

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement” or “Settlement”) is made and entered into between plaintiffs and class representatives Stephanie Ochoa, Ernestina Sandoval, Yadira Rodriguez, and Jasmine Hedgepeth, on their own behalf, on behalf of the State of California, and on behalf of all members of the class certified by the Court in this Action, and defendants McDonald’s Corporation, McDonald’s U.S.A., LLC, and McDonald’s Restaurants of California, Inc., subject to the terms and conditions of this Agreement and to the approval of the United States District Court in *Ochoa, et al. v. McDonald’s Corp., et al.*, N.D. Cal. No. 3:14-cv-02098-JD.

I. DEFINITIONS

1. As used in this Agreement, the following terms shall have the following meanings:
 - a. Action. The “Action” means the civil action captioned *Ochoa, et al. v. McDonald’s Corp., et al.*, N.D. Cal. No. 3:14-cv-02098-JD (N.D. Cal.).
 - b. Agreement. “Agreement” means this Settlement Agreement and all exhibits attached hereto.
 - c. Claim Form. “Claim Form” means the proof of claim agreed to by the Parties and to be submitted for approval by the Court which shall be used by certain Class Members as described herein to file a claim under this Agreement. A copy of the Claim Form is attached hereto as Exhibit 1.
 - d. Claims Administrator. “Claims Administrator” means CPT Group, Inc. or another claims administrator agreed to by the Parties.
 - e. Class Counsel. “Class Counsel” means Altshuler Berzon LLP and Cohen Milstein Sellers & Toll PLLC.
 - f. Class Members. “Class Members” means the members of the class certified by

the Court as set forth in the Court's Order Re Class Certification, dated July 7, 2016 (ECF Docket No. 319), as subsequently clarified by the parties in ECF Docket Nos. 339 & 340 (clarifying that the date for the end of the class period is the date that requests to opt out are due from class members) and ECF Docket No. 364 (clarifying that the restaurants covered by the certified class include the Jackson Street restaurant before and after April 2014), excluding those persons who opt out of the Class by no later than November 5, 2016 pursuant to the class notice and opt-out procedure approved by the Court on August 11, 2016, or who timely opt out of the Settlement pursuant to the procedures herein. Absent agreement of the Parties, each person included on the class list used by the Claims Administrator to provide notice to the Class on or about September 6, 2016 (excluding those who timely opted out pursuant to the procedures approved by the Court on August 11, 2016) shall be deemed to be a Class Member; provided that, to the extent a person on the list was employed as a manager at some point during the Class Period, the work weeks that person worked as a manager (to the extent that time period can be determined) shall not be counted as weeks worked during the Class Period for purposes of this settlement, and that persons who have opted out of the Class pursuant to the class notice and opt-out procedure approved by the Court on August 11, 2016 shall not be Class Members. An individual who is not listed on the Class List, but who submits a valid Claim Form as provided for herein and identifies the time during which s/he was employed as a crew member, crew trainer, or maintenance worker paid on an hourly basis at any of the Restaurants during the Class Period, shall be deemed a Class Member.

g. Class Notice. "Class Notice" means the notice to Class Members that explains the

Agreement and the Class Members' rights and obligations, which shall be sent to all Class Members following preliminary approval of the Settlement, and which shall, *inter alia*, explain the procedures for determining the Class Member's settlement share, filing an objection to the Settlement, and opting out of the Settlement. The Class Notice shall be translated into Spanish, and both English and Spanish versions will be sent to all Class Members. The English version of the proposed Class Notice is attached hereto as Exhibit 2 and is subject to Court approval and revisions by the Court.

- h. Class Period. "Class Period" means the period from March 12, 2010 to November 5, 2016.
- i. Class Representatives. "Class Representatives" means plaintiffs Stephanie Ochoa, Ernestina Sandoval, Yadira Rodriguez, and Jasmine Hedgepeth.
- j. Court. "Court" means the United States District Court for the Northern District of California.
- k. Effective Date. If no timely objections are filed to the Settlement, the "Effective Date" of this Agreement shall be the date the Court enters the Final Judgment . If objections are filed and overruled and no appeal is taken from the Final Judgment , the "Effective Date" shall be 30 days after the district court enters the Final Judgment . If an appeal is taken from the district court's overruling of objections to the settlement and/or from the Final Judgment (other than an appeal limited solely to a challenge to the denial or reduction in the amount of requested attorneys' fees and litigation expenses), the "Effective Date" shall be 30 days after the appeal is withdrawn or after all appellate review thereof is exhausted and an appellate decision exhausting such review and affirming the Final Judgment

decision becomes final.

- l. Final Settlement Hearing. “Final Settlement Hearing” means the hearing following Class Notice at which the Court will consider whether the terms of this Agreement are fair and reasonable to the class as a whole.
- m. Final Judgment. “Final Judgment” means the order of final approval of the Settlement.
- n. McDonald’s. “McDonald’s” shall mean defendants McDonald’s Corporation, McDonald’s U.S.A., LLC, and McDonald’s Restaurants of California, Inc.
- o. Parties. “Parties” shall mean the parties to the Agreement, specifically, the Class Representatives, individually and on behalf of all Class Members, and McDonald’s.
- p. Preliminary Approval Order. “Preliminary Approval Order” means the order entered and filed by the Court that preliminarily approves the terms and conditions of this Agreement.
- q. Released Parties. “Released Parties” means defendants McDonald’s Corporation, McDonald’s U.S.A., L.L.C, and McDonald’s Restaurants of California, Inc., and their employees, directors, shareholders, officers, owners, and attorneys.
- r. Restaurants. “Restaurants” means the five franchised McDonald’s restaurants in California, located at: (1) 2301 MacDonalD Avenue, Richmond, CA 94804; (2) 4514 Telegraph Avenue, Oakland, CA 94607; (3) 6623 San Pablo Avenue, Oakland, CA 94608; (4) 800 Market Street, Oakland, CA 94607; and (5) 1330 Jackson Street, Oakland, CA 94612.
- s. Settled Claims. “Settled Claims” means any and all claims that were alleged in this action, arise out of or are related to the allegations and claims alleged in the

action, and/or could have been alleged based on the facts, matters, transactions, or occurrences alleged in the action.

- t. Settlement. “Settlement” shall refer to this Agreement to settle the claims as set forth and embodied in this Agreement.
- u. Smith. “Smith” means defendant The Edward J. Smith and Valerie S. Smith Limited Family Partnership.

II. RECITALS

2. This class action was filed on March 12, 2014, and a First Amended Complaint was filed on October 1, 2014, asserting 13 claims for relief on behalf of plaintiffs and other current and former employees at the Restaurants, including *inter alia* claims for unpaid wages, minimum wages, overtime, failure to provide legally required meal periods and rest breaks, failure to pay all wages due to discharged and quitting employees, failure to maintain required records and provide accurate itemized wage statements, failure to indemnify employees for necessary business expenditures, negligence, unfair and unlawful business practices, PAGA penalties, and declaratory judgment. Plaintiffs’ First Amended Complaint named as defendants McDonald’s Corp., McDonald’s U.S.A., LLC, McDonald’s Restaurants of California, Inc., Smith, and Does 1 through 100, inclusive.
3. On April 6, 2015, plaintiffs filed a motion for class certification, ECF Docket No. 70, which the Court granted in part and denied in part on July 7, 2016, ECF Docket No. 319. On May 12, 2015, McDonald’s filed a motion for summary judgment, ECF Docket No. 129, which the Court granted in part and denied in part on September 25, 2015, ECF Docket No. 289. On or about September 6, 2016, pursuant to the Court’s order regarding class certification, CPT Group, Inc. provided notice of the Action and

instructions for opting out of the Class. The deadline for opting out of the Class is November 5, 2016.

4. Without admitting or conceding any liability or damages, McDonald's has entered into this Settlement to fully, finally, and forever resolve this litigation as to the claims between the Parties. McDonald's denies that it has violated any law, breached any agreement or obligation to the plaintiffs or the Class Members, or engaged in any wrongdoing with respect to the plaintiffs or the Class Members. The Parties agree that neither this Agreement nor any actions undertaken by McDonald's in satisfaction of the Agreement shall constitute, or be construed as, an admission of any liability or wrongdoing.
5. This Settlement was reached after extensive investigation, discovery, motion practice, formal mediation under the auspices of U.S. Magistrate Judge Jacqueline Scott Corley, and arms-length settlement negotiations between experienced counsel for the Parties. Class Representatives and Class Counsel have concluded that the terms of the Settlement are fair, reasonable, and adequate, that the Settlement represents a good-faith settlement under California law, and that settlement on the terms described herein is in the best interest of the Class Members in light of all known facts and circumstances.
6. To settle all claims brought against it by Plaintiffs and Class Members in the Action, McDonald's shall:
 - a. Pay One Million Seven Hundred Fifty Thousand Dollars (\$1,750,000) ("Class Payment") to be allocated among Plaintiffs, Class Members, and the California Labor and Workforce Development Agency ("LWDA") as set forth below;
 - b. Separately pay Class Counsel all court-approved attorneys' fees and costs, which

shall not exceed Two Million Dollars (\$2,000,000) (“Attorneys’ Fees and Costs”);
and

- c. Separately pay all costs of notice and claims administration, subject to the terms and conditions set forth below and such further terms and conditions as the Parties mutually agree.

The payments set forth in this paragraph shall be in addition to all payments that have been and shall be made by defendant Smith, including those made pursuant to the separate settlement agreement between Plaintiffs and Smith that the Court approved on August 31, 2016 (ECF Docket No. 363).

