2534 71

CSC Lawyers Incorporating Service
Agent for Service of Process
2710 Gateway Oaks Dr # 150
Sacramento, CA 95833
(Via Certified Mail, Return Receipt Requested)
9489 0090 0027 6620 2534 64

Re: **Luis Madriz-Rivas v. Grace Holmes, Inc., et al.**
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Luis Madriz-Rivas (“Mr. Madriz-Rivas” or “Employee”) to pursue a Labor Code Private Attorneys General Act of 2004 (“PAGA”) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Employee’s former employers, Grace Holmes, Inc. (“Grace Holmes” or “Employers”). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and potentially all of Employers’ Aggrieved Employees.

Mr. Madriz-Rivas wishes to pursue this action on behalf of Employees as Aggrieved Employees, on behalf of the State of California, as well as on behalf of potentially all other persons who worked for Grace Holmes in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Employee and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

Mr. Madriz-Rivas’ Employment with Grace Holmes

Grace Holmes operates retail clothing stores. Employee worked as a Associate Manager. Employee’s primary job function was to supervise employees at a J.Crew retail store location. In performing Employee’s duties, Employee was regularly required to perform work (off-the-clock), without compensation. Due to understaffing and high workloads, Employee was also frequently

deprived of an opportunity to take legally compliant meal and rest breaks. Employers failed to provide Employee and other Aggrieved Employees with the meal and rest break premiums as required by the Labor Code. Additionally, Employee necessarily incurred business-related expenses, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Mr. Madriz-Rivas is a resident of San Francisco, California who worked for Employers in Marin County, California as an hourly-paid, non-exempt employee from approximately July 2023 to approximately May 2024.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee's employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee's employment, failed to furnish accurate wage statements to Employee, failed to indemnify Employee for business expenditures, and failed to timely produce Employee's requested employment records. As discussed below, Employee's experience working for Employers was typical and illustrative.

Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

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

Throughout the statutory period, Employers failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at time required Employee and the Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking

out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight hours on any seventh day of a workweek. Employers failed to properly calculate Employee's regular rate of pay when paying overtime, by failing to include all compensation in Employee's overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

Throughout the statutory period, Employers also engaged in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employee worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to "precisely capture time worked" means that "the employer must pay the employee for that worktime when due." (*Id.* at 671.) As a result of Employers' rounding policy, Employee consistently was not compensated at least minimum wage for all hours that Employee worked.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Despite these legal requirements, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal

periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers 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). 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.

Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employee and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted.

Instead, Employers at times continued to assert control over Employee and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or at times by denying Employee and the Aggrieved Employees, or some of them, permission to take a rest period. Accordingly, Employers at times failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on Employers' failure at times to pay Employee and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, at times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked. As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees, or some of them, suffered damages

in those amounts.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Employee seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees, or some of them.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employee and the Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employers' records. Therefore, Employee and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employers. As a direct result, Employee and the Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Employers to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Orders, Employee and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Direct deposits of wages to an employee's bank, saving and loan, or credit union account that were previously authorized by the employee are immediately terminated when an employee quits or is discharged, and the payment of wages upon termination of employment in the manner described above shall apply unless the employee has voluntarily authorized that deposit and provided that the employer complies with the provisions of Labor Code § 213(d) relating to the payment of wages upon termination or quitting of employment.

Within the applicable statute of limitations, the employment of Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail, to pay Employee and terminated Aggrieved Employees,

or some of them, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages. Employers also violated, and continue to violate, Labor Code section 213(d) by paying final wages (if any are paid at all) via direct deposit without the employee's voluntary authorization.

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

Accordingly, Employee and the Aggrieved Employees, or some of them, are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination, and for unlawfully making any such payment (if any) via direct deposit without the employee's voluntary authorization.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall, semimonthly or at the time of each payment of wages, 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. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employee and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers at times wrongfully required Employee and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Employee and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees, or some of them, for necessary business expenditures.

Failure to Produce Requested Employment Records

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee. Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions.

Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely

produce the requested records.

Recordkeeping Requirement Violations

California Labor Code section 1174 requires employers to keep “accurate and complete” payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees, or some of them, by virtue of Employers’ time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. Employers failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers’ failure to relieve Employee and Aggrieved Employees, or some of them, of all duties and Employers’ control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ meal periods, or some of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employee’s and Aggrieved Employees’ work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees, or some of them. Employers’ failure to keep “accurate and complete” payroll records for Employee and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.¹

Violation of Wage Theft Protection Act of 2011

Based on information and belief, Employers failed at times, and continue at times to fail, to comply with the notice requirements of Labor Code section 2810.5 (i.e., the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and Aggrieved Employees, or some of them, with the rates of pay and overtime rates of pay applicable to their employment, allowances

¹ See Lab. Code §2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”).

claimed as part of the minimum wage, the regular payday designated by Employers, the name of the employer, including any “doing business as” names used, the name, address and telephone number of the workers’ compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employers under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted Employers to pay Aggrieved Employees, or some of them, at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, Aggrieved Employees, or some of them, may collect from Employers in connection with these violations’ civil penalties pursuant to Labor Code sections 558 and 2699.

