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ELECTRONICALLY FILED

Superior Court of California,
County of Alameda

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By: Xian-xii Bowie, Deputy Clerk

Attorneys for Petitioner, DFEH

(Fee Exempt, Gov. Code, § 6103)

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ALAMEDA

DEPARTMENT OF FAIR EMPLOYMENT
AND HOUSING, an agency of the State of
California,

Petitioner,

vs.

MICHAELS STORES, INC.,

Respondent.

Case No. 22CV010869

**DEPARTMENT OF FAIR EMPLOYMENT
AND HOUSING'S PETITION FOR AN
ORDER COMPELLING COMPLIANCE
WITH GOVERNMENT CODE SECTION
12999, OBLIGATING EMPLOYERS TO
SUBMIT PAY DATA REPORTS, AND
REQUEST FOR COSTS**

[Gov. Code, § 12999, subd. (h)]

Petitioner, the California Department of Fair Employment and Housing (Department or DFEH) alleges the following against respondent Michaels Stores, Inc. (Michaels Stores):

1. The DFEH is the state agency responsible for enforcing the civil rights laws set forth in the California Fair Employment and Housing Act (FEHA). (Gov. Code, § 12900, et seq.) Government Code section 12999, enacted in 2020 with an effective date of January 1, 2021, requires each employer subject to the FEHA, with at least 100 employees nationwide, who are required to file an Employer Information Report ("EEO-1") under federal law, to also submit a pay data report to DFEH on an annual basis.

2. The EEO-1 is a federal reporting requirement administered by the Equal Employment Opportunity Commission. It applies to "every employer that is subject to title VII of the Civil Rights

1 Act of 1964” with 100 or more employees. (29 CFR § 1602.7) Employers subject to Title VII are
2 those “engaged in an industry affecting commerce” with “fifteen or more employees” for twenty
3 weeks or more out of the year. (42 U.S.C. § 2000e.)

4 3. California’s pay data report law requires employers to provide the number of
5 employees by race, ethnicity, and sex in certain job categories and by category of rate of pay they
6 employed during the previous year. The Legislature imposed this affirmative reporting requirement
7 on employers because “pay discrimination is difficult to detect and address.” (Stats. 2020, ch. 363, §
8 1(d).) Government Code section 12999 requires that employers submit a pay data report on or before
9 March 31st of each year with pay data from the prior year (“Reporting Year”). The first such report
10 was due March 31, 2021, for the 2020 reporting year.

11 4. When an employer fails to submit an annual California pay data report, the
12 Department “may seek an order” compelling compliance with Government Code section 12999’s
13 requirements (Gov. Code, § 12999, subd. (h)), and recover the costs, including attorney’s fees,
14 associated with such action. A petition seeking an order to compel compliance is an appropriate
15 vehicle for such an action. (*See City of Santa Monica v. Gonzalez* (2008) 43 Cal.4th 905 [approving
16 trial court’s grant of order upon petition pursuant to Health and Safety Code section 17980.7,
17 providing that agency “may seek” an order].)

18 5. Respondent is, according to its web site, “the largest arts and crafts specialty retailer
19 in North America.” (Michaels Stores, Inc., *About Us* | *Michaels Corporate*
20 <<https://www.michaels.com/about-us-%7C-michaels-corporate/About-Us.html>> [as of Apr. 21,
21 2022]. Attached hereto as **Exhibit A.**)

22 6. In 2020, Respondent owned and operated over 1,270 locations. (Michaels Stores,
23 Inc., *Michaels to Hire Over 16,000 Employees for the Holiday Season* (Sept. 8, 2020)
24 <[https://www.michaelspressroom.com/news/detail/3567/michaels-to-hire-over-16000-employees-](https://www.michaelspressroom.com/news/detail/3567/michaels-to-hire-over-16000-employees-for-the-holiday)
25 [for-the-holiday](https://www.michaelspressroom.com/news/detail/3567/michaels-to-hire-over-16000-employees-for-the-holiday)>. Attached hereto as **Exhibit B.**)

26 7. In January 2021, Respondent had at least 45,000 employees. (The Michaels
27 Companies, Inc., *SEC Form 10-K* p. 8 (Mar. 9, 2021) <[https://sec.report/Document/0001558370-21-](https://sec.report/Document/0001558370-21-002630/)
28 [002630/](https://sec.report/Document/0001558370-21-002630/)>. Attached hereto as **Exhibit C.**)