NOW THEREFORE, in consideration of the recitals listed above and the promises, releases, and warranties set forth below, and with the Parties’ intent to be legally bound and to acknowledge the sufficiency of the consideration and undertakings set forth herein, the Class Representatives, individually and on behalf of the Class Members and the State of California, on the one hand, and McDonald’s, on the other hand, agree that the Action shall be and is finally and fully compromised and settled as to the Released Parties, on the terms and conditions set forth herein:

III. PRELIMINARY APPROVAL, CLASS NOTICE, CLAIMS PROCESS, FINAL SETTLEMENT HEARING, AND EFFECTIVE DATE

7. Procedures. As part of this Agreement, the Parties agree to the following procedures for obtaining the Court’s preliminary approval of the Settlement, notifying Class Members, obtaining final Court approval of the Settlement, and administering the Settlement. The Parties shall cooperate in good faith in attempting to coordinate timelines and distribution schedules for this Settlement and the separate settlement with Smith in this Action, to minimize costs and promote the efficient administration of the settlements.
8. Preliminary Approval of Settlement and Request for Preliminary Approval Order.

Promptly after execution of this Agreement, Class Representatives shall file a motion requesting that the Court enter the Preliminary Approval Order preliminarily approving the proposed settlement, approving notice, and setting a date for the Final Settlement Hearing. McDonald's agrees not to oppose the motion for preliminary approval of the Settlement provided such motion and supporting papers are consistent with the terms of this Agreement. The requested Preliminary Approval Order shall:

- a. Preliminarily approve the proposed Settlement and this Agreement;
- b. Approve the plan for providing notice to Class Members under this Agreement, including the form of the Class Notice and the Claim Form (needed only from Class Members whose mail is undeliverable or who are not on the Class List);
- c. Approve the procedures for distribution of payments to Class Members under this Agreement;
- d. Approve the procedures for Class Members to object to the Settlement, opt out of the Settlement, and file Claim Forms, including by setting appropriate deadlines; and
- e. Schedule the Final Settlement Hearing for final approval of this Settlement and entry of Final Judgment.

Class Counsel shall provide a draft of any proposed Preliminary Approval Order at least two business days before the requested Preliminary Approval Order is submitted to the Court.

9. Notice of Settlement to Appropriate Government Officials. Pursuant to Cal. Labor Code § 2699(l)(2), Class Counsel shall notify the LWDA of the Settlement upon the filing of a motion for preliminary approval of the Settlement. Within ten (10) calendar days after the filing of a motion for preliminary approval of the Settlement with the

Court, the Claims Administrator shall provide appropriate notice of the Settlement to appropriate state and federal officials in conformance with the Class Action Fairness Act.

10. Class Notice. Notice of the Settlement shall be provided to Class Members. The Parties believe and agree that the following procedures for such notice provide the best practicable notice to Class Members.
 - a. The Claims Administrator shall be responsible for preparing, printing, and mailing to all Class Members an individualized version of the Class Notice approved by the Court and any such other materials as may be required to be distributed, all as approved and directed by the Court.
 - b. Not later than ten (10) business days after the Court's entry of an Order of Preliminary Approval, the Claims Administrator shall prepare, in electronic form, a spreadsheet (the "Class List") that contains the name, telephone number, last known mailing address and email address, and starting and ending employment dates during the Class Period (including multiple starting and ending employment dates if applicable) of every Class Member, and shall provide the Parties' counsel with a copy. The Claims Administrator shall not include social security numbers on the Class List provided to the Parties' counsel. The Claims Administrator shall include in the Class List any updated information generated pursuant to the class notice and opt-out procedure approved by the Court on August 11, 2016.
 - c. Based on the information in the Class List and allocation of the Class Payment set forth herein, the Claims Administrator shall promptly calculate an Estimated Settlement Amount for every Class Member, to be included in the individualized Notice to be sent to that Class Member, and shall prepare and email a spreadsheet

setting forth those calculations to Class Counsel and McDonald's counsel no fewer than two days before mailing the Class Notice to Class Members.

- d. No later than ten (10) business days after preparation of the information described in subsection (b) above, the Claims Administrator shall mail the Class Notice to every individual on the Class List whose address information is known. This mailing shall be sent by first-class U.S. mail, postage pre-paid. Any returned envelopes from the initial mailing with forwarding addresses shall be used by the Claims Administrator to re-mail the Class Notice. The Claims Administrator shall forward the Class Notice to the new address within five (5) calendar days of receipt of the forwarding address. No later than (10) business days after receipt of the Class List, the Claims Administrator shall also email a copy of the Class Notice to all Class Members whose email addresses are known. The Claims Administrator shall track and report all "bounce back" emails, but shall be under no obligation to search for different email addresses.
- e. Except as otherwise provided herein, the Class Notice:
 - i. Shall state that the deadline for submitting any objection to the Settlement or for opting out of the Settlement shall be sixty (60) calendar days after the postmark date of the initial mailing of Class Notice;
 - ii. Shall state the recipient's Estimated Settlement Amount, as calculated by the Claims Administrator;
 - iii. Shall inform the recipient of the need to provide updated contact information to the Claims Administrator until such time as all settlement funds have been distributed;

- iv. Shall include a summary of the release and waiver of claims against the Released Parties, and shall inform the recipient that any Class Member who does not timely opt out shall be deemed to have released all covered claims against the Released Parties;
 - v. Shall explain that a Class Member who is not identified on the Class List or whose Class Notice is returned to the Claims Administrator by the post office after mailing shall not be eligible to share in the settlement funds unless that individual submits a Claim Form to the Claims Administrator no later than ninety (90) calendar days after the postmark date of the Class Notice.
 - vi. Shall explain that no Claim Form will be required from any individual on the Class List to whom a Class Notice is sent and is not returned.
- f. For any Class Notice that is returned by the post office as undeliverable or addressee unknown, the Claims Administrator shall perform a skip trace that shall include: (1) processing the name and address through the United States Postal Service's National Change of Address database; (2) performing address searches using such public and proprietary electronic resources as are available to the Claims Administrator that lawfully collect address data from various sources such as utility records, property tax records, motor vehicle registration records, and credit bureaus; and (3) calling last-known telephone numbers (and telephone numbers updated through public and proprietary databases) to obtain accurate contact information. If the Claims Administrator is successful in locating an alternate subsequent address or addresses, the Claims Administrator shall forward

such Class Notice to the new address(es) within ten (10) calendar days of receipt of the undeliverable notice.

g. The Parties intend that all reasonable means be used to maximize the likelihood that all Class Members will receive the Class Notice.

h. In addition to the foregoing, the Parties may, but are not obligated to, supplement the mailed Class Notice with reasonable alternative forms of notice.

11. Objecting to the Settlement. Any Class Member may object to the Settlement. The Class Notice shall provide that Class Members who wish to object to the Settlement must mail a written statement of objection subject to the provisions set forth below:

a. Any such objection must be filed with the clerk of the Court and served on counsel for the Parties identified in the Class Notice no later than sixty (60) calendar days after the postmark date of the initial mailing of Class Notice.

b. The postmark date of the mailing shall be the exclusive means for determining whether an objection is timely.

c. The objection must state the basis for the objection.

d. Class Members who fail to make objections in the time and manner specified shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement, and the Settlement shall be fully binding upon them (unless they validly opt out).

12. Claim Form Submission. Absent a showing of good cause, as determined by Class Counsel, no Claim Form shall be honored if postmarked more than ninety (90) days after the date the Class Notice is first mailed to Class Members. If a Claim Form is timely submitted but is deficient in one or more aspects, the Claims Administrator shall, within five (5) calendar days of receipt of the deficient form, notify the Parties'

counsel of receipt of the deficient form and shall return the form to the Class Member with a letter explaining the deficiencies and informing the Class Member that he or she shall have fourteen (14) calendar days from the date of the deficiency notice to correct the deficiencies and resubmit the Claim Form. This letter shall be provided in English and Spanish.

13. Opting Out of the Settlement.

- a. A Class Member may opt out of the Settlement by timely mailing a valid opt-out statement to the Claims Administrator. The procedures for opting out shall be the same procedures as set forth in the Court-approved notice mailed to the class on September 6, 2016, with the exception that the statement to be provided by the Class Member shall be: “I, [NAME], voluntarily choose not to participate in the settlement of the Certified Class Action against McDonald’s Corporation and McDonald’s USA, LLC, and hereby waive any rights I may have to participate in the settlement with McDonald’s Corporation, McDonald’s USA, LLC, and McDonald’s Restaurants of California, Inc. in the federal court lawsuit entitled *Ochoa v. McDonald’s Corp.*, N. D. Cal. No. 3:14-cv-02098-JD.”
- b. Absent a showing of good cause, as determined by the Claims Administrator after input from Class Counsel and McDonald’s, no opt-out statement shall be honored or valid if postmarked more than sixty (60) calendar days after the postmark date of the initial mailing of the Class Notice. Requests to opt out that do not include all required information shall be deemed null, void, and ineffective. If a Class Member files both an opt-out statement and a Claim Form, the opt-out statement shall be deemed invalid and the Class Member’s Claim Form and release of claims shall be valid and controlling.

c. Class Members who submit valid and timely requests to opt out of the Settlement shall not receive any payment pursuant to the Settlement, nor shall such Class Members be bound by the terms of the Settlement or the dismissal with prejudice of their claims against McDonald's pursuant to this Settlement.

14. Non-Interference with Claims Procedure and Settlement. The Parties and their counsel agree that they shall not seek to solicit or otherwise encourage Class Members to submit opt-out requests or objections to the Settlement or to appeal from preliminary or final approval of the Settlement.