Violation of California Labor Code §§ 245-248.5

Throughout the relevant time period, Employers at times failed to provide proper paid sick leave to Employee and other Aggrieved Employees, or some of them. Employers either failed at times to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employee and other Aggrieved Employees, or some of them, by failing at times to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers’ premises) and by failing at times to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, Employers further failed at times to provide notice of the correct sick leave amount balance available to Employee and other Aggrieved Employees, or some of them, on their wage statements or other written statement.

Based on information and belief, Employers at times failed to put Aggrieved Employees, or some of them, on notice of their paid sick leave rights, thereby failing at times to put their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, Employers at times failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the Aggrieved Employees, or some of them.

Based on information and belief, Employers at times failed to provide notice of sick leave amount balance left for Employee and other Aggrieved Employees, or some of them, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Employee, and other Aggrieved Employees, or some of them, would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation. This illegal retention of paid sick leave is unlawful, and Employee seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employee and the Aggrieved Employees, or some of them.

In violation of Labor Code section 247.5, Employers at times failed to maintain records documenting the hours worked and paid sick days accrued and used by Employee and Aggrieved Employees, or some of them, permitting the presumption that Employee and these Aggrieved Employees, or some of them, were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employers at times further failed and continue at times to fail to comply with Labor Code section 246, by failing to provide Employee and Aggrieved Employees, or some of them, with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages. Employers at times unlawfully retained and continue at times to retain paid sick leave that should have been paid but was not, as a result of Employers' failure, at times, to properly institute a paid sick leave program.

On information and belief, Employee alleges that these practices at times were experienced and continue to be experienced at times by other Aggrieved Employees, or some of them. Employee requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to Employers' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Employee and other Aggrieved Employees, or some of them, are entitled to injunctive relief, attorneys' fees, declaratory relief, restitution, and penalties as permitted by law. Employee requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Failure To Provide Supplemental Paid Sick Leave

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member or if it is vaccine-related. Based on information and belief, Employers at times violated Labor Code section 248.2 by not providing Aggrieved Employees, or some of them, with required 2021 COVID-19 Supplemental Paid Sick Leave.

Refusal to Make Payment

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

Employers at times violated and continue at times to violate Labor Code section 216 by failing to pay Employee and Aggrieved Employees, or some of them, for all hours worked at the proper wage rate and by failing to pay Employee and Aggrieved Employees, or some of them, an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a separate civil penalty, for each Aggrieved Employee (or some of them) so affected, for each pay period (or some of them) during which the statute's provisions were violated.²

² Labor Code § 225.5 (establishing that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee") (emphasis added).

Seating Violations

Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

All applicable IWC Wage Orders, Section 14(A-B) provides:

(A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

(B) When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

Suitable seating is one of the worker protections covered by California's Wage Orders, which have the same dignity as statutes, are remedial in nature and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1027 (2012).

Based on information and belief, Employers at times failed to provide Aggrieved Employees, or some of them, with suitable seating, and when such employees, or some of them, were not engaged in duties which required them to stand, at times no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that Aggrieved Employees were working. Lastly, based on information and belief, Aggrieved Employees at times were not engaged in active duties of their employment, yet at times there were no suitable seats in reasonable proximity to the work area, and use of seats would not have interfered with the performance of their duties.

Employers' Aggrieved Employees worked in various positions. The nature of Employee's and other Aggrieved Employees' work, or some of them, reasonably permitted the use of seats. However, Employers at times failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas, or some of them, in violation of section 14(A-B) of applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each Aggrieved Employee, or some of them, results in a separate civil penalty.³

Statutory Wage Violations

Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, Employers at times willfully and systematically denied Employee and other

³ See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Aggrieved Employees, or some of them, of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them. Employers at times acted with the intent to deprive some or all of them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employers at times paid Employee and other Aggrieved Employees, or some of them, lower wages than those to which they were entitled, while purporting that Employee and all Aggrieved Employees were properly paid. As such, Employee and Aggrieved Employees, or some of them, are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, Employers at times had and continue at times to have a policy and/or practice of failing to allow Aggrieved Employees, or some of them, and Exempt Aggrieved Employees, or some of them, to use their earned vacation/paid time off during their employment and failing at times to pay all vested, accrued paid time off to Aggrieved Employees, or some of them, and/or Exempt Aggrieved Employees, or some of them, upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Failure to Timely Provide Temporary Workers with Owed Wages

On information and belief, Employers at times had and have failed to provide temporary workers, or some of them, with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

Unlawful Agreements/ Unlawful Criminal History Inquiries

Unlawful Agreements

Labor Code section 432.5 provides that "no employer ... shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer ... to be prohibited by law." Based on information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful conditions of employment including but not limited to unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

The California Labor Code places certain procedural and substantive limits on employers' ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act

(ICRAA - CA Civil Code section 1786, et seq.) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, et seq.) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, Employers at times ordered unlawful financial credit checks on Aggrieved Employees and Exempt Aggrieved Employees, or some of them, in violation of Labor Code section 1024.5, and at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employee to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

Based on information and belief, Employers at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to a background check which failed to abide by the requirements set forth in California Civil Code section 1786, et seq. and 15 U.S.C. section 1681, et seq., including but not limited to by failing, at times, to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing at times to provide disclosures free of extraneous information, failing at times to provide a lawful purpose for the background check, failing at times to provide a summary of rights under the ICRAA and/or the FCRA, failing at times to provide a way by which the individual could request a copy of the report, failing at times to disclose the name, address, and telephone number of the third party preparing the report, and failing at times to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By at times requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to provide ongoing consent to Employers to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by at times requiring applicants and employees, or some of them, to agree to an unlawful provision as a condition of employment.