1 8. Currently, according to its web site, Respondent operates over 100 locations in
2 California (Michaels Stores Inc., *Michaels Arts and Crafts Store Locations in California*
3 <<https://locations.michaels.com/ca/>> [as of Apr. 21, 2022]. Attached hereto as **Exhibit D.**) Michaels
4 has been operating stores in California since 1987, when it acquired thirty stores in the state.
5 (Sanchez, *Party Supply Stores Texas Chain to Acquire Moskatel's for \$15 million*, L.A. Times (July
6 29, 1987). Attached hereto as **Exhibit E.**)

7 9. Respondent was thus a private employer with at least 100 employees nationwide that
8 did business in California during Reporting Year 2020. They are required to file an EEO-1 as an
9 employer subject to Title VII with more than 100 employees. (See *Lewis v. Michaels Stores, Inc.*
10 (M.D. Fla., Aug. 3, 2007, No. 305-CV-1323J-33MCR) 2007 WL 2254502, at *14 [Title VII
11 retaliation claim against Michaels Stores could proceed to trial].)

12 10. Respondent filed an EEO-1 in 2018, the most recent year for which DFEH has data.

13 11. Respondent is therefore subject to Government Code section 12999: (1) respondent
14 “has 100 or more employees”; (2) respondent “is required to file an annual Employer Information
15 Report (EEO-1) pursuant to federal law”; and (3) respondent has at least one California employee
16 and is thus subject to the jurisdiction of the Department. (Gov. Code, § 12999, subd. (a).)

17 12. DFEH has created an online portal where pay data reports can be submitted,
18 accessible at <https://www.dfeh.ca.gov/paydatareporting/>.

19 13. Respondent failed to submit a pay data report for Reporting Year 2020 by March 31,
20 2021. On September 15, 2021, DFEH sent by First-Class mail a Notice of Non-Compliance to
21 Respondent regarding their failure to submit an annual pay data report for the Reporting Year 2020
22 by October 15, 2021. That notice is attached hereto as **Exhibit F.**

23 14. Respondent failed to submit a pay data report for Reporting Year 2020 by October
24 15, 2021. On December 9, 2021, DFEH sent by First-Class mail a Second Notice of Potential Non-
25 Compliance to Respondent reminding them of their obligation to report under Government Code
26 section 12999. The notice indicated that no pay data report had been received and requested that a
27 pay data report for the Reporting Year 2020 be submitted no later than January 9, 2022. That notice
28 is attached hereto as **Exhibit G.**

15. Respondent failed to submit a pay data report for Reporting Year 2020 by January 9, 2022. On February 9, 2022, DFEH sent by certified mail a Notice of Impending Court Action to Respondent reminding them of their obligation to report under Government Code section 12999 by March 11, 2022. The notice informed respondent that DFEH was prepared to pursue legal action if they failed to submit their pay data report in a timely fashion. That notice is attached hereto as **Exhibit H**. To date, no pay data report for the Reporting Year 2020 has been received.

16. Respondent owns and operates at least seven stores in Alameda County, California: in Emeryville, Alameda, Union City, Dublin, Fremont, Livermore, and San Leandro. (Michaels Stores Inc., *Find a Store* <<https://www.michaels.com/store-locator>> [as of Apr. 21, 2022]. Attached hereto as **Exhibit I.**). Because Respondent employs workers at these locations in Alameda County, the “obligation” to report pay data “arises” in Alameda County, within the meaning of Code of Civil Procedure section 395.5. Alameda County Superior Court is thus a proper venue for this action.

PRAYER FOR RELIEF

Wherefore, it is prayed that the Court:

1. Find the petition sets forth good cause for relief, and issue an order to show cause to respondent, pursuant to Government Code section 12999, subdivision (h);

2. Set a hearing on the order to show cause no earlier than 30 days after the filing of the petition and no later than 60 days after the filing of the petition;

3. Grant the petition and order respondent to submit its pay data report, within 30 days after the effective date of the order granting this petition, order respondent to file future reports by March 31 of each year, and retain jurisdiction to enforce the terms of this order;

4. Award DFEH its costs in pursuing this action, including attorney's fees. (Gov. Code, § 12999, subd. (h).)

5. For such other relief as the Court deems just and proper.

DATED: May 2, 2021

DEPARTMENT OF FAIR EMPLOYMENT
AND HOUSING

[Handwritten signature]

Renée Paradis
Attorney for Petitioner

EXHIBIT A



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Need it today?



