

Larry W. Lee (State Bar No. 228175)
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
(213) 488-6555
(213) 488-6554 facsimile
lwlee@diversitylaw.com

Dennis S. Hyun (State Bar No. 224240)
dhyun@hyunlegal.com
HYUN LEGAL, APC
515 S. Figueroa St., Suite 1250
Los Angeles, California 90071
(213) 488-6555
(213) 488-6554 facsimile

Attorneys for Plaintiff and the Class
[Additional Counsel on Next Page]

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

GENNIFER MANZO, individually and on
behalf of all others similarly situated,

Plaintiff,

vs.

MCDONALD'S RESTAURANTS OF
CALIFORNIA INC., a corporation; and
DOES 1 through 50, inclusive,

Defendants.

Case No.: 1:20-cv-01175-NONE-HBK

**DECLARATION OF EDWARD W.
CHOI IN SUPPORT MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION AND PRIVATE
ATTORNEYS GENERAL ACT
SETTLEMENT**

Date:	November 24, 2021
Time:	2:00 p.m.
Courtroom:	Yosemite Courthouse
Magistrate Judge:	Hon. Helena M. Barch-Kuchta

Edward W. Choi, Esq. SBN 211334
LAW OFFICES OF CHOI & ASSOCIATES
515 S. Figueroa St., Suite 1250
Los Angeles, CA 90071
Telephone: (213) 381-1515
Facsimile: (213) 465-4885
Email: edward.choi@choiandassociates.com

WILLIAM L. MARDER, ESQ. (CBN 170131)
bill@polarislawgroup.com
POLARIS LAW GROUP LLP
501 San Benito Street, Suite 200
Hollister, CA 95023
Tel: (831) 531-4214
Fax: (831) 634-0333

Attorneys for Plaintiff and the Class

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

1. I am an attorney at law, duly licensed to practice before all Courts in the State of California, and am with the law firm Law Offices of Choi & Associates, P.C., counsel of record for the Named Plaintiff GENNIFER MANZO (“Plaintiff”).

3. On August 13, 2020, Plaintiff electronically submitted her written notice of Defendant's alleged violations of Labor Code § 226(a) to the LWDA and to Defendant via certified mail.

INFORMAL DISCOVERY AND MAXIMUM EXPOSURE ANALYSIS

6. In advance of the mediation, Defendant provided data, including the number of putative class members and the number of wage statements issued to putative class members during the liability period, which allowed Plaintiff to conduct a full damages analysis. Specifically, Plaintiff was provided with the number of non-exempt employees that were

1 settlement class members in the class action entitled, *Sanchez v. McDonald's Restaurants of Cal.,*
2 *Inc.*, Los Angeles County Superior Court Case No. BC499888 (the “*Sanchez case*”) and the
3 number of wage statements issued to this group of employees that contained payment of
4 overtime wages along with the number of wage statements that included MQI True Up wages.
5 In addition, Plaintiff was provided with the number of non-exempt employees that were not part
6 of the *Sanchez case* and the number of wage statements issued to this group of employees that
7 contained payment of overtime wages along with the number of wage statements that included
8 MQI True Up wages.

9 7. Based on the data provided by Defendant, for the *Sanchez* class members,
10 Plaintiff calculated a total maximum exposure for Labor Code § 226 penalties of \$2,888,600.00.
11 For the non-*Sanchez* class members, Plaintiff calculated a total maximum exposure for Labor
12 Code §226 damages of \$1,092,050.00. The formula utilized for this calculation is the total
13 number of employees multiplied by \$50 *plus* the total number of wage statements minus the total
14 number of employees multiplied by \$100 (Labor Code § 226 provides penalties in the amount of
15 \$50 for the first violation and \$100 for each subsequent violation). The total Labor Code § 226
16 penalties amounted to \$3,980,650.00.