Based on further information and belief, Employers knew that requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times in writing to unlawful provisions as a condition of employment, Employers violated Labor

Code section 432.5.

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, Employers at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking, at times, about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking, at times, about convictions at the application phase or prior to extending an employment offer, Employers violated California’s Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to disclose arrests and/or convictions as a condition of employment.

Unlawful PAGA Waiver

Additionally, Employers at times violated Labor Code section 432.5 by requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to other unlawful agreements, including but not limited to an unlawful waiver of PAGA and or representative actions, as a condition of employment.

An action pursuant to PAGA “...is a representative action on behalf of the state” *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee’s right to a trial of PAGA claims is contrary to California law and unenforceable. See *Iskanian v CLS Transportation Los Angeles, LLC* (2014) 59 Cal. 4th 348, 384 (“We conclude that where, as here, an employment agreement compels the waiver of representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.”).

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee’s individual PAGA claim because there is no such thing as an individual PAGA claim. *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87 (“There is no individual component to a PAGA action because ‘every PAGA action ... is a representative action on behalf of the state.’”).

Upon information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By at times requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree, in writing, to an unlawful PAGA waiver, Employers at times required written agreement to an unlawful provision as a condition of employment, which is a violation of labor code section 432.5.

As such, Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, continue to be subject at times to various unlawful provisions as a condition of employment.

Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees, or some of them, from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employee is informed and believes, this violates Business and Professions Code sections 17200, 16600 and 16700 and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

Whistleblower Violations

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from disclosing violations of state and federal law, either within Employers to their managers or outside Employers to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and thus in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices at times prevent Employee and/or other Aggrieved Employees, or some of them, from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

Workplace Health and Safety Violations

On information and belief, Employers at times have failed to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges, that Employers at times have required or permitted employees, or some of them, to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges, that Employers at times have failed or neglected to provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges, that these failures include, without limitation, at times failing to disinfect time clocks and other surfaces after use by Employee and/or other Aggrieved Employees, or some of them; at times failing to provide adequate protection equipment to Employee and/or other Aggrieved Employees, or some of them; and at times failing to provide adequate distance in working conditions between Employee and/or other Aggrieved Employees, or some of them.

On information and belief, Employers violated section 1527, 3366, 3457 and 8397.4 by failing at times to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or

blowers; and a sufficient number of toilets to be used by each sex of employee.

Action for Civil Penalties Under PAGA

In light of the above, Employee alleges that Employers violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing at times to authorize and permit rest periods;
4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing at times to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal at times to pay wages due and payable and/or denial at times of the validity of any claim to wages due;
13. Labor Code § 223 for at times secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure at times to pay vested vacation and/or paid time off;
15. Section 14(A-B) of all applicable IWC Wage Orders for failure at times to provide suitable seating;
16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure at times to timely provide temporary workers, or some of them, with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for at times preventing employees, or some of them, from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries at times into criminal histories; and
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

LWDA

Notice of Labor Code Violations and PAGA

June 20, 2024

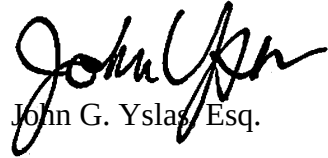
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Therefore, on behalf of potentially Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employee has placed Employers on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "John G. Yslas". The signature is stylized with a large, looped "J" and a cursive "Yslas".

John G. Yslas, Esq.

EXHIBIT 2

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13 Attorneys for Defendant
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 Holmes, 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.

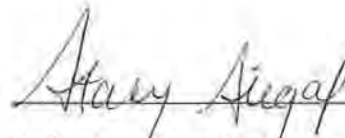
17 IT IS SO AGREED.

18 By the Parties:

19
20 DATED: _____

Plaintiff Luis Madriz-Rivas

21
22
23 DATED: 3/25/2016



Defendant Grace Holmes, Inc.

24
25 By: Stacy Siegal

26 Position: Chief Legal Officer
27
28

1 Approved by counsel:

2 DATED:

WILSHIRE LAW FIRM, PLC

3
4 BY: _____

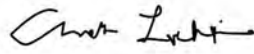
5 John G. Yslas

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.

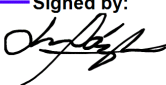
10.16 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement, pursuant to CCP section 583.330, the time within which to bring this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

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

IT IS SO AGREED.

By the Parties:

DATED: 3/25/2026

Signed by:

DD25774712C947A...

Plaintiff Luis Madriz-Rivas

DATED: _____

Defendant Grace Holmes, Inc.