FREE IN-STORE & CURBSIDE PICKUP
\$9.99 SAME DAY DELIVERY

About Us

In 1984, with only 16 Michaels stores located primarily in Texas, Michaels Stores, Inc. became a publicly held company. Shortly thereafter, we embarked on an aggressive national expansion program, and by 1995, through a series of new store openings and acquisitions, we had increased our holdings to over 500 stores, more than tripling our size to become **the largest arts and crafts specialty retailer in North America.**

Beginning in 1996, we focused on increasing the profitability of our existing stores by implementing a variety of operating initiatives, including installing point-of-sale systems chain-wide to record item-level sales, implementing standardized merchandise planograms to enhance merchandise presentation, eliminating non-core merchandise, reducing costs through centralization of functions, and strengthening the quality and depth of our management team.

Over the following few years, we strengthened our operations by improving our infrastructure. We invested heavily in point-of-sale, perpetual inventory, automated replenishment, distribution, seasonal allocation, human resource, financial, and labor management systems. These systems have significantly improved our ability to properly forecast, manage, and analyze our inventory levels, margins, and merchandise ordering quantities and have created efficiencies within our stores, distribution centers, and corporate office. We are seeing the benefits of these systems now with the potential for improvements in the future as we further refine the usage and integration among our systems.

On October 31, 2006, substantially all of the Common Stock of Michaels Stores, Inc. (formerly NYSE: MIK) was acquired through a merger transaction by affiliates of two private investment firms, Bain Capital Partners, LLC and The Blackstone Group (collectively, the "Sponsors"), with certain shares retained by affiliates of Highfields Capital Partners (a then-existing shareholder of Michaels Stores, Inc.). As a result of the Merger, Michaels Holdings, LLC, an entity controlled by the Sponsors, owns over 93% of our outstanding Common Stock, which is no longer publicly traded.

Since our founding, the family of Michaels Stores, Inc., the nation's largest retailer of arts and crafts materials, has been helping crafters of all ages express their imaginations with skill and originality. With a broad assortment of products, knowledgeable and friendly sales associates, educational in-store events, classrooms, and instructional displays, we offer a shopping experience that inspires our customers to pursue their creative goals. At Michaels Stores, Inc. we provide the ideas and education to complete an array of artistic, leisure, and home accents projects for beginners and experts from start to finish.

Michaels stores can be found in 49 states and Canada and offer a large selection of arts, crafts, framing, floral, wall décor, and seasonal merchandise. They carry approximately 37,000 basic items and average 18,300 square feet of selling space. As of March 30, 2009, we had 1,018 Michaels stores in operation. Our Aaron Brothers stores are located in Arizona, California, Colorado, Georgia, Idaho, Maryland, Nevada, Oregon, Texas, Virginia, and Washington. Aaron Brothers is a wholly owned subsidiary of Michaels Stores, Inc. that offers photo frames, a full line of ready-made frames, custom framing services, and a wide selection of art supplies. Each store averages 5,500 square feet of selling space and carries approximately 5,700 items. We had 157 Aaron Brothers stores in operation as of March 30, 2009.

EXHIBIT B



SEPTEMBER 8, 2020

Michaels to Hire Over 16,000 Employees for the Holiday Season

[DOWNLOAD PDF](#)

Seasonal Hiring Event on September 12

IRVING, Texas--(BUSINESS WIRE)-- The Michaels Companies, Inc. (NASDAQ: MIK), the largest arts and crafts retail chain in North America, today announced it will hire over 16,000 seasonal positions across its U.S. and Canada stores and distribution centers in preparation for the 2020 holiday season.

Michaels will host a seasonal hiring event in U.S. stores on September 12 from 12pm – 4pm. The Company will be hiring talented team members across the organization and strengthening its buy-online, pickup in-store (BOPIS) team in order to continue to serve shoppers in a safe and convenient way during the holiday season. Candidates in Canada can visit their local stores to learn more about holiday hiring opportunities.