15. Interim Reports by the Claims Administrator. No later than two (2) days prior to the deadline for filing a motion for final settlement approval, the Claims Administrator shall provide counsel for the Parties with a declaration setting forth: (a) its efforts to provide notice to the class and proof of mailing of the Class Notice and proof of mailing of appropriate notice of the Settlement to appropriate state and federal officials in conformance with the Class Action Fairness Act; (b) the total number of individuals on the Class List who were sent a Class Notice; (c) the total number of those individuals whose Class Notices were returned as undeliverable or addressee unknown; (d) the total number of those individuals whose Class Notices were subsequently sent to a corrected address; (e) the total number of Class Members who filed timely objections to the Settlement, along with the complete copies of all objections received, including the postmark dates for each objection; (f) the total number of individuals who requested a Claim Form; (g) the total number of individuals who submitted a Claim Form; (h) the total number of Class Members who submitted valid Claims Forms; (i) the total number of Class Members who submitted Claim Forms that were deficient, and how such deficiencies were resolved by the

Claims Administrator after conferring with counsel for the Parties; (j) the total number of Class Members who challenged the dates worked as reported on the Class Notice and the resolution of any such challenges; and (k) the total number of Class Members who filed valid requests to opt out, including complete copies of all such requests, and including the postmark dates for each. The Claims Administrator shall provide an updated declaration on these matters three (3) calendar days prior to the date of the Final Settlement Hearing if any changes or additions have occurred, and again the business day after the Effective Date of the Settlement or such other later date as the Court or the Parties may agree upon.

16. Final Settlement Hearing. After expiration of the deadlines for submitting objections, the Parties shall ask the Court to conduct a Final Settlement Hearing to determine final approval of the settlement and to enter the Final Judgment. Class Counsel will also seek an order determining the amounts properly payable for attorneys' fees and expenses and service payments, and any other matter as required herein.
17. Final Judgment. The Proposed Final Judgment to be submitted to the Court shall be in the form of Exhibit 3. The Parties shall not object to any final judgment that is substantially in the form of Exhibit 3.

IV. INJUNCTIVE RELIEF

18. The Parties recognize that Plaintiffs' settlement with Smith includes injunctive relief that establishes certain parameters regarding scheduling and/or timekeeping. The Parties recognize that Plaintiffs' settlement with Smith includes injunctive relief that establishes certain parameters regarding scheduling and/or timekeeping, and that McDonald's is not a party to the Smith settlement agreement and is not agreeing to be bound by the injunctive relief provisions of the Smith settlement agreement.

19. Within one month of preliminary approval of the Settlement, McDonald's shall develop and present to Plaintiffs' counsel for review and comment a training deck that McDonald's, within one month after final approval of the Settlement, shall make available and offer to Smith that McDonald's present to all Smith owners, supervisors, store managers, department managers, and shift managers. The training deck shall provide training on the following topics with respect to whatever ISP or e*Restaurant software is in use by Smith for scheduling and timekeeping purposes at the time of the training (hereinafter "Software"):

- a. How Software currently calculates and flags whether an employee's time punches reflect the number, length, and timing of meal periods and rest breaks that would satisfy the parameters set by Smith, including but not limited to any parameters established by Plaintiffs' settlement with Smith;
- b. Instructions on how Smith can change or customize the Labor Law settings in Software;
- c. Information explaining how Smith could identify shifts on which an employee's time punches reflect a meal period provided after five hours of work, shifts on which an employee's time punches reflect that a meal period or rest break has been combined with (or taken shortly before or after) another meal period or rest break, and shifts on which an employee's time punches reflect a rest break shortly before (e.g., within 10 minutes of) the end of the shift; and
- d. Information explaining how Smith could determine whether to pay an employee a premium wage because the employee's time punches reflect a shift that is missing a required meal period or rest break or reflect an untimely

meal period or rest break.

20. McDonald's shall provide the training deck described above to Plaintiffs' counsel for review and comment before providing the training to Smith. McDonald's shall review and accept Plaintiffs' counsel's reasonable, good faith requests for modification or clarification of the training deck.
21. Nothing in this agreement shall preclude McDonald's from making clear in this or any other training to Smith owners, supervisors, store managers, department managers, and shift managers that McDonald's does not directly, indirectly, or through an agent employ the workers in the Smith restaurants, and that Smith's use of Software for scheduling and timekeeping purposes is optional, and not required by McDonald's.
22. After such training has taken place, McDonald's will report to Plaintiffs' counsel the names, positions, and date of training for each Smith owner, supervisor, store manager, department manager, shift manager, and other Smith employee or agent who attends the training described above, to the extent McDonald's has such information.
23. Modification. Whenever possible, each provision and term of the injunctive relief provided herein shall be interpreted in such a manner as to be valid and enforceable; provided, however, that if any term or provision is determined to be or is rendered unenforceable after entry of final approval of the Settlement, all other terms and provisions shall remain unaffected, to the extent permitted by law. If the application of any term or provision to any specific person or circumstance should be determined to be invalid or unenforceable, the application of such term or provision to other persons or circumstances shall remain unaffected, to the extent permitted by law. Class Counsel and McDonald's counsel may jointly agree in writing to modify the terms of the injunctive relief provided herein, subject to Court approval.

**V. SETTLEMENT FUNDS, CLAIMS PROCESSING, AND SETTLEMENT
PAYMENT CALCULATION**

24. Deposit of Funds into Joint Escrow. Within 30 days after the Court's preliminary approval of this settlement, McDonald's shall pay Three Million Seven Hundred Fifty Thousand Dollars (\$3,750,000) into an interest-bearing escrow account for purposes of funding the settlement. This account shall be established as a Qualified Settlement Fund by the Claims Administrator, and shall be subject to joint control by McDonald's Counsel and Class Counsel. In the event the Court denies final approval of the settlement or an appeal leaves the settlement unenforceable, the Parties shall be returned to the same positions as existed at the time of this Agreement, and all funds in the escrow account provided for in this paragraph shall be returned to McDonald's.
25. Class Payment from the Qualified Settlement Fund. Payments from the Qualified Settlement Fund for the purposes set forth in this Agreement shall be made within fourteen (14) days of the Effective Date.
26. Subject to Court approval, and subject to any Service Payments provided for in this Agreement and approved by the Court, the Class Payment shall be allocated for the following payments:
- a. \$716,667 to Class Members for backpay, interest, and liquidated damages, to be distributed to Class Members based on a fixed amount per week for every week worked during the Class Period;
 - b. \$350,000 to Class Members for wage statement penalties to be distributed to Class Members based on a fixed amount per week for every week worked starting one year before the filing of the complaint (*i.e.*, March 12, 2013) through the end of the Class Period;
 - c. \$350,000 to Class Members for waiting time penalties, to be distributed to Class

Members based on a fixed per capita amount for each Class Member whose final paycheck was dated between three years before the filing of the complaint (*i.e.*, on or after March 12, 2011) and the end of the Class Period, and who was no longer a current worker as of the end of the Class Period;

- d. \$83,333 to Class Members for the employee portion of civil penalties under the California Labor Code Private Attorneys General Act (“PAGA”), Cal. Labor Code §§ 2698 *et seq.*, to be distributed to Class Members based on a fixed amount per week for every week worked starting one year before the filing of the complaint and plaintiffs’ notification letter to LWDA (*i.e.*, March 12, 2013) through the end of the Class Period; and
- e. \$250,000 to the California LWDA for the LWDA portion of penalties under PAGA.

Service payments to the named Plaintiffs, if approved by the Court, shall be made proportionally from each of the amounts stated above in subparagraphs (a) through (c) and shall not increase the total amounts that McDonald’s is required to pay under this agreement.

- 27. Any interest earned on the funds in the Qualified Settlement Fund created pursuant to this Agreement between the time of deposit and the time the Class Payment is paid to Class Members by the Claims Administrator shall be added to the total Class Payment and distributed proportionally among the payments provided for in subparagraphs (a) through (e) of paragraph 26.
- 28. No claims process shall be required of Plaintiffs or Class Members so long as their names are on the Class List and they have been sent a Class Notice that was not returned as undeliverable.

29. Checks shall be mailed by first class mail to the last known address of all Class Members. If any check is returned or not cashed, the Claims Administrator shall engage in reasonable skip tracing efforts.
30. Each check mailed to a Class Member shall plainly state on its face that the check must be cashed within 120 calendar days, and that any check uncashed after 120 calendar days will be invalid. If any check remains uncashed after forty-five (45) calendar days, the Claims Administrator shall send out a reminder postcard to the recipient. The Claims Administrator shall also provide counsel for the Parties with a list of all Class Members who have not cashed their checks. If any check remains uncashed after seventy-five (75) calendar days, the Claims Administrator shall call the recipient to remind him or her to cash the check. The Claims Administrator shall use skip-trace methods as necessary to obtain a working phone number for any such individual.
31. The amounts designated for all Class Members who do not cash their check and who cannot be located within 120 days after the date of distribution shall be redistributed on a pro rata basis to all other Class Members, subject to the cy pres provision of paragraph 39.
32. Class Members who do not cash their settlement checks within 120 calendar days after mailing by the Claims Administrator shall be deemed to have waived irrevocably any right in or claim to a settlement payment, but will still be bound by the Settlement. After all required distributions are made, the Claims Administrator may, with agreement by counsel for the Parties, make full or partial payment of the amount calculated to be due to any Class Member or Members who did not cash their settlement check(s) within 120 calendar days after mailing by the Claims

Administrator if sufficient funds from the Class Payment remain.