By: Stacy Siegal
Position: Chief Legal Officer

1 Approved by counsel:

2 DATED: 3/25/2026

WILSHIRE LAW FIRM, PLC

3
4 BY: 
5 John G. Yslas
6 William M. Pao
7 Counsel for Plaintiff Luis Madriz-Rivas

8 DATED:

LITTLER MENDELSON P.C.

9
10 BY: _____
11 Andrew Lichtenstein
12 Satoru Nagano
13 Counsel for Defendant Grace Holmes, Inc.
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EXHIBIT 3



ELM Solutions

2025 Real Rate Report[®] powered by LegalVIEW[®] DynamicInsights

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

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Vice President, Product Management
Wolters Kluwer ELM Solutions

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NOTE:

You may experience an issue that can sometimes occur in PDF viewer. Thin lines (like table borders) may appear to “disappear” or look broken when zoomed out in a PDF viewer. This is usually a display/rendering issue rather than a problem with the actual content of the PDF.

Solution:

- Open the PDF in Acrobat and go to Edit > Preferences > Page Display.
- Uncheck Enhance thin lines (if it's checked).
- Restart Acrobat and reopen the PDF.

A Letter to Our Readers

Welcome to the latest edition of the Real Rate Report®, the legal industry's most trusted benchmark for legal billing rates.

Since 2010, the Real Rate Report has helped legal departments and law firms make smarter decisions about pricing, resourcing, and vendor management. That hasn't changed. What has changed is how we deliver those insights.

This year, the Real Rate Report is powered by LegalVIEW® DynamicInsights—our new digital-first platform that brings the same trusted LegalVIEW data to life in a more interactive, flexible, and timely way. Leveraging Wolters Kluwer's LegalVIEW database, with over \$200B in anonymized, approved, invoice data, LegalVIEW DynamicInsights offers dynamic filters, quarterly updates, and calendar-year alignment to help users tailor benchmarks to their unique needs, on demand.

The Real Rate Report remains a vital snapshot of the market, and we know many of you rely on it as a reference tool. But DynamicInsights goes further. It enables deeper exploration of rate trends by role, experience, geography, practice area, industry, and more. Whether you're negotiating rates, evaluating law firm performance, or planning budgets, DynamicInsights gives you the agility and precision today's legal environment demands.

As always, we welcome your feedback and thank our data contributors for making this work possible. We're proud to be your partner in legal analytics and look forward to continuing to deliver insights that drive better business outcomes.

Sincerely,



Brian Jorgenson

Vice President, Product Management
Wolters Kluwer ELM Solutions

Real Rate Report Overview

The Real Rate Report is powered by LegalVIEW DynamicInsights, a web-based solution that delivers dynamic, invoice-backed insights through approved legal billing rates. It enables legal professionals to analyze rate trends by role, experience, industry, geography, practice area, and more using the world's largest repository of legal spend data.

DynamicInsights leverages the same trusted LegalVIEW database that has powered the Real Rate Report for years, now encompassing over \$200B+ in anonymized, approved legal invoice data. As with previous Real Rate Reports, our data is sourced from corporations' and law firms' e-billing and time management solutions. We have included lawyer and paralegal rate data filtered by specific practice and sub-practice areas, metropolitan areas, and types of matters. This level of granularity gives legal departments and law firms the precision they need to identify areas of opportunity.

What's different with DynamicInsights?

Same source, same methodology: DynamicInsights uses the same rigorous data validation and methodology as the Real Rate Report.

- **Enhanced flexibility:** With dynamic filters, DynamicInsights enables users to tailor benchmarks to their unique needs and on demand.
- **Full year data:** DynamicInsights now aligns to a calendar year view—January through December—replacing the previous July-to-June format used in the Real Rate Report, reducing confusion and improving consistency across reporting periods.
- **More up to date:** Unlike the annual and static Real Rate Report, DynamicInsights is refreshed quarterly, offering more timely insights.
- **Digital-first access:** Delivered via a secure online interface, users can interact with the data, bookmark views, and share insights in real time.

DynamicInsights provides the same level of credibility and analytical power long trusted in the Real Rate Report with more agility and transparency for today's legal environment.

2025 Real Rate Report use considerations

- 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 DynamicInsights and this report are derived 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.

Legal departments 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.

Examples of data to consider when reviewing rates:

- **Industry** – Compare spend and rate trends across various industries
- **Practice area** – Analyze cost variations in different legal practice areas
- **Detailed practice area** – Drill down into niche legal specialties for precise benchmarking
- **Am Law** – Benchmark against top-ranked law firms for competitive rate analysis
- **City** – Understand rate trends in specific metropolitan areas
- **Country** – Gain a global perspective on legal costs and spend management
- **Role** – Assess legal spend distribution across different law firm roles

Real Rate Report Overview

Understanding key statistical terms

To help interpret the legal rate data presented in DynamicInsights and this report, it's important to understand the statistical measures used. Below are definitions of the core metrics:

- **Mean (average):** The sum of all rate values divided by the total number of values added. It provides a general sense of the central tendency of the rates but can be influenced by extreme values (outliers).
- **Median:** The middle value when all rates are arranged in ascending order. If there is an even number of rates being analyzed, the median is the average of the two middle rates. It is a robust measure of central tendency of rates that is less affected by outliers.
- **First quartile (Q1):** The value below which 25% of the rates fall. It marks the lower boundary of the middle 50% of the rates and helps identify the lower range of typical values.
- **Third quartile (Q3):** The value below which 75% of the rates fall. It marks the upper boundary of the middle 50% of the rates and helps identify the upper range of typical values.
- **n:** The number of unique timekeepers contributing to the data.