"At Michaels, we're committed to helping everyone stay creative and safe. Our team members are vital to helping our Makers bring a little extra joy home during the upcoming holiday season," said Rob Koch, the Michaels Companies Executive Vice President of Stores and Real Estate. "We are proud to employ such creative and passionate team members and are dedicated to making Michaels a fun and supportive place to work. Each holiday season, we are pleased to add additional talent to our growing team and we look forward to safely providing another exceptional holiday shopping experience to our Maker community this year."

Michaels team members strive to make each customer experience exceptional every time, ensuring that Makers are fully equipped to make the world brighter and more meaningful during the holiday season. Michaels offers an exclusive seasonal assortment that features an array of seasonal décor and ornaments, beautiful floral picks and greenery, and the best tree lot in town.

Michaels seasonal team members benefit from competitive wages, flexible hours and a 30% discount, as well as an exciting and supportive work environment rooted in a culture that encourages passion and creativity. Last year, Michaels hired more than 50% of seasonal in-store positions into regular roles following the holidays.

Candidates in both the U.S. and Canada interested in seasonal positions can learn more in stores or apply online at [Michaels.com/storejobs](https://www.michaels.com/storejobs).

About The Michaels Companies, Inc.

The Michaels Companies, Inc. is North America's largest specialty provider of arts, crafts, framing, floral, wall décor, and seasonal merchandise for Makers and do-it-yourself home decorators. The Company operates more than 1,270 Michaels stores in 49 states and Canada. Additionally, the Company serves customers through a variety of digital platforms including Michaels.com, Canada.michaels.com, consumercrafts.com and aaronbrothers.com. The Michaels Companies, Inc., also owns Artistree, a manufacturer of high-quality custom and specialty framing merchandise. For a list of store locations or to shop online, visit www.michaels.com or download the Michaels app.

SHARE:



EXHIBIT C

Form 10-K Michaels Companies, Inc.

Annual report [Section 13 and 15(d), not S-K Item 405]

SEC.report (<https://sec.report/>) / Michaels Companies, Inc. (/CIK/0001593936) / Form 10-K (/Document/0001558370-21-002630/) / (Filer)

Published: 2021-03-09 15:55:50 (2021-03-09T15:55:50-0400)

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[About Form 10-K \(/Form/10-K\)](/Form/10-K)

[mik-20210130x10k.htm](https://sec.report/Document/0001558370-21-002630/mik-20210130x10k.htm)  (<https://sec.report/Document/0001558370-21-002630/mik-20210130x10k.htm>) 10-K

Zoom In

Zoom Out

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended January 30, 2021

Commission file number 001-36501

THE MICHAELS COMPANIES, INC.

A Delaware Corporation

IRS Employer Identification No. 37-1737959

3939 West John Carpenter Freeway

Irving, Texas 75063

(972) 409-1300



Relocated stores opened	—	—	—	—	1
Closed stores	—	—	(36)	—	—
Relocated stores closed	—	—	—	—	(1)
Open at end of period	—	—	—	36	35
Total store count at end of period	1,252	1,274	1,258	1,371	1,367

We believe, based on an internal real estate and market penetration study of Michaels stores, that the combined U.S. and Canadian markets can support between 1,300 and 1,400 Michaels stores. We plan to open approximately 33 Michaels stores, including approximately 10 relocations, in fiscal 2021. We continue to pursue a store relocation program to improve the real estate location quality and performance of our store base. During fiscal 2021, we plan to close up to 15 Michaels stores. Many of our store closings are stores that have reached the end of their lease term. We believe our ongoing store evaluation process results in strong performance across our store base.

Our store operating model, which is based on historical store performance, assumes an average store size of approximately 18,000 square feet of selling space. Our fiscal 2020 average initial net investment, which varies by site and

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specific store characteristics, was \$0.5 million per store, including store build-out costs, pre-opening expenses and average first year inventory.