33. Application for Attorneys' Fees and Costs. Class Counsel intend to request that the Court approve an award of statutory attorneys' fees and costs pursuant to California law in an amount not to exceed \$2,000,000. No sooner than fourteen (14) days after the Effective Date, the Claims Administrator shall pay to Class Counsel the Attorneys' Fees and Costs awarded by the Court, including after any appeal, and shall return to McDonald's any portion of the \$2,000,000 paid into the Qualified Settlement Fund for attorneys' fees and costs that is not awarded by the Court. The Parties agree that regardless of any action taken by the Court or any appellate court with respect to attorneys' fees and expenses, the validity of the underlying Settlement shall not be affected.
34. Service Payments to Class Representatives. Class Counsel shall request that the Court approve service awards for distribution to Stephanie Ochoa, Ernestina Sandoval, Yadira Rodriguez, and Jasmine Hedgepeth in an amount not to exceed \$500 each. The Parties agree that regardless of any action taken by the Court with respect to such service awards, the validity of the underlying Settlement shall not be affected.
35. Claims Administration Costs. All costs and fees of the Claims Administrator shall be paid separately by McDonald's, in addition to all other payments required by this Settlement. All unresolved disputes relating to the Claims Administrator's performance of its duties shall be referred to the Court in this case, which shall have continuing jurisdiction over all terms and conditions of the Settlement until all payments and obligations contemplated by the Settlement have been fully satisfied and carried out. To the extent practicable and to reduce the expense of notice and claims administration, the Parties may agree to combine notice and/or claims

administration with the same process in the separate, court-approved settlement with defendant Smith, as long as combining such notice and/or claims administration does not cause any prejudice to Class Members.

36. Allocation of Each Settlement Payment and Tax Issues. Each payment of settlement funds to a Class Member, other than a service payment to a named Plaintiff, shall be allocated as follows: (1) twenty-four percent (24%) shall be allocated to wages (inclusive of payroll taxes, deductions, and contributions); (2) fourteen percent (14%) shall be allocated to interest; and (3) sixty-two percent (62%) shall be allocated to civil or statutory penalties or liquidated damages. Class counsel shall work with the Claims Administrator to determine appropriate tax withholding and tax reporting procedures. The Parties agree that McDonald's is not responsible for any tax obligations incurred by the Class Representatives, the Class Members, or Class Counsel as a result of this Settlement, and that McDonald's is not providing any tax advice to the Class Representatives, the Class Members, or Class Counsel.
37. Claims Processing. The Claims Administrator shall review all received Claim Forms and finalize the calculations of payments to be distributed to Class Members pursuant to this Settlement by reviewing the Class List as supplemented by the Claim Forms, and as updated by any verified challenges to Class Members' dates worked. No Claim Form will be accepted from any individual claiming to be a Class Member unless: (1) the individual is on the Class List; or (2) the individual submits documentation in conjunction with her or his Claim Form that the Claims Administrator concludes, and Class Counsel agree, is sufficient to establish that the individual is a Class Member.
38. Class Member Dates Worked and Challenges. The Class Notice shall be individualized and shall include a statement of the dates worked by the Class Member

receiving the notice, based on available records.

- a. If a Class Member does not challenge the information set forth in the Class Notice, the Class Member need not do anything further and payment shall be made to that Class Member based on the statements of the dates worked and the terms of this Agreement.
 - b. If a Class Member wishes to challenge the dates worked as set forth in the Class Notice, that Class Member shall submit a written, signed challenge along with any supporting documents to the Claims Administrator at the address provided on the Class Notice within ninety (90) calendar days of the postmark date of the initial mailing of the Class Notice. No challenge shall be timely if postmarked more than ninety (90) calendar days after the date the Class Notice is first mailed to Class Members.
 - c. Within five (5) calendar days from the date the Claims Administrator receives notice of the challenge, the Claims Administrator shall send to Class Counsel and McDonald's counsel a copy of the documentation submitted in connection with that dispute. Within five (5) calendar days from the date counsel receive that documentation, Class Counsel and McDonald's counsel shall meet and confer and make one or more recommendations to the Claims Administrator, which shall thereafter make a final and binding determination without hearing or right to appeal and shall communicate that determination to the Class Member, Class Counsel, and McDonald's counsel.
39. Non-Reversionary Settlement and Remainder. There shall be no reversion from the Class Payment. Any uncashed or unclaimed settlement check amounts shall be redistributed to Class Members in proportion to their allotted shares from the Class

Payment. If the amount of such funds to be redistributed does not exceed \$40,000, subject to Court approval, such funds shall be donated as a *cy pres* recipient to Bay Area Legal Aid.

VI. RELEASED CLAIMS AND COVENANTS NOT TO SUE

40. Mutual Releases. Except as otherwise provided herein, in consideration for the promises set forth herein, each of the named Plaintiffs and each Class Member on the one hand and McDonald's on the other hand, for themselves and their respective agents, heirs, predecessors, successors, assigns, representatives and attorneys, do hereby mutually waive, release, acquit and forever discharge each other from any and all claims that were alleged in this action, arise out of or are related to the allegations and claims alleged in the action, and/or could have been alleged based on the facts, matters, transactions, or occurrences alleged in the action through the date of this Agreement. Without limiting the foregoing, it is understood and agreed by the named Plaintiffs and McDonald's that, as a condition of this Agreement, they each hereby expressly waive and relinquish any and all employment-related claims, rights, or benefits that they may have under California Civil Code §1542, which provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release which if known by him or her must have materially affected his or her settlement with the debtor."
41. Mutual Covenants Not To Sue. The Class Representatives covenant and agree and the Class Members shall be deemed to have covenanted and agreed, on their own behalf on behalf of their agents, heirs, predecessors, successors, assigns, representatives, and attorneys, and on behalf of all Class Members: (i) not to instigate, commence, maintain or prosecute against any Released Party any Settled Claims in any court of

law, tribunal or adjudicative body anywhere in the world at any time now and in the future; and (ii) that the foregoing covenants, agreements and releases shall be a complete defense to any such Settled Claims against any of the Released Parties. Likewise, McDonald's covenants and agrees on its own behalf and on behalf of its agents, heirs, predecessors, successors, assigns, representatives, and attorneys: (i) not to instigate, commence, maintain or prosecute against any Class Representative or Class Member any Settled Claims in any court of law, tribunal or adjudicative body anywhere in the world at any time now and in the future; and (ii) that the foregoing covenants, agreements and releases shall be a complete defense to any such Settled Claims against any Class Representative or Class Member.

VII. CONFIDENTIALITY

42. The Parties shall keep confidential all settlement communications regarding the negotiation and drafting of the Agreement. The Parties understand that the named Plaintiffs and Class Counsel reserve the right to report on this Settlement in their law firm websites and other public communications if and when the Settlement becomes a matter of public record but will limit any such communications about the Settlement to stating that the Parties reached a mutually acceptable resolution of the lawsuit, describing the terms of the Settlement, and/or providing their opinions about why the Settlement is fair, reasonable and/or significant based on the terms of the Settlement, the present status of the case, and the Court's prior rulings. McDonald's, named Plaintiffs and their respective counsel will not issue a press release or otherwise initiate contact with the media regarding the Settlement, but if asked about the Settlement by the media, McDonald's, named Plaintiffs and their counsel reserve the right to inform the media that the Parties reached a mutually acceptable resolution of

the lawsuit, to describe the terms of the Settlement, and/or to provide their opinions about why the Settlement is fair, reasonable and/or significant based on the terms of the Settlement, the present status of the case, and the Court's prior rulings. Nothing in this paragraph shall restrict Plaintiffs or Class Counsel from making any disclosures necessary to seek Court approval or to communicate with Class Members.

VIII. TERMINATION OR OTHER FAILURE OF SETTLEMENT

43. Automatic Voiding of Agreement if Settlement Not Finalized. In the event (i) the Court does not preliminarily approve the Settlement; (ii) the Court does not grant final approval to the proposed settlement in accordance with its terms; (iii) the Court does not enter a Final Judgment consistent with the terms of this Agreement; or (iv) the Effective Date does not occur or the Settlement does not become final for any other reason, the Settlement shall be null and void and the Parties agree that any order entered by the Court in furtherance of this Settlement should be treated as void *ab initio*. In such case, the Parties shall take all possible steps to return to the status quo as if the Parties had not entered into this Settlement. In such event, this Agreement, all negotiations, Court orders, and proceedings relating thereto shall be without prejudice to the rights of the Parties hereto, and all evidence relating to the Agreement and all negotiations shall not be admissible or discoverable in the Action, in any other litigation, or otherwise. Any funds used or to be used for the Settlement shall be returned to McDonald's, with the exception of amounts already paid by McDonald's or owing from McDonald's to the Claims Administrator for fees and costs actually incurred for services already performed.

IX. MISCELLANEOUS

44. No Admission of Liability or Wrongdoing. The Parties acknowledge that plaintiffs

contend McDonald's is legally responsible for having violated their rights under the California Labor Code, IWC Wage Order, and Unfair Competition Law; and the Parties further acknowledge that McDonald's expressly denies that it has violated any law, breached any agreement or obligation to the plaintiffs or the Class Members, or engaged in any wrongdoing with respect to the plaintiffs or the Class Members.

The Parties agree that neither this Agreement nor any actions undertaken by McDonald's in satisfaction of the Agreement shall constitute, or be construed as, an admission of any liability or wrongdoing. The Parties further agree and recognize that this Agreement shall not be admissible as evidence, offered as evidence, or cited or referred to by McDonald's or plaintiffs in any other action or proceeding, except in an action or proceeding brought to enforce its terms or by McDonald's in defense of any claims brought by the plaintiffs or any Class Members.