These metrics are used to provide a more nuanced view of legal rates, helping users identify trends, outliers, and benchmarks across various dimensions.

See clearly. Spend wisely.

Step into the future of legal spend management with responsibly developed AI-powered solutions.



Our innovative Total Spend Management approach leverages AI-powered capabilities to empower intelligent workflows and improved outcomes.



Up to 10% savings on legal spend



Up to 20% improvement in billing guideline compliance



Increased efficiencies free up time for more value-add work

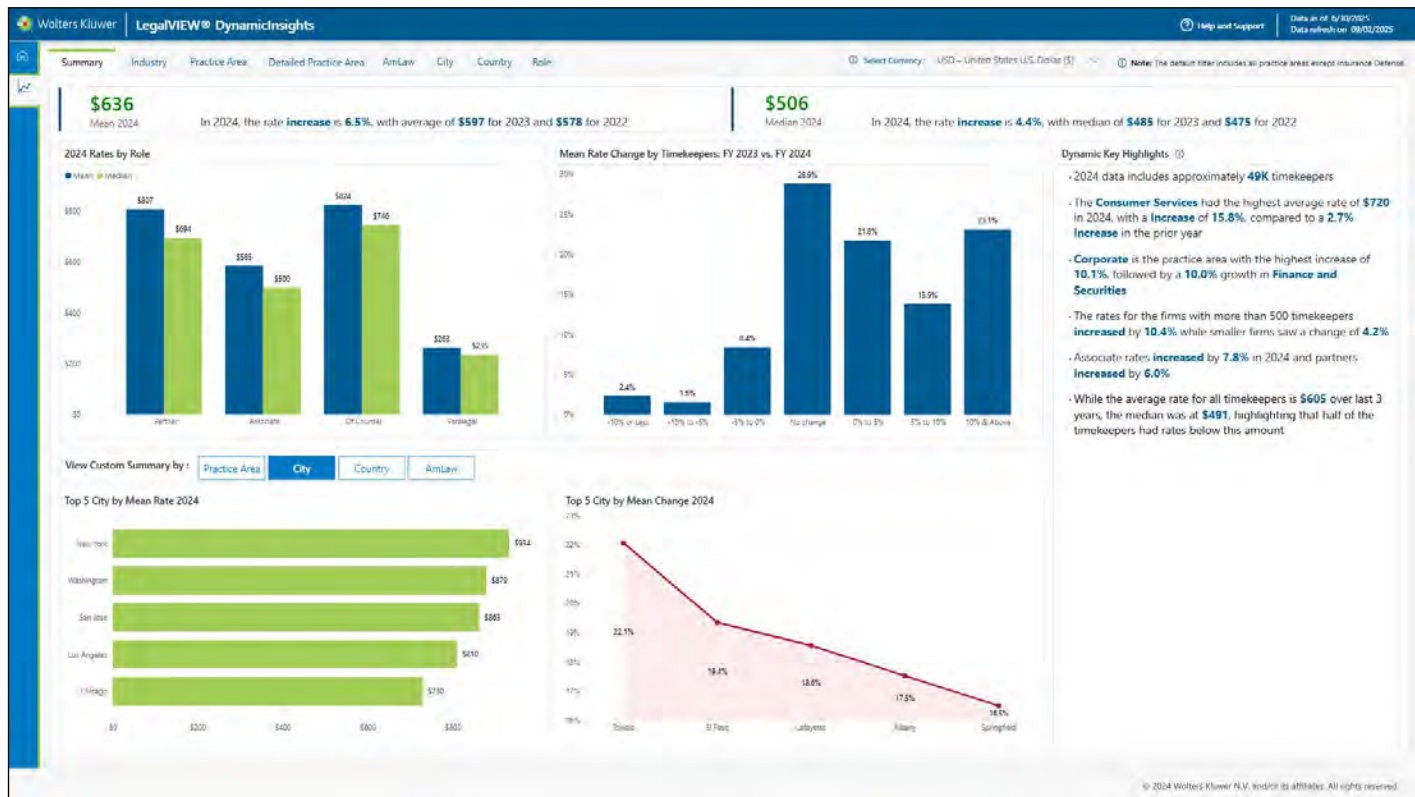
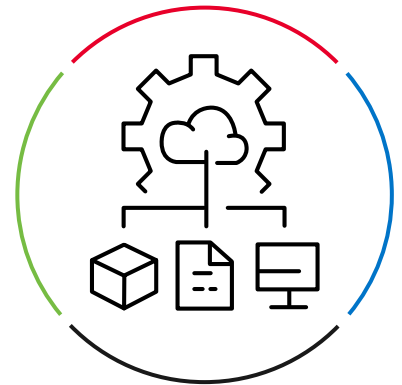