Human Capital

As of January 30, 2021, we employed approximately 45,000 team members, including approximately 41,000 who work in the United States with the remaining working in Canada and China. We employ approximately 34,000 team members on a part-time basis. Due to the seasonal nature of the retail business, the number of part-time team members substantially increases during the Holiday selling season. Of our full-time team members, approximately 4,000 are engaged in various executive, operating, administrative functions in our support center, division offices and distribution centers and the remainder are engaged in store operations. None of our team members are subject to a collective bargaining agreement. We offer a broad range of company paid benefits to our team members including medical and dental plans, paid vacation, a 401(k) plan, disability insurance, team member assistance programs, life insurance and a team member discount. The level of benefits and eligibility vary depending on the team members' full-time or part-time status, date of hire, length of service or level of pay. We believe that to succeed as a business we must maintain an inclusive culture that fosters high team member engagement and standards of ethical conduct, provides ongoing development opportunities, and provides a safe working environment. We have taken numerous measures to meet these objectives including providing ongoing learning and mentoring programs, establishing Michaels Resource Groups to raise awareness and promote education of different cultures and lifestyles, and regularly updating and distributing our Code of Business Conduct and Ethics policies to all team members. We also perform ongoing reviews of our safety protocols, including extensive efforts undertaken during the COVID-19 pandemic to ensure the health and safety of our team members by performing frequent cleanings, ensuring social distancing and providing masks for all of our stores.

Competition

We are the largest arts and crafts specialty retailer in North America based on store count. The market in which we compete is highly fragmented and includes stores across the U.S. and Canada operated primarily by small, independent retailers along with a few regional and national chains. We believe customers choose where to shop based upon store location, breadth of selection, price, quality of merchandise, availability of product and customer service. We compete with many different types of retailers and classify our competition within the following categories:

- *Multi-store chains.* This category consists of several multi-store chains, each operating more than 100 stores, including: Hobby Lobby Stores, Inc., which operates approximately 930 stores in 47 states and Jo-Ann Stores, Inc., which operates approximately 870 stores in 49 states. We believe these chains are smaller than Michaels with respect to net sales.
- *Mass merchandisers.* This category of retailers typically dedicate a portion of their selling space to a limited selection of home décor, arts and crafts supplies and seasonal merchandise, but they do seek to capitalize on the latest trends by stocking products that are complementary to those trends and their current merchandise offerings. These mass merchandisers generally have limited customer service staffs with minimal experience in crafting projects.
- *Small, local specialty retailers.* This category includes local independent arts and crafts retailers and custom framing shops. Typically, these stores are single-store operations managed by the owner. These stores generally have limited resources for advertising, purchasing and distribution. Many of these stores have established a loyal customer base within a given community and compete based on relationships and customer service.

EXHIBIT D

Michaels

CUSTOM FRAMING

Michaels

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Michaels Rewards

Gift Cards

Classes & Events

20% off regular price purchases with code 22MADEBYYOU

FREE shipping on orders \$49+

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FREE IN-STORE & CURBSIDE PICKUP
\$9.99 SAME DAY DELIVERY

Michaels Arts and Crafts Store Locations in California

Cities

Alameda	Aliso Viejo	Auburn	Bakersfield
Brea	Brentwood	Buena Park	Burbank
Camarillo	Carlsbad	Chico	Chino
Chula Vista	Citrus Heights	Clovis	Colma
Corona	Costa Mesa	Cupertino	Downey
Dublin	El Cajon	El Centro	Elk Grove
Emeryville	Encinitas	Encino	Escondido
Eureka	Fairfield	Folsom	Fontana
Foothill Ranch	Fremont	Fresno	Fullerton
Gilroy	Glendale	Goleta	Granada Hills
Hanford	Hawthorne	Huntington Beach	Inglewood
Irvine	La Habra	Lakewood	La Mesa
Lancaster	La Verne	Livermore	Lompoc
Long Beach	Los Angeles	Marina	Menifee
Merced	Milpitas	Mira Loma	Mission Viejo
Modesto	Monrovia	Moorpark	Mountain View
Napa	Oceanside	Orange	Palmdale
Palm Desert	Palm Springs	Pasadena	Paso Robles
Petaluma	Pinole	Pleasant Hill	Poway
Rancho Cordova	Rancho Cucamonga	Redding	Redlands
Redwood City	Riverside	Roseville	Sacramento
Salinas	San Clemente	San Diego	San Jose
San Leandro	San Luis Obispo	San Mateo	San Rafael
Santa Ana	Santa Maria	Santa Rosa	Santee
South Gate	Stevenson Ranch	Stockton	Studio City
Sunnyvale	Temecula	Torrance	Tracy
Turlock	Tustin	Ukiah	Union City
Upland	Vacaville	Vallejo	Ventura
Victorville	Visalia	Vista	Walnut
West Covina	West Hills	Westlake Village	Whittier
Woodland	Yorba Linda	Yuba City	

Your local California Michaels store offers a wide selection of arts & crafts supplies. Michaels carries the full range of art supplies, including paints, brushes, canvas, charcoal, easels, school & office supplies, markers, drawing sets, and more. Popular art supplies brands that Michaels carries include Arches, Canson, Faber-Castel, Reeves, Artist's Loft, Derwent, Prismacolor, and Strathmore.