45. Binding Effect of Agreement on Class Members. Upon the Effective Date, all Class Members shall be bound by this Agreement, all Class Members' Settled Claims shall be dismissed with prejudice as against McDonald's, and all Settled Claims shall be released as against the Released Parties.
46. Binding upon Successors and Assigns. Except as provided herein, this Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto and the Released Parties as defined herein.
47. Good Faith Settlement. This Settlement has been negotiated and entered into between the Parties through arms-length negotiations, and it is made in good faith, including within the meaning of California Code of Civil Procedure §§877, *et seq.* and any comparable provisions provided under the laws of any state or territory of the United States, whether statutory or judicial decision, which is equivalent or similar to such

California code sections.

48. Amendment or Waiver Only in Writing. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest. No rights hereunder may be waived except in writing.
49. Entire Agreement. This Agreement and any attached exhibits constitute the entire agreement between the Parties relating to the Settlement and the related transactions contemplated herein. All prior or contemporaneous agreements, understandings and statements, whether oral or written, and whether by a party or its counsel, are merged herein. No oral or written representations, warranties, or inducements have been made to any party concerning this Agreement or its exhibits other than the representations, warranties, and covenants contained and memorialized in such documents.
50. Execution. This Agreement shall become enforceable in accordance with its terms upon its execution by: (a) the Class Representatives; (b) Class Counsel on behalf of the Class Representatives and the Class (approved as to form); (c) McDonald's; and (d) counsel for McDonald's (approved as to form).
51. Authorization to Execute Agreement and Effectuate Settlement and Agreement to Cooperate. Counsel for all Parties hereto warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their respective counsel shall cooperate with each other and use their best efforts to effect the implementation of this Agreement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement or on any supplemental

provisions that may become necessary to effectuate the terms of this Agreement, the Parties may seek the assistance of the Court to resolve such disagreement. The person or persons signing this Agreement on behalf of McDonald's represents and warrants that he or she is authorized to sign this Agreement on behalf of McDonald's.

52. No Prior Assignment. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or rights herein released and discharged except as set forth herein.
53. Governing Law. This Agreement shall be governed by, construed, interpreted, and enforced in accordance with the laws of the State of California, except to the extent that federal law requires federal law to govern.
54. Counterparts. This Agreement may be executed in one or more counterparts and by facsimile. All executed copies of this Agreement and photocopies thereof (including facsimile copies of signature pages) shall have the same force and effect and be as legally binding and enforceable as the original.
55. Exhibits. The terms of this Agreement include the terms set forth in the attached Exhibits 1, 2, and 3, which are incorporated by this reference as though fully set forth herein. The exhibits to this Agreement are an integral part of the Agreement.
56. Construction. The Parties have reached this Agreement through formal mediation followed by extensive arms-length negotiations. This Agreement has been drafted jointly by counsel for the Parties. Hence, in any construction or interpretation of this Agreement, the Agreement shall not be construed against either party as the principal drafter of the Agreement.

57. Retention of Jurisdiction. The Parties stipulate that the Court shall retain jurisdiction over the Parties to enforce the terms of this Agreement and all aspects of the Parties' settlement until performance in full of all terms of the Agreement.
58. No Signature Required by Class Members. Because the Class Members are so numerous, it is impossible or impractical to have each one execute this Agreement. The Class Notice shall advise such persons of the binding nature of the releases contained herein, and this Agreement shall have the same force and effect as if this Agreement were executed by each Class Member.
59. Titles and Captions of No Force. Paragraph titles or captions contained herein are inserted for convenience and ease of reference and do not define, limit, extend, or describe the scope of the terms of the Agreement and its provisions.
60. Mutual Cooperation. The Parties hereto agree to cooperate with each other to accomplish the terms of this Agreement, including but not limited to executing further documents and taking such other action as may reasonably be necessary to implement and effectuate the terms of this Agreement.
61. Invalid without Court Approval. This Agreement is subject to approval by the Court. In the event the Settlement is not approved, it shall be deemed null and void, of no force and effect, and the Parties represent, warrant, and covenant that in such event it shall not be admitted in the Action as evidence, or used as a basis for obtaining discovery in the Action.

IT IS SO STIPULATED AND AGREED.

Dated: 10, 26, 2016

By: Stephanie Ochoa
Stephanie Ochoa

Dated: 10/26, 2016

By:

Ernestina Sandoval

Dated: _____, 2016

By:

Yadira Rodriguez

Dated: _____, 2016

By:

Jasmine Hedgepeth

Dated: _____, 2016

By:

Altshuler Berzon LLP
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By:

Cohen Milstein Sellers & Toll PLLC
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By:

McDonald's U.S.A., L.L.C.

Dated: _____, 2016

By:

McDonald's Corp.

Dated: _____, 2016

By:

McDonald's Restaurants of California, Inc.

Dated: _____, 2016

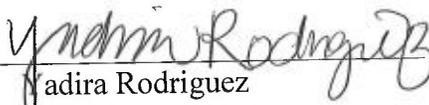
By:

Quinn Emanuel Urquhart & Sullivan LLP
Counsel for McDonald's U.S.A., L.L.C.;
McDonald's Corp.; and McDonald's Restaurants
of California, Inc.
(Approved as to form only)

Dated: _____, 2016

By: _____
Ernestina Sandoval

Dated: 10/26, 2016

By: 
Yndira Rodriguez

Dated: _____, 2016

By: _____
Jasmine Hedgepeth

Dated: _____, 2016

By: _____
Altshuler Berzon LLP
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
Cohen Milstein Sellers & Toll PLLC
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
McDonald's U.S.A., L.L.C.

Dated: _____, 2016

By: _____
McDonald's Corp.

Dated: _____, 2016

By: _____
McDonald's Restaurants of California, Inc.

Dated: _____, 2016

By: _____
Quinn Emanuel Urquhart & Sullivan LLP
Counsel for McDonald's U.S.A., L.L.C.;
McDonald's Corp.; and McDonald's Restaurants
of California, Inc.
(Approved as to form only)

Dated: _____, 2016

By: _____
Ernestina Sandoval

Dated: _____, 2016

By: _____
Yadira Rodriguez

Dated: OCT 26, 2016

By:  _____
Jasmine Hedgepeth

Dated: _____, 2016

By: _____
Altshuler Berzon LLP
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
Cohen Milstein Sellers & Toll PLLC
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
McDonald's U.S.A., L.L.C.

Dated: _____, 2016

By: _____
McDonald's Corp.

Dated: _____, 2016

By: _____
McDonald's Restaurants of California, Inc.

Dated: _____, 2016

By: _____
Quinn Emanuel Urquhart & Sullivan LLP
Counsel for McDonald's U.S.A., L.L.C.;
McDonald's Corp.; and McDonald's Restaurants
of California, Inc.
(Approved as to form only)

Dated: _____, 2016

By: _____
Ernestina Sandoval

Dated: _____, 2016

By: _____
Yadira Rodriguez

Dated: _____, 2016

By: _____
Jasmine Hedgepeth

Dated: October 27, 2016

By: 
Altshuler Berzon LLP
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
Cohen Milstein Sellers & Toll PLLC
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
McDonald's U.S.A., L.L.C.

Dated: _____, 2016

By: _____
McDonald's Corp.

Dated: _____, 2016

By: _____
McDonald's Restaurants of California, Inc.

Dated: _____, 2016

By: _____
Quinn Emanuel Urquhart & Sullivan LLP
Counsel for McDonald's U.S.A., L.L.C.;
McDonald's Corp.; and McDonald's Restaurants
of California, Inc.
(Approved as to form only)

Dated: _____, 2016

By: _____
Ernestina Sandoval

Dated: _____, 2016

By: _____
Yadira Rodriguez

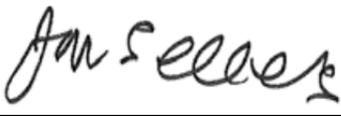
Dated: _____, 2016

By: _____
Jasmine Hedgepeth

Dated: _____, 2016

By: _____
Altshuler Berzon LLP
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: 10/27, 2016

By:  _____
Cohen Milstein Sellers & Toll PLLC
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
McDonald's U.S.A., L.L.C.

Dated: _____, 2016

By: _____
McDonald's Corp.

Dated: _____, 2016

By: _____
McDonald's Restaurants of California, Inc.

Dated: _____, 2016

By: _____
Quinn Emanuel Urquhart & Sullivan LLP
Counsel for McDonald's U.S.A., L.L.C.;
McDonald's Corp.; and McDonald's Restaurants
of California, Inc.
(Approved as to form only)

Dated: _____, 2016

By: _____
Ernestina Sandoval

Dated: _____, 2016

By: _____
Yadira Rodriguez

Dated: _____, 2016

By: _____
Jasmine Hedgepeth

Dated: _____, 2016

By: _____
Altshuler Berzon LLP
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
Cohen Milstein Sellers & Toll PLLC
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: 10/27, 2016

By: Hal Merck (SV)
McDonald's U.S.A., L.L.C.

Dated: 10/27, 2016

By: Hal Merck
McDonald's Corp.

Dated: 10/27, 2016

By: Hal Merck
McDonald's Restaurants of California, Inc.

Dated: _____, 2016

By: _____
Quinn Emanuel Urquhart & Sullivan LLP
Counsel for McDonald's U.S.A., L.L.C.;
McDonald's Corp.; and McDonald's Restaurants
of California, Inc.
(Approved as to form only)

Dated: _____, 2016

By: _____
Ernestina Sandoval

Dated: _____, 2016

By: _____
Yadira Rodriguez

Dated: _____, 2016

By: _____
Jasmine Hedgepeth

Dated: _____, 2016

By: _____
Altshuler Berzon LLP
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
Cohen Milstein Sellers & Toll PLLC
Counsel for Class Representatives and the Class
(Approved as to form only)

Dated: _____, 2016

By: _____
McDonald's U.S.A., L.L.C.

Dated: _____, 2016

By: _____
McDonald's Corp.