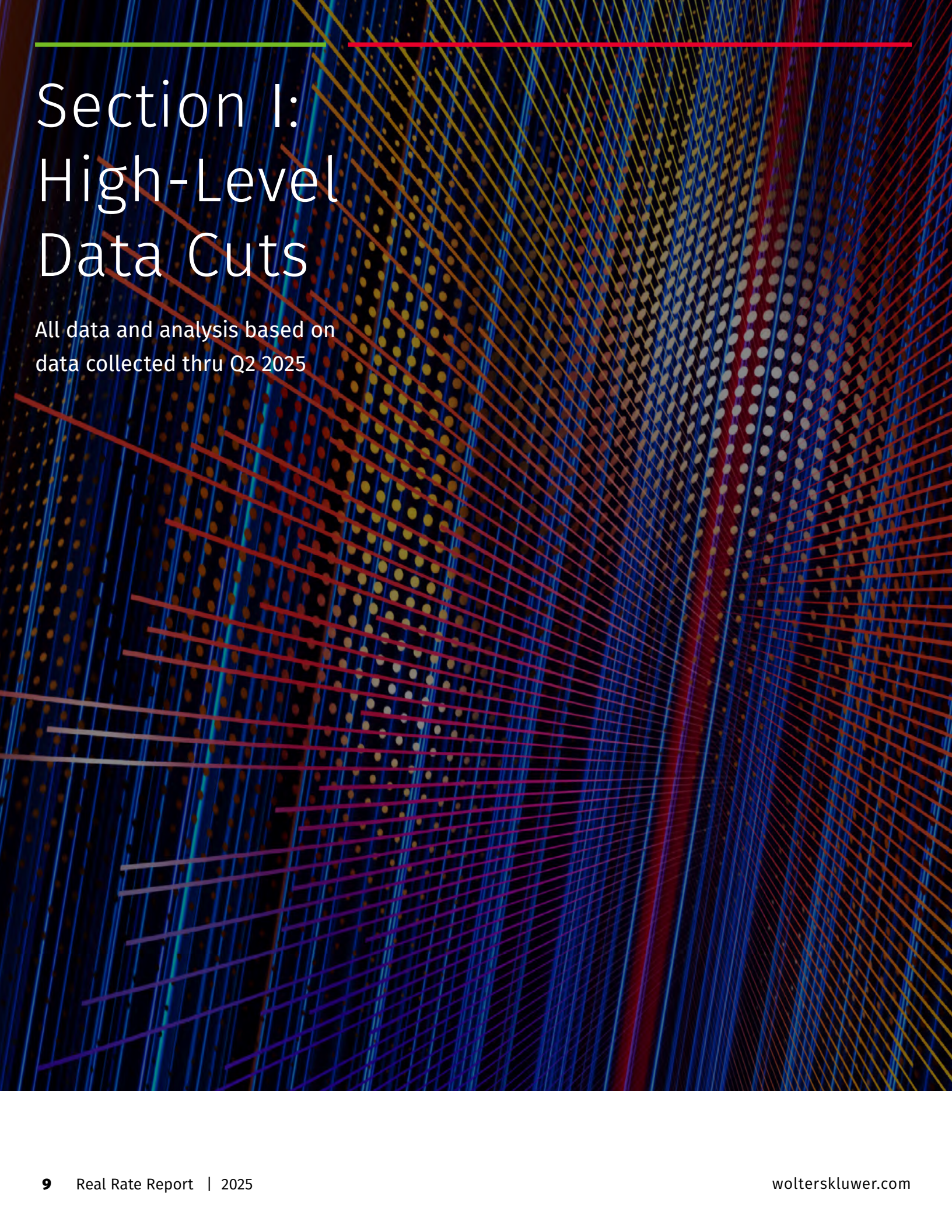
LegalVIEW® DynamicInsights

Legal rates keep climbing and 2026 will be no exception. Stay ahead with award-winning insights designed to give your team the edge in every negotiation.

Data that wins awards...and rate negotiations

- **Unmatched Data Power:** Leverages over **\$200B** in invoice-backed legal spend data to deliver deep, actionable insights.
- **Strategic Legal Spend Management:** Empowers legal teams to negotiate smarter, plan more effectively, and control costs with greater precision.
- **Enhanced Transparency & Collaboration:** Strengthens law firm-client relationships through data-driven transparency and benchmarking.
- **Insight-Driven Decision Making:** Enables analysis across key dimensions to support strategic negotiations and financial optimization.