EXHIBIT E



Party Supply Stores : Texas Chain to Acquire Moskatel's for \$15 Million

BY JESUS SANCHEZ

JULY 29, 1987 12 AM PT



TIMES STAFF WRITER

Moskatel's, a chain of 30 party supply and arts and crafts stores, has agreed to be acquired by a fast-growing Texas chain for \$15 million in cash.

In buying Moskatel's, Michaels Stores of Irving, Tex., makes its initial foray into California and continues on its aggressive growth campaign that has seen it double in size within two years.

Michaels operates 56 stores selling inexpensive picture frames, silk flowers, arts and craft supplies and other home decorations in 12 states.

Moskatel's chairman and owner, Ray Shimizu, 43, will step down once the sale is completed. "This is a good marriage," Shimizu said. "They made a good business offer and they have more resources in order for the company to grow." Shimizu and his partners bought Moskatel's nine years ago for \$3.3 million.

Moskatel's, founded in 1946 by Leon Moskatel, specialized in party and wedding supplies. There were eight stores when Shimizu acquired the chain. It has since grown to the current 30. Seventeen stores are in the Los Angeles area and the rest are spread throughout the state. The company, based in Buena Park, had sales of \$33 million last year. "You can find everything (in a Moskatel's store) for a wedding except the bride and groom and the cake," Shimizu said.

A healthy housing market and widespread interest in arts and crafts attracted Michaels to California, said Joel H. Mathis, vice president-administration for Michaels. "There are a lot people that use arts and crafts for home decor," he said.

Mathis said that except for adding picture framing departments to Moskatel's stores, "We will not do anything dramatic in the immediate future."

By adding a picture framing department, Moskatel's will end up competing more directly with Aaron Brothers Art Marts, said Teneyck T. Wellford, an analyst at the brokerage firm of Branch, Cabell & Co. "It would be interesting to see what happens there," he said.

On the American Stock Exchange, Michaels shares closed at \$7.875, up 25 cents.

EXHIBIT F



Department of Fair Employment & Housing

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
800-884-1684 (voice) | 800-700-2320 (TTY) | California's Relay Service at 711
www.dfeh.ca.gov | email contact.center@dfeh.ca.gov

September 15, 2021

MICHAELS STORES INC.
PO BOX 619566
DALLAS, TX 75261-9566

RE: Notice of Non-Compliance:
Failure to File Pay Data Report Required by Government Code section 12999
Case Number: PDRC-202100007
Case Reporting Year: 2020

Dear Employer:

The law requires private employers of 100 or more employees (with at least one employee in California) to report pay and hours-worked data by establishment, job category, sex, race, and ethnicity to the Department of Fair Employment and Housing (DFEH) by March 31, 2021 and annually thereafter. By requiring large employers to report pay data annually to DFEH, the Legislature sought to encourage employers to self-assess pay disparities along gendered, racial, and ethnic lines in their workforce and promote voluntary compliance with equal pay and anti-discrimination laws.

Our records indicate that you are subject to this requirement but have not submitted your Annual Pay Data Report which was due on March 31, 2021.

The report is not voluntary; it is required by state law. The law authorizes the DFEH to seek a court order requiring you to file your Annual Pay Data Report and to recover costs associated with seeking that order, including reasonable attorney fees. You can avoid these expenses by promptly filing your Annual Pay Data Report.

By October 15, 2021, please file your report online at: <https://www.dfeh.ca.gov/paydatareporting/>.

If you have already submitted your Annual Pay Data Report, or if you believe you are not required to file an Annual Pay Data Report, please go to <https://support.dfeh.ca.gov/hc/en-us/requests/new>. You will be asked to provide information that will help us resolve this matter.