17 8. For the *Sanchez* class members, Plaintiff calculated the total maximum exposure
18 for PAGA penalties at \$7,650,000.00. For non-*Sanchez* class members, Plaintiff calculated a
19 total maximum exposure for PAGA penalties at \$2,909,250.00. The formula utilized for this
20 calculation as the total number of wage statements multiplied by \$250 (Labor Code § 226.3
21 provides PAGA penalties in the amount of \$250 per pay period). The total maximum exposure
22 for PAGA penalties amounts to \$10,559,250.00.

23 9. Based on the above, the total Labor Code § 226 and PAGA penalties amount to
24 \$14,539,990.00.

25 **SETTLEMENT NEGOTIATIONS AND TERMS**

26 10. On May 17, 2021, the Parties participated in private mediation with Michael
27 Loeb, Esq., a well-regarded neutral with experience mediating employment matters.
28

1 11. During the mediation, the Parties spoke at length about the strengths and
2 weaknesses of each side's claims and defenses, the certifiability of the claims, and the scope of
3 Defendant's liability. Defendant argued that its wage statements complied fully with California
4 law and that Plaintiff would be unable to establish a class-wide injury and/or a "knowing and
5 intentional" violation of Labor Code section 226(a), as required by Section 226(e). As argued by
6 Defendant, its wage statements complied fully with California law. Defendant further argued that
7 it acted in good faith and any violation was neither knowing, intentional, nor willful. Defendant
8 also maintained that maximum liability exposure is unrealistically high and subject to significant
9 reduction.

10 12. After a full day of negotiation, the Parties were able to reach an agreement for
11 settlement and the key terms, as detailed fully in the Settlement Agreement. (Attached hereto as
12 Exhibit A is a true and correct copy of the fully executed Class Action Settlement Agreement
13 and Release).

14 13. The settlement provides for a Gross Settlement Amount of \$2,000,000.00.
15 Attorneys' fees of up to 1/3 (\$666,666.67), attorneys' costs of up to \$30,000.00, administration
16 costs of \$30,000.00, class representative enhancement up to \$10,000.00 and PAGA payment to
17 the LWDA of \$75,000.00 (75% of \$100,000 PAGA allocation) will be deducted from the Gross
18 Settlement Amount, yielding a Net Settlement Amount of approximately \$1,188,333.33.

19 14. The Parties have agreed to ILYM to serve as the Settlement Administrator. Prior
20 to agreeing to ILYM, my co-counsel and I obtained blind bids for settlement administration from
21 several class action administrators. ILYM submitted the lowest bid and is a well-recognized
22 class action administrator. Further, based on the settlement amount and number of class
23 members, my co-counsel and I believe that \$30,000.00 to administer this settlement is fair and
24 reasonable.

25 15. The Parties have agreed that uncashed checks will be sent to Center for
26 Employment Training ("CET"). CET provides job training services to low-income individuals.
27 Neither the Parties, nor their counsel, have any relationship with CET.

1 16. Defendant estimates that the total number of individuals that will comprise of the
2 class during the Class Periods will be approximately 5,500 unique individuals. On a pure raw
3 average, each class member will receive approximately \$216.06. The amount any particular
4 Class Member will be entitled to recover will be greater or lower than this average depending on
5 the number of violative wage statements received during the Class Period. This is fair, as it
6 directly allocates greater penalties to individual Class Members who have allegedly suffered
7 greater harm.

8 17. The total number of estimated pay periods at issue is estimated at 57,000. in the
9 event the total number of pay periods exceeds this amount, the Gross Settlement Amount will
10 increase proportionately. Based on the current estimate, each pay period has a value of \$35.09.

11 18. After taking into account sharply disputed factual and legal issues involved in this
12 litigation, the risks attending further prosecution, and the substantial benefits to be received
13 pursuant to the compromise and settlement of the litigation, Plaintiffs and Class Counsel have
14 concluded that settlement on the terms hereinafter set forth is appropriate and in the best interests
15 of the Parties and that this settlement is fair and reasonable.