Dated: _____, 2016

By: _____
McDonald's Restaurants of California, Inc.

Dated: _____, 2016

By:  _____
Quinn Emanuel Urquhart & Sullivan LLP
Counsel for McDonald's U.S.A., L.L.C.;
McDonald's Corp.; and McDonald's Restaurants
of California, Inc.
(Approved as to form only)

EXHIBIT 1

EXHIBIT 1

CLAIM FORM

Ochoa et al. v. McDonald's Corp. et al., N.D. Cal. No. 3:14-cv-02098 JD
- *Settlement with McDonald's Defendants Only* -

I. INSTRUCTIONS:

1. **You are not required to submit a claim form if you received the Notice of Class Settlement in the mail.** If you did not receive a copy of the Notice of Class Settlement in the mail, you **must** fill out this Claim Form to receive your share of the settlement with McDonald's. *In case of doubt, please fill out this Claim Form and submit it to the Claims Administrator no later than **DATE** to preserve your right to receive your share of the settlement.*
2. Please read this Claim Form, provide the information requested below, sign at the bottom, and mail the form to the Claims Administrator at the address below **no later than **DATE**, 2017** to be eligible to receive your share of the settlement with McDonald's as set forth in the Class Notice that is available at [www. **DATE**](http://www. DATE).
3. More information concerning this lawsuit, this Claim Form, and your rights and options in the lawsuit is provided in the Class Notice.
4. **If you change your address or any of your other contact information before final distribution, please send the Claims Administrator your updated contact information.**
5. You may be required to provide proof of employment to be eligible to participate in the settlement. If the Claims Administrator requires proof of employment, or proof of your dates of employment, the Claims Administrator will contact you using the contact information you provide below.

IF A CLAIM FORM IS REQUIRED FROM YOU, YOU MUST TIMELY COMPLETE, SIGN, AND MAIL THIS FORM BY FIRST CLASS U.S. MAIL OR EQUIVALENT, POSTAGE PAID, POSTMARKED ON OR BEFORE **DATE, ADDRESSED AS FOLLOWS IN ORDER TO RECEIVE A MONETARY RECOVERY:**

**CPT Group, Inc.
16630 Aston # A
Irvine, CA 92606**

IF YOU ARE REQUIRED TO TIMELY SUBMIT THIS CLAIM FORM TO SHARE IN THE SETTLEMENT BUT FAIL TO DO SO, YOU WILL NOT RECEIVE A SETTLEMENT PAYMENT, AND THE SETTLEMENT WITH MCDONALD'S AND RELEASE OF CLAIMS WILL BE BINDING ON YOU (UNLESS YOU HAVE TIMELY OPTED OUT OF THE CLASS OR THE SETTLEMENT).

It is strongly recommended that you obtain proof of timely mailing and keep it until receipt of payment pursuant to the terms of the settlement.

II. CERTIFICATION AND RELEASE OF CLAIMS IN SETTLEMENT OF LAWSUIT:

By providing the information below, I certify, understand, and agree to the following:

- I was employed at one or more of the five McDonald's restaurants in California located at: (1) 2301 MacDonald Avenue, Richmond, CA 94804; (2) 4514 Telegraph Avenue, Oakland, CA 94607; (3) 6623

San Pablo Avenue, Oakland, CA 94608; (4) 800 Market Street, Oakland, CA 94607; or (5) 1330 Jackson Street, Oakland, CA 94612, at any time between March 12, 2010 and November 5, 2016.

- I hereby request payment of my settlement share of the settlement with McDonald's in *Ochoa et al. v. McDonald's Corp. et al.*, N.D. Cal. No. 3:14-cv-02098 JD, as set forth in the Class Notice.
- I understand that I am represented by the plaintiffs' attorneys and that if I have any questions concerning the lawsuit, the settlement, or this Claim Form, I may contact one of the plaintiffs' attorneys listed on the Class Notice. I also understand that the complete terms of the Settlement Agreement, including definitions of terms and the release of claims that will bind me as a class member if I do not opt out of the lawsuit, are set forth in the Settlement Agreement on file with the Court and can be found at www._____.
- I understand that the settlement of the lawsuit with McDonald's, as described in more detail in the Notice, is fully binding on me. I wish to participate in the settlement with McDonald's by submitting this Claim Form for a settlement payment and by agreeing to the release of claims provided as part of the settlement.
- Upon the Effective Date of this settlement, as set forth in full in the Settlement Agreement, I fully, finally, and forever release, relinquish, and discharge all "Settled Claims" against the "Released Parties," as those quoted terms are defined in the Settlement Agreement and the Class Notice.

I declare under penalty of perjury under the laws of the United States that I have read and understand this Claim Form, that the information supplied by me is true and correct, and that I accept and agree to the terms and conditions of the settlement of the lawsuit with McDonald's as set forth in this Claim Form and the Settlement Agreement, including the release of claims I am providing.

Signed: _____
(Sign your name here)

Date: _____
(mm/dd/yyyy)

This Claim Form was signed in: _____, _____.
(City) (State)

Print Or Type Information Requested Below:

NAME (First, Middle, Last): _____

STREET ADDRESS: _____

CITY, STATE, ZIP CODE: _____

OTHER NAMES USED AT WORK (if any): _____

TELEPHONE NUMBERS: Home: _____ Cell: _____

EMAIL ADDRESS: _____

ADDRESS OF RESTAURANT WHERE EMPLOYED: _____

DATES OF EMPLOYMENT: _____

Optional: If you do not want back-up withholding taken from your settlement check, you may also fill out the following:

Taxpayer Identification Number Certification – Substitute IRS Form W-9

Enter your Social Security Number or Taxpayer Identification Number, if any: _____ - _____ - _____

Print name as shown on your income tax return if different from _____

First Name: _____ Last Name: _____

Under penalty of perjury, I certify that:

1. The taxpayer identification number shown on this form is my correct taxpayer identification number, and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Note: If you have been notified by the IRS that you are subject to backup withholding, you must cross out item 2 above.

The IRS does not require your consent to any provision of this document other than this Form W-9 certification to avoid backup withholding.

EXHIBIT 2

EXHIBIT 2

Notice of Settlement of Class Action

United States District Court for the Northern District of California
A federal court authorized this notice. This is not a solicitation from a lawyer.

RE: *Ochoa, et al. v. McDonald's Corp., et al., N.D. Cal. No. 3:14-cv-02098-JD*
CLASS ACTION SETTLEMENT WITH MCDONALD'S DEFENDANTS

TO: All current and former crew members, crew trainers, or maintenance workers paid on an hourly basis at any of the following McDonald's restaurants owned and/or operated by The Edward J. Smith and Valerie S. Smith Family Limited Partnership and/or Edward, Valerie, or Michael Smith between March 12, 2010 and November 5, 2016:
2301 MacDonald Avenue, Richmond, CA 94804
4514 Telegraph Avenue, Oakland, CA 94607
6623 San Pablo Avenue, Oakland, CA 94608
800 Market Street, Oakland, CA 94607
1330 Jackson Street, Oakland, CA 94612.

Our records show that, under the Settlement with McDonald's, you are entitled to compensation in the approximate amount of \$_____. Read this Class Notice to learn more about your rights.

*** This Notice discusses a settlement with the McDonald's defendants. ***
This settlement is separate and different from the prior settlement with defendant Smith.

If you received this Class Notice by mail you do not need to take any further steps to participate in this settlement. Unless you "opt out" as set forth below, you will automatically be mailed a settlement check after the Effective Date of the Settlement, if the settlement is approved by the Court.

If you did not receive this Class Notice by mail, you must complete the accompanying Claim Form and mail it to the Claims Administrator no later than [REDACTED], 2017 to be eligible for a share of the settlement. Claim Forms must be postmarked no later than [REDACTED] to be valid.

If you are not sure whether you received the Class Notice by mail, please complete the accompanying Claim Form and mail it to the Claims Administrator no later than [REDACTED], 2017.

If your mailing address has changed, or if any of your contact information changes before the final distribution, you are responsible for providing your updated information to the Claims Administrator.

I. Introduction

There is a proposed settlement of claims against McDonald's Corporation, McDonald's USA, LLC, and McDonald's Restaurants of California, Inc. ("McDonald's") in a lawsuit filed in the U.S. District Court for the Northern District of California. You are receiving this Class Notice because available records show that you are a member of a class of persons who worked as a crew member, crew trainer, or maintenance person at one of the McDonald's restaurants owned and operated by The Edward J. Smith and Valerie S. Smith Family Limited Partnership and/or Edward, Valerie, or Michael Smith ("Smith") at some time between March 12, 2010 and November 5, 2016.

This Class Notice advises you of your rights, and explains how you may:

1. Recover your share of the settlement money if the Court approves the settlement;
2. Dispute the calculation of your settlement share;
3. Object to the settlement; and/or
4. Exclude yourself ("opt out") from the settlement.

A final settlement hearing will be held at the federal courthouse in San Francisco on , 2017 to determine whether the settlement should be granted final approval.

If the Court grants final approval, the settlement will resolve and release claims you may have against McDonald's as set forth in more detail below and in the Settlement Agreement. This settlement does *not* affect the separate settlement that has already been reached with Smith.

II. Description of the Lawsuit

Plaintiffs Stephanie Ochoa, Ernestina Sandoval, Yadira Rodriguez, and Jasmine Hedgepeth ("Plaintiffs") filed this action on March 12, 2014 on behalf of themselves and all other current and former hourly workers working as crew members, crew trainers, and maintenance people in one or more of Smith's five restaurants on or after March 12, 2010.