If you are not sure if you need to file, please consult: <https://www.dfeh.ca.gov/paydatareporting/faqs/>, or for technical assistance, you can contact: paydata.reporting@dfeh.ca.gov.

Sincerely,

DFEH Pay Data Compliance Unit

EXHIBIT G



Department of Fair Employment & Housing

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
800-884-1684 (voice) | 800-700-2320 (TTY) | California's Relay Service at 711
www.dfeh.ca.gov | email contact.center@dfeh.ca.gov

December 9, 2021

MICHAEL STORES INC.
PO BOX 619566
DALLAS, TX 752619566

RE: Second Notice of Potential Non-Compliance:
Failure to File Pay Data Report Required by Government Code section 12999
Case Number: PDRC-202100007
Case Reporting Year: 2020

Dear Employer:

Our records indicate that you continue to be in violation of the law. This is your Second Notice of Non-Compliance.

As a private employer with 100 or more U.S. employees (with at least one employee in California), you were required to file an Annual Pay Data Report by March 31, 2021. The report is not voluntary; it is required by state law. You must take immediate steps to bring your organization into compliance.

The law authorizes the Department of Fair Employment and Housing to seek a court order requiring the filing of the Annual Pay Data Report and entitles the Department to recover costs associated with seeking that order, including reasonable attorney fees. You can avoid these expenses by promptly filing your Annual Pay Data Report.

By January 9, 2022, please file your report online at: <https://www.dfeh.ca.gov/paydatareporting/>.

If you have already submitted your Annual Pay Data Report, or if you believe you are not required to file an Annual Pay Data Report, please go to <https://support.dfeh.ca.gov/hc/en-us/requests/new>. You will be asked to provide information that will help us resolve this matter.

If you are not sure if you need to file, please consult: <https://www.dfeh.ca.gov/paydatareporting/faqs/>, or for technical assistance, you can contact: paydata.reporting@dfeh.ca.gov.

Sincerely,

DFEH Legal Division

**CALIFORNIA DEPARTMENT OF FAIR
EMPLOYMENT & HOUSING**
ATTENTION: LEGAL DIVISION
2218 KAUSEN DRIVE, SUITE 100
ELK GROVE, CA 95758

December 9, 2021

MICHAEL STORES INC.
PO BOX 619566
DALLAS, TX 752619566

EXHIBIT H



Department of Fair Employment & Housing

2218 Kausen Drive, Suite 100 | Elk Grove | CA | 95758
800-884-1684 (voice) | 800-700-2320 (TTY) | California's Relay Service at 711
www.dfeh.ca.gov | email contact.center@dfeh.ca.gov

Via Certified Mail (No. 70192970000009920683)

February 9, 2022

MICHAEL STORES INC.
PO BOX 619566
DALLAS, TX 75261-9566

RE: Notice of Impending Court Action:
Failure to File Pay Data Report Required by Government Code section 12999
Case Number: PDRC-202100007
Case Reporting Year: 2020

Dear Employer:

Our records indicate that you continue to be in violation of the law. We mailed you two previous notices of this violation on Wednesday, September 15, 2021, and again on Thursday, December 9, 2021.

As a private employer with 100 or more U.S. employees (with at least one employee in California), you were required to file an Annual Pay Data Report by March 31, 2021. The report is not voluntary; it is required by state law.

Unless your report is filed within **30 calendar days** of this letter's date, the Department of Fair Employment and Housing will take legal action to obtain a court order compelling you to file your 2020 report and to timely file future reports. The law entitles the Department to recover costs associated with seeking this order, including reasonable attorney fees. You can avoid these expenses by immediately filing your Annual Pay Data Report.

By **March 11, 2022**, please file your report online at: <https://www.dfeh.ca.gov/paydatareporting/>.

If you have already submitted your Annual Pay Data Report, or if you believe you are not required to file an Annual Pay Data Report, please go to <https://support.dfeh.ca.gov/hc/en-us/requests/new>. You will be asked to provide information that will help us resolve this matter.

If you are not sure if you need to file, please consult: <https://www.dfeh.ca.gov/paydatareporting/faqs/>, or for technical assistance, you can contact: paydata.reporting@dfeh.ca.gov.

Sincerely,

DFEH Legal Division

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