16 19. My co-counsel and I have no conflicts of interest and have vigorously prosecuted
17 the Class Action on behalf of Plaintiff and the Class.

18 20. My co-counsel and my commitment to this case is not only demonstrated by our
19 experience in litigating similar cases, having been certified by numerous state and federal courts
20 as competent and adequate class counsel, but also by the substantial monetary and non-monetary
21 relief they have conferred and will continue to confer upon the Class Members through our
22 representation.

23 21. Although Plaintiff believes that a class can be certified, Plaintiff also believes in
24 the fairness of the settlement that is based on factoring in the uncertainty and risks to Plaintiff
25 involved in not prevailing on one or more of the theories alleged in the Complaint, the possibility
26 of non-certification and potential for appeals, and the costs of litigation.

22. On October 22, 2021, my office uploaded Plaintiff's Motion for Preliminary Approval of the Settlement and the Settlement Agreement to the LWDA through its online filing portal. Attached hereto as Exhibit B is a true and correct copy of the confirmation.

///

ATTORNEY EXPERIENCE

23. I am one of the primary attorneys on this matter. My qualifications are as follows: I received my *Juris Doctorate* degree from UCLA Law School in 2000. Upon graduation, I joined the law firm of Lee & Associates in Los Angeles, California as an associate. I started my own practice in October 2004.

24. During the course of my practice, I have primarily represented consumers and obtained millions of dollars in recovery for my clients. I have handled numerous wage and hour cases during my career. I have been certified as class counsel and granted final approval in *Choi, et al. v. Midway International Inc.*, et al. LASC Case No. BC394495; *Garcia, et al. v. RGIS, LLC, et al.* LASC Case No. BC 425624; *Choi v. Mazda*, et al. LASC Case No. BC 391638; *Cabrera v. Frazee, et al.* LASC Case No. BC 440309; *Vo, et al. v. The Party Staff, et al.* OCSC Case No. 30-2011-00444836-CU-OE-CXC; *Oh, et al. v. Best Coach Technologies, Inc., et al.* LASC Case No. BC 462848; *Rawley v. Freedom Mortgage, Inc.* Orange County Superior Court Case No. 30-2014-00724164-CU-OE-CXC; *Mendez v. Stevenson Restaurant, Inc.* LASC Case No. BC536766; *Castro v. Continental Airlines*, USDC Central District Case No. 2:14-CV-00169-SVW-AGR; *Barreras v. Michaels Stores, Inc.* USDC – Northern District Case No. C12-04474 PJH, *Dynabursky v. AlliedBarton Security Services, LP, et al.*, SACV 12-02210 JST (RNBx), *Brown v. CVS Caremark, et al.* United States District Court, Central District, Case No.: 2:15-cv-07631-JFW-PJW; *Wu v. General Nutrition* Orange County Superior Court Case No. 30-2012-00593759-CU-OE-CXC; *Hernandez v. Pei Wei Asian Diner, LLC*, United States District Court, Case No.: 8:17-cv-00679 JLS (JCGx); 8:17-cv-00679 JLS (JCGx); *Son v. Phillips Steel*, Los Angeles Superior Court, Case No. BC 675988; *Lee v. Verity Wireless, Inc.*, Orange County Superior Court, Case No. Case No. 30-2017-00950743-CU-OE-CXC; *Castillo v. Sheraton Operating Corporation*, United States District Court, Central District of California Case No.

2:17-cv-07091-FMO-AS and *Zepeda v. Ulta Salon, Cosmetics & Fragrance, Inc.* United States
District Court, Eastern District of CA, Case No. 1:18-cv-00750-DAD.

///

///

I declare under penalty of perjury that the foregoing is true and correct. Executed on
October 22, 2021 at Los Angeles, California.