Plaintiffs alleged 13 claims for relief under California law in their First Amended Complaint, including claims for unpaid wages, minimum wages, and overtime premiums; meal period and rest break violations; violations of recordkeeping and wage statement obligations; failure to reimburse crew members for uniform maintenance; and unlawful business practices. Plaintiffs sought relief including back wages, liquidated damages, injunctive and declaratory relief, civil penalties, interest, attorneys' fees, and costs. To review plaintiffs' First Amended Complaint in more detail, you may contact one of the counsel for the plaintiffs listed below or review it at www. .

McDonald's denies that it has violated any law, breached any agreement or obligation to the plaintiffs or the class members, or engaged in any wrongdoing with respect to the plaintiffs or the class members. McDonald's has entered into this settlement to fully, finally, and forever resolve this litigation against it, based on the terms set forth in the Settlement Agreement, to avoid the burden, expense, and uncertainty associated with the litigation.

III. Summary of the Settlement Agreement

People Included in the Proposed Settlement.

As described in more detail in the Settlement Agreement, the settlement includes all current and former workers who worked as hourly paid crew members, crew trainers, or maintenance workers at the restaurants located at 2301 MacDonald Avenue, Richmond, CA 94804; 4514 Telegraph Avenue, Oakland, CA 94607; 6623 San Pablo Avenue, Oakland, CA 94608; 800 Market Street, Oakland, CA 94607; and 1330 Jackson Street, Oakland, CA 94612, at any time between March 12, 2010 and November 5, 2016.

Who is Required to Submit a Claim Form?

No Claim Form need be submitted by any individual who receives a Class Notice in the mail. If you received a Notice in the mail, you are already on the Class List.

A Class Member who does not receive a hard copy of the Class Notice by mail **must** submit a Claim Form to the Claims Administrator to participate in the settlement. This Claim Form must be mailed to the Claims Administrator no later than , 2017.

The Claims Administrator will send a Claim Form to any individual who requests one and believes he or she may be a class member.

Amount and Timing of the Proposed Settlement.

McDonald's will pay up to \$3,750,000 to resolve plaintiffs' claims against it, provided the Court approves the settlement as set forth in the Settlement Agreement. This amount is in addition to the more than \$700,000 separately paid by defendant Smith to settle the claims against it.

From the total amount that McDonald's has agreed to pay, the parties will request that the Court approve the following payments: (1) \$1,500,000 for payments to class members, to be allocated according to the terms of the Settlement Agreement ("Class Payment"), including a service award of \$500 each for class representatives Stephanie Ochoa, Ernestina Sandoval, Yadira Rodriguez, and Jasmine Hedgepeth; (2) \$250,000 for civil penalties to be paid by McDonald's under California's Labor Code Private Attorney General Act ("PAGA") to the State of California for labor law enforcement and education; and (3) \$2,000,000 for litigation expenses incurred by and statutory attorneys' fees for Plaintiffs' Counsel. McDonald's will separately pay all costs of Class Notice and Claims Administration. No payments to plaintiffs, class members, plaintiffs' counsel, and the State of California will be distributed until after the Effective Date as defined in the Settlement Agreement.

The Claims Administrator will calculate the total number of weeks worked during the Class Period by all Class Members combined. The Claims Administrator will then:

a. Allocate \$716,667 of the Class Payment to backpay, interest and liquidated damages. Each Class Member's share of this amount will be based on the number of weeks he or she worked during the Class Period.

b. Allocate \$350,000 of the Class Payment for wage statement penalties. This amount will be paid to Class Members who worked between March 12, 2013 and the end of the Class Period, based on the number of weeks each Class Member worked during that period.

c. Allocate \$350,000 of the Class Payment for civil penalties available to former workers. This amount will be allocated in equal shares among Class Members whose final paycheck was dated between March 12, 2011 and the end of the Class Period.

d. Allocate \$83,333 of the Class Payment for the Class Members' share of PAGA penalties. This amount will be paid to Class Members who worked between March 12, 2013 and the end of the Class Period, based on the number of weeks each Class Member worked during that period.

Service awards of up to \$500 for each of the four named plaintiffs, if approved by the Court, will be paid proportionally from each of the amounts listed in (a) through (c) above.

Injunctive Relief.

McDonald's has also agreed to develop materials that it will make available to Smith for training of Smith owners and managers explaining how Smith could use scheduling and timekeeping software to identify the number, length and timing of meal periods and rest breaks and how Smith could determine whether to pay an employee a premium wage because the employee's time punches reflect a shift that is missing a required meal period or rest break or a shift that includes an untimely meal period or rest break.

After the training has taken place, McDonald's will report to plaintiffs' counsel the names, positions, and date of training for each Smith owner, supervisor, store manager, department manager, shift manager, and other Smith employee or agent who attends the training, to the extent McDonald's has such information.

Calculation of Individual Class Member Awards.

Each class member's share of the Class Payment will be based on the allocation described above. In calculating those amounts, the Claims Administrator has relied on work records produced by Smith.

Smith's records show that you are a class member who worked in one of Smith's McDonald's restaurants from [DATE] through [DATE].

Based on this information, your individual share of the settlement with McDonald's is estimated to be \$_____.

This estimate may change, based on the number of class members who cannot be reached or who do not seek their share of the settlement fund (because these estimates assume full participation by all class members), and is also based on whether the Court approves service awards to the class representatives as described above.

All legally required employer taxes and withholdings will be deducted from your individual payment of the settlement funds, based on the allocation described below.

Tax Matters.

For tax purposes, 24% of the amount distributed to each class member will be treated as payment of lost wages (including payroll taxes, deductions, and contributions), 14% will be treated as interest, and 62% percent will be allocated to civil or statutory penalties or liquidated damages. Plaintiffs' counsel is not qualified to provide tax advice to any class member, and cannot represent that applicable state and federal tax authorities will accept that allocation. Similarly, the Agreement provides that McDonald's is not responsible for any tax obligations, is not providing any tax advice to the plaintiffs or any class member, and does not represent that applicable state and federal tax authorities will accept that allocation. Each class member remains personally responsible for ensuring the proper payment of all taxes due, as determined by the applicable taxing authority. If you do not have or submit a valid Social Security Number or Individual Taxpayer Identification Number (ITIN), federal law requires that a 28% backup withholding must be applied to your payment.

Releases.

As set forth in more detail in the Settlement Agreement, upon the Effective Date each Class Member will waive, release, acquit and forever discharge McDonald's Corporation, McDonald's U.S.A., L.L.C, and McDonald's Restaurants of California, Inc., and their directors, shareholders, officers, owners, and attorneys from any and all Settled Claims, including any claims that arose during the Class Period.

The Settled Claims are any and all claims that were alleged in this action, arise out of or are related to the allegations and claims alleged in the action, and/or could have been alleged based on the facts, matters, transactions, or occurrences alleged in the lawsuit.

If you do not timely opt out, the law will assume you released all claims covered by the releases in the Settlement.

The information provided in this Class Notice is only a summary. The terms of the Settlement Agreement are the binding terms of this settlement, and all such terms, including the releases that will bind you as a class member if you do not opt out, are set forth fully in the Settlement Agreement that is on file with the Court and also can be found at www.██████████. If the settlement is not approved by the Court or does not become final for some other reason, the litigation against McDonald's will continue.

IV. How to Dispute the Calculation of Your Share of the Settlement

If you do not agree with the dates of your employment stated above, you must submit a written, signed statement explaining why the dates are incorrect, along with any supporting documents and the Claim Form, to the Claims Administrator at the address provided below (also provided on the Claim Form) by no later than [██████████](http://www.██████████), 2017. No challenge will be

considered if postmarked at [REDACTED], 2017. If you file a timely challenge, the Claims Administrator will evaluate your challenge, and its decision will be final and binding.

V. How to Exclude Yourself or Opt Out of the Settlement

If you do not wish to participate in the settlement, you may exclude yourself by “opting out.” If you opt out, you will not receive any money from the settlement with McDonald’s, and you will not release any of your claims. To opt out, you must send a letter that includes your name, telephone number, and current address, and the following statement: “I, [NAME], voluntarily choose not to participate in the settlement of the Certified Class Action against McDonald’s Corporation and McDonald’s USA, LLC, and hereby waive any rights I may have to participate in the Settlement with McDonald’s Corporation, McDonald’s USA, LLC, and McDonald’s Restaurants of California, Inc. in the federal court lawsuit entitled *Ochoa et al. v. McDonald’s Corp. et al.*, N. D. Cal. No. 3:14-cv-02098-JD.” You must sign the statement and it must be postmarked by [REDACTED]. The statement should be mailed to the following address:

CPT Group, Inc.
16630 Aston # A
Irvine, CA 92606

No opt-out statement will be valid if postmarked after [REDACTED]. Requests to opt out that do not include all required information will be deemed null, void, and ineffective.

If a class member files an opt-out statement and a Claim Form, the opt-out statement will be deemed invalid and the class member’s Claim Form and release of claims will be valid and controlling.

VI. How to Object to the Settlement

If you do not opt out but believe that the Court should not approve the settlement for any reason, you may object to the proposed settlement. To object, you must submit a written statement with your name, telephone number, current address, the time period you worked at a McDonald’s restaurant covered by the settlement, and the address to which your Class Notice and Claim Form was mailed. Your statement should state all of the reasons you believe the Court should not approve the settlement. To file your objection, you must mail your statement to:

Ochoa v. McDonald’s Corp., N.D. Cal. No. 3:14-cv-02098-JD
U.S. District Court for the Northern District of California
450 Golden Gate Avenue
San Francisco, CA 94102
Att: Judge James Donato

You must also send copies of your statement to:

MATTHEW J. MURRAY
Altshuler Berzon LLP
177 Post Street, Suite 300
San Francisco, California 94108

JONATHAN BUNGE
Quinn Emanuel
500 W. Madison Street, Suite 2450
Chicago, Illinois 60661

No objection will be considered by the Court if postmarked after [REDACTED]. If you do not opt out or object in the way described in the Class Notice and Settlement Agreement, you will have waived any objections to the settlement you have, you will not be permitted to make any objections (whether by appeal or otherwise) to the settlement, and the settlement will be fully binding upon you.