Section I: High-Level Data Cuts

All data and analysis based on
data collected thru Q2 2025

Section I: High-Level Data Cuts

Cities

By Matter Type

2025 Real Rates for Associate and Partner

Trend Analysis - Mean

City	Matter Type	Role	n	First Quartile	Median	Third Quartile	2025	2024	2023
San Francisco CA	Litigation	Partner	106	\$400	\$718	\$1,378	\$908	\$819	\$803
		Associate	80	\$385	\$666	\$875	\$683	\$652	\$614
	Non-Litigation	Partner	132	\$445	\$689	\$1,249	\$856	\$868	\$788
		Associate	97	\$335	\$550	\$922	\$640	\$664	\$593
San Jose CA	Litigation	Partner	23	\$650	\$800	\$1,250	\$998	\$1,024	\$1,011
		Associate	20	\$625	\$815	\$1,030	\$852	\$802	\$721
	Non-Litigation	Partner	33	\$745	\$950	\$1,266	\$1,033	\$1,104	\$1,108
		Associate	27	\$527	\$610	\$966	\$718	\$709	\$701
Seattle WA	Litigation	Partner	57	\$520	\$902	\$925	\$790	\$719	\$628
		Associate	29	\$425	\$653	\$700	\$586	\$518	\$475
	Non-Litigation	Partner	119	\$402	\$615	\$925	\$694	\$635	\$652
		Associate	79	\$307	\$445	\$676	\$496	\$484	\$467



Section II: Industry Analysis

All data and analysis based on
data collected thru Q2 2025

Section II: Industry Analysis

Consumer Services

By Detailed Practice Area and
Matter Type

2025 - Real Rates for Associate and Partner

Trend Analysis - Mean

Practice Area	Matter Type	Role	n	First Quartile	Median	Third Quartile	2025	2024	2023
Employment and Labor: Discrimination, Retaliation and Harassment / EEO	Litigation	Partner	27	\$393	\$495	\$613	\$509	\$463	\$436
		Associate	19	\$400	\$475	\$493	\$437	\$387	\$370
Employment and Labor: Other	Litigation	Partner	24	\$564	\$692	\$1,252	\$956	\$782	\$683
		Associate	14	\$384	\$469	\$564	\$553	\$484	\$458
	Non-Litigation	Partner	25	\$450	\$574	\$695	\$579	\$573	\$548
		Associate	25	\$397	\$450	\$525	\$465	\$472	\$456
Intellectual Property: Patents	Non-Litigation	Partner	41	\$350	\$595	\$691	\$605	\$652	\$634
		Associate	51	\$208	\$373	\$517	\$382	\$378	\$389
Real Estate: Leasing	Non-Litigation	Partner	17	\$410	\$539	\$865	\$616	\$664	\$667
		Associate	10	\$278	\$404	\$617	\$482	\$444	\$478
Real Estate: Other	Non-Litigation	Partner	58	\$480	\$626	\$940	\$694	\$612	\$540
		Associate	39	\$320	\$460	\$733	\$503	\$468	\$415

EXHIBIT 4

Expenses Subtotals - Filtered Exp. Type

As of 2026-06-11 08:42:04 Pacific Standard Time/PST • Generated by Saul Solares

Filtered By

Show: All matters

Matter: ID equals a0LPc00000A8XHE

Expense Type equals E127 — DTF,DTF,E108 — Postage,E102 — Printing

Display Name ↑	Expense Type ↑	Date	Expense: Expense ID	Provider Name	Note	Amount	Reduction Amount	Amount Paid	Amount Due.
Luis Madriz-Rivas - Wage & Hour: //	DTF	6/8/2024	E-3225518		Docusign envelope	\$1.89			\$1.89
	Subtotal	Sum				\$1.89	\$0.00	\$0.00	\$1.89
		Count	1						
	E108 — Postage	~~7/12/2024~~	~~E-3216405~~			~~\$7.36~~			~~\$7.36~~
		~~7/12/2024~~	~~E-3216404~~			~~\$7.36~~			~~\$7.36~~
	Subtotal	Sum				\$14.72	\$0.00	\$0.00	\$14.72
		Count	2						
Subtotal		Sum				\$16.61	\$0.00	\$0.00	\$16.61
		Count	3						
Total		Sum				\$16.61	\$0.00	\$0.00	\$16.61
		Count	3						

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Client Cost Report

Account	Type	Date	Num	Name	Matter Display Name	Line Memo	Amount
501500 Cost of Sale : Court Filing Fees	C r e d i t Card	2/19/2026	CC022826TA-2084	One Legal LLC	Grace Holmes Inc/J. Crew (Madriz-Rivas) - Wage & Hour (Class Action)	27506735-254578-Atty Svc for Court Filing-CMS-Luis Madriz-Rivas	\$30.99
501500 Cost of Sale : Court Filing Fees	C r e d i t Card	6/1/2026	CC053126TA-2379	One Legal LLC	Grace Holmes Inc/J. Crew (Madriz-Rivas) - Wage & Hour (Class Action)	28362926-Atty Svc for Court Filing-CMS-Luis Madriz-Rivas-254578	\$29.95
501500 Cost of Sale : Court Filing Fees	C r e d i t Card	7/30/2025	CC083125TA-0770	One Legal LLC	Grace Holmes Inc/J. Crew (Madriz-Rivas) - Wage & Hour (Class Action)	25933228-254578-Atty Svc for Court Filing-Change of Address-Luis Madriz-Rivas	\$32.98
501500 Cost of Sale : Court Filing Fees	C r e d i t Card	11/17/2025	CC113025TA-1748	One Legal LLC	Grace Holmes Inc/J. Crew (Madriz-Rivas) - Wage & Hour (Class Action)	26785006-254578-Atty Svc for Court Filing-CMS-Luis Madriz-Rivas	\$186.82
503300 Cost of Sale : Professional Fees	Bill	12/1/2025	16957	Berger Consulting Group LLC	Grace Holmes Inc/J. Crew (Madriz-Rivas) - Wage & Hour (Class Action)	16957-Grace Holmes Inc/J. Crew (Madriz-Rivas) - 8.90 hrs of work	\$6,007.50
Total							\$6,288.24