/s/ Edward W. Choi

Edward W. Choi

EXHIBIT A

This Class Action Settlement Agreement and Release, including Exhibits A and B hereto (“Agreement”), is made and entered into by, between, and among Plaintiff Gennifer Manzo (“Plaintiff”) on behalf of herself, the Settlement Class (as defined below), and the State of California Labor and Workforce Development Agency (“LWDA”), on the one hand, and Defendant McDonald’s Restaurants of California, Inc. (“McDonald’s” and “Defendant”) on the other hand. Plaintiff and Defendant (collectively, the “Parties”) enter into this Agreement to effect a full and final settlement and preclusive judgment (“Settlement”) resolving all claims brought or that could have been brought against Defendant in *Gennifer Manzo v. McDonald’s Restaurants of California, Inc.*, Case No. 1:20-cv-01175-NONE-HBK, filed in the United States District Court for the Eastern District of California on August 20, 2020 (the “Action”), and all claims based on or reasonably related thereto. This Agreement is intended to fully and finally compromise, resolve, discharge, and settle the Released Claims, as defined and on the terms set forth below, and to the full extent reflected herein, subject to the approval of the Court.

I. BACKGROUND

1.1 On August 20, 2020, Plaintiff Gennifer Manzo filed the Action asserting class and representative claims on behalf of herself and a proposed class consisting of all “past and present non-exempt California employees who worked for Defendant [and] were paid any overtime wages at any time from April 6, 2019, through the present” and all “past and present non-exempt California employees who worked for Defendant [and] were paid any MQI True Up wages at any time from April 6, 2019, through the present,” alleging two causes of action: (1) violation of Cal. Labor Code § 226 (failure to provide accurate wage statements) and (2) violation of Cal. Labor Code §§ 2698, *et seq.* (“PAGA”).

1.2 Defendant denies the allegations in the Action; denies that it has engaged in any wrongdoing; denies that Plaintiff’s allegations constitute valid claims; denies that a litigation class could properly be certified in the Action; denies that Plaintiff’s claims could properly be maintained as a PAGA representative action; and states that it is entering into this Agreement solely to eliminate the burden, expense, and delay of further litigation, and on the express conditions that (a) if for any reason the Settlement is not finalized according to the terms of this Agreement, the Settlement and the documents generated as a result of the Settlement shall not be usable for any purpose in the Action, and (b) this Settlement and the documents generated as a result of the Settlement are not admissible or usable in any other civil or administrative proceeding or any arbitration, except to the extent necessary to enforce this Settlement and the orders, judgment and agreements arising from this Settlement.

1.3 A *bona fide* dispute exists as to whether any amount of penalties is due to the Plaintiff, Settlement Class Members, or the LWDA.

1.4 In preparation for mediation, the Parties engaged in informal discovery, exchanging information and reviewing and analyzing data made available by Defendant, which enabled Plaintiff and the mediator to thoroughly evaluate Plaintiff’s claims and the claims of the putative class, and the likely outcomes, risks, and expense of pursuing litigation.

1.5 The Parties attended a virtual mediation session with experienced professional mediator Michael Loeb, Esq., during which the Parties discussed settlement terms at length with the mediator before agreeing to the terms of this arm’s-length Settlement.

1.6 As a result of the mediation and discussions thereafter, Plaintiff and Class Counsel believe that the Settlement provides a favorable recovery for the Settlement Class, based on the claims asserted, the evidence developed, and the damages that might be proven against Defendant in the Action. Plaintiff and Class Counsel further recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendant through trial and appeals. They also have considered the uncertain outcome and the risk of any litigation, especially in complex litigation such as the Action, as well as the difficulties and delays inherent in any such litigation. They are also mindful of the inherent challenges of proof and the strength of the defenses to the alleged claims, and therefore believe that it is desirable that the Released Claims be fully and finally compromised, settled, and resolved with prejudice as set forth herein, subject to the approval of the Court.

1.7 Plaintiff and Class Counsel, based on their own independent investigations and evaluations, have examined the benefits to be obtained under the terms of this Agreement, have considered the claims of Plaintiff, the