At the final settlement hearing scheduled for [DATE], counsel for the plaintiffs and for McDonald's will ask the Court to approve the settlement, as set forth in full detail in the Settlement Agreement. *You are not required to appear at the hearing to receive your share of the settlement.* If you want to appear and be heard at the hearing, (1) your written objections must advise the Court that you (and/or your attorney) intend to appear at the settlement hearing, and (2) you must file with the Court and send to all parties' counsel a written "Notice of Appearance" by [DATE]. You will be solely responsible for the fees and costs for your own attorney.

VII. Hearing on the Settlement

The Court has scheduled a final approval hearing about the settlement at [TIME, DATE, ADDRESS]. The Court will review the proposed settlement and decide whether it is fair, reasonable and adequate, and should be finally approved. You are welcome, but not required, to attend this hearing, whether you agree with or object to the proposed settlement. You will be permitted to speak at the hearing only if you timely follow the procedures for objecting to the settlement, as described above.

The date of the final approval hearing may be changed without further notice to the Class. You may check to determine whether the date of the final approval hearing has changed at [www.\[REDACTED\]](http://www.[REDACTED]), or by accessing the Court docket in this case through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, CA 94102, between 9:00 a.m. and 4:00 p.m. Monday through Friday, excluding federal holidays.

VIII. What if I Need More Information?

If you have any questions or would like more information, contact [REDACTED] at Altshuler Berzon LLP at (415) 421-7151 or [REDACTED]@altber.com. You may also contact any of the counsel for plaintiffs listed below. The full terms of the Settlement Agreement, including the release of claims that will bind you as a class member if you do not opt out, are set forth in the Settlement Agreement that is on file with the Court and that can be found at [www.\[REDACTED\]](http://www.[REDACTED]).

MICHAEL RUBIN
BARBARA J. CHISHOLM
MATTHEW J. MURRAY
Altshuler Berzon LLP
177 Post Street, Suite 300
San Francisco, California 94108

JOSEPH M. SELLERS
MIRIAM R. NEMETH
Cohen Milstein Sellers & Toll PLLC
1100 New York Ave NW, Suite 500
Washington, DC 20005
Telephone: (202) 408-4600

Telephone: (415) 421-7151

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR COUNSEL
FOR MCDONALD'S OR SMITH WITH QUESTIONS

EXHIBIT 3

1 MICHAEL RUBIN (SBN 80618)
BARBARA J. CHISHOLM (SBN 224656)
2 P. CASEY PITTS (SBN 262463)
MATTHEW J. MURRAY (SBN 271461)
3 KRISTIN M. GARCÍA (SBN 302291)
Altshuler Berzon LLP
4 177 Post Street, Suite 300
San Francisco, California 94108
5 Telephone: (415) 421-7151
Facsimile: (415) 362-8064
6 E-mail: mrubin@altber.com
bchisholm@altber.com
7 cpitts@altber.com
mmurray@altber.com
8 kgarcia@altber.com

9 JOSEPH M. SELLERS (*pro hac vice*)
MIRIAM NEMETH (*pro hac vice*)
10 Cohen Milstein Sellers & Toll, PLLC
11 1100 New York Ave NW, Suite 500
Washington, DC 20005
Telephone: (202) 408-4600
12 Facsimile: (202) 408-4699
E-mail: jsellers@cohenmilstein.com
13 mnemeth@cohenmilstein.com

14 *Attorneys for Plaintiffs and the Class*

15
16 IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA – San Francisco

17 STEPHANIE OCHOA, *et al.*,
18
19 Plaintiffs,

20 vs.

21 MCDONALD'S CORP., *et al.*,
22 Defendants.

CASE NO. 3:14-cv-02098-JD

**[PROPOSED] ORDER GRANTING MOTION
FOR FINAL APPROVAL OF CLASS ACTION
SETTLEMENT AND JUDGMENT**

Complaint Filed: March 12, 2014
Trial Date: December 5, 2016

1 **[PROPOSED] ORDER GRANTING MOTION FOR FINAL**
2 **APPROVAL OF CLASS ACTION SETTLEMENT AND JUDGMENT**

3 This matter came before the Court for hearing pursuant to the Order Granting
4 Preliminary Approval of Class Settlement dated _____ (“Preliminary Approval Order”),
5 and on application of the parties for final approval of the parties’ Settlement Agreement dated
6 _____ (“Settlement”). Due and adequate notice having been given of the Settlement as
7 required in the Preliminary Approval Order, and the Court having considered all papers filed
8 and proceedings had herein and otherwise being fully informed in the premises and good cause
9 appearing therefor,

10 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED:**

- 11 1. All defined terms used in this Judgment have the same meanings as set forth in
12 the Settlement.
- 13 2. The Court finds that it has jurisdiction over the subject matter of the action and
14 over all parties to the action, including all Class Members.
- 15 3. The Court finds and concludes that adequate notice has been given to the Class
16 as directed in the Preliminary Approval Order, which notice was the best notice practicable
17 under the circumstances and fully satisfied due process, the requirements of Rule 23 of the
18 Federal Rules of Civil Procedure, and all other applicable law. The Court further finds and
19 concludes that notice was provided to appropriate state and federal officials in accordance with
20 all applicable laws, including Cal. Labor Code § 2699(1)(2) and the Class Action Fairness Act.
- 21 4. Class Members were given a full opportunity to participate in the Final
22 Settlement Hearing, and all Class Members and other persons wishing to be heard have been
23 heard. Accordingly, the Court determines that all Class Members who did not timely and
24 properly opt out are bound by this Final Order and Judgment. [A list of the individuals who did
25 timely and properly opt out is included on Exhibit A.]
- 26 5. The Court hereby finally approves in all respects the Settlement and finds that
27 the Settlement and the plan of distribution and allocation are, in all respects, fair, just,
28 equitable, reasonable, and adequate for the Class. The Court also finds that the Settlement is in

1 the best interest of the Class Members and that extensive arm's-length negotiations have taken
2 place in good faith between Class Counsel and counsel for the Released Parties resulting in the
3 Settlement. The Court has considered all relevant factors for determining the fairness of the
4 Settlement and has concluded that all such factors weigh in favor of granting final approval.
5 The Court directs the Settlement to be consummated in accordance with the terms and
6 conditions set forth in the Settlement.

7 6. The Court hereby finds that Class Counsel have fairly and adequately
8 represented the Class for all purposes, including entering into and implementing the Settlement.

9 7. If the Settlement does not become effective in accordance with the terms of the
10 Settlement, this Judgment shall be rendered null and void to the extent provided by and in
11 accordance with the Settlement and shall be vacated and, in such event, all orders entered and
12 releases delivered in connection herewith shall be null and void to the extent provided by and in
13 accordance with the Settlement.

14 8. Upon the Effective Date, the Class Representatives and each Class Member on
15 the one hand and McDonald's on the other hand, for themselves and their respective agents,
16 heirs, predecessors, successors, assigns, representatives and attorneys, mutually shall be
17 deemed to have, and by operation of the Final Approval, shall have fully, finally, and forever
18 irrevocably waived, released, relinquished, and discharged with prejudice each other from any
19 and all claims that were alleged in this action, arise out of or are related to the allegations and
20 claims alleged in the action, and/or could have been alleged based on the facts, matters,
21 transactions, or occurrences alleged in the action through the date of the Settlement. By
22 operation of the Final Approval, the Class Representatives and McDonald's shall be deemed to
23 have waived and relinquished any and all employment-related claims, rights, or benefits that
24 each may have with respect to the other under California Civil Code § 1542, which provides:
25 "A general release does not extend to claims which the creditor does not know or suspect to
26 exist in his or her favor at the time of executing the release which if known by him or her must
27 have materially affected his or her settlement with the debtor."
28

1 9. The Court hereby dismisses the above-captioned action against the Released
2 Parties with prejudice as to the Class Representatives and all Class Members and without costs,
3 except as otherwise provided in the Settlement.

4 10. No Class Representative or Class Member, either directly, representatively, or in
5 any other capacity, shall commence, maintain or prosecute any action or proceeding against
6 any or all Released Party or Parties in any court or tribunal asserting any of the Settled Claims
7 defined in the Settlement. The covenants, agreements, and releases in the Settlement shall be a
8 complete defense to any such Settled Claims against any of the Released Parties as define in the
9 Settlement.

10 11. Nothing in this Final Order and Judgment, the Settlement, or any documents or
11 statements related thereto, is or shall be deemed or construed to be an admission or evidence of
12 any violation of any statute or law or of any liability or wrongdoing by any of the Released
13 Parties.

14 12. The Court finds that a service award of \$500 for each Class Representative is
15 appropriate for the Class Representatives' efforts in bringing and prosecuting this action and
16 for devoting time and effort to keeping themselves informed of the litigation.

17 13. Class Counsel have moved for an award of attorneys' fees and reimbursement of
18 litigation expenses. Class Counsel's motion will be addressed by a separate order.

19 14. Without affecting the finality of this Final Order and Judgment in any way, this
20 Court hereby retains continuing jurisdiction over (a) implementation of the Settlement; and (b)
21 the Parties and the Class Members for the purpose of construing, enforcing, and administering
22 the Settlement and this Final Order and Judgment.

23 **IT IS SO ORDERED.**

24
25 Dated: _____

Hon. James Donato