Wilshire Law Firm, PLC
Client Costs Detailed Report
All Transactions

06/11/26

Accrual Basis

Type	Date	Num	Class	Source Name	Memo	Amount	Balance
500000 · COS							
501500 · Court Filing Fees							
Credit C...	08/30/2024	23636241	JCrew(Madriz-R).W&H	One Legal LLC	23636241-254578-Atty Svc for Court Filing-Compl,CCCS,Sum-JCre...	1,498.69	1,498.69
Credit C...	09/09/2024	23680602	JCrew(Madriz-R).W&H	One Legal LLC	23680602-254578-Atty Svc for Court Filing-Comp,Sum,CCCS-JCre...	41.18	1,539.87
Credit C...	09/10/2024	23696250	JCrew(Madriz-R).W&H	One Legal LLC	23696250-254578-Atty Svc for Court Filing-POS-JCrew(Madriz-R)....	22.13	1,562.00
Total 501500 · Court Filing Fees						1,562.00	1,562.00
502500 · Legal Expenses							
Credit C...	06/24/2024		JCrew(Madriz-R).W&H	Department of Industrial Relations	ORD-000295998 (254578) JCrew(Madriz-R).W&H	75.00	75.00
Credit C...	03/06/2025		JCrew(Madriz-R).W&H	Pacer	RM 51501Q - JCrew(Madriz-R).W&H	43.70	118.70
Bill	12/04/2024	851148941	JCrew(Madriz-R).W&H	Thomson Reuters-West Publishi...	~~Legal-Research-JCrew(Madriz-R).W&H~~	5.68	124.38
Total 502500 · Legal Expenses						124.38	124.38
Total 500000 · COS						1,686.38	1,686.38
TOTAL						1,686.38	1,686.38

EXHIBIT 5

From: DIR PAGA Unit <no-reply@formassembly.com>
Sent: Saturday, November 22, 2025 7:53 PM
To: Manlio Gutierrez <Manlio.gutierrez@wilshirelawfirm.com>
Subject: Thank you for your Court Complaint Submission.

11/22/2025 07:53:21 PM

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

Item submitted: Court Complaint

If you have questions or concerns regarding this submission or your case, please send an email to

pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:

[https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate Attorneys General_Act.htm&data=05%7C02%7CManlio.gutierrez%40wilshirelawfirm.com%7C534cfbb0a80b4a1cd63b08de2a43dffe%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C638994668206383280%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslIAiOiJJXaW4zMilslkFOljoiTWFpbClslldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=iO169O8gKyJ7GaJHPzYSwXBWuZZ24%2FQEjlilgGGxBEI%3D&reserved=0](https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7CManlio.gutierrez%40wilshirelawfirm.com%7C534cfbb0a80b4a1cd63b08de2a43dffe%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C638994668206383280%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIlwLjAuMDAwMCIslIAiOiJJXaW4zMilslkFOljoiTWFpbClslldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=iO169O8gKyJ7GaJHPzYSwXBWuZZ24%2FQEjlilgGGxBEI%3D&reserved=0)

EXHIBIT 6

From: no-reply@formassembly.com <no-reply@formassembly.com>
Sent: Thursday, June 11, 2026 12:46 AM
To: Lisa Iturriaga, Esq. <lisa.iturriaga@wilshirelawfirm.com>
Subject: Thank you for your Proposed Settlement Submission

06/11/2026 12:45:50 AM

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

Item submitted: Proposed Settlement

On 06/11/2026 12:45:50 AM your Proposed Settlement was successfully processed for case number LWDA-CM-1035380-24

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: [https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate Attorneys General Act.htm&data=05%7C02%7Clisa.iturriaga%40wilshirelawfirm.com%7Cd241bc55460d4ac5e63708dec78d7d37%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639167607702901745%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRy.dWUslIYiOilwLjAuMDAwMCIslIAiOiJXaW4zMilslkFOljoitWFpbCIsIldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=3U28jAA5Skw9qpyym4qxcArGlCahjg0ZtqBZlc2Z%2F0o%3D&reserved=0](https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate%2FAttorneys%2FGeneral%2FAct.htm&data=05%7C02%7Clisa.iturriaga%40wilshirelawfirm.com%7Cd241bc55460d4ac5e63708dec78d7d37%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639167607702901745%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRy.dWUslIYiOilwLjAuMDAwMCIslIAiOiJXaW4zMilslkFOljoitWFpbCIsIldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=3U28jAA5Skw9qpyym4qxcArGlCahjg0ZtqBZlc2Z%2F0o%3D&reserved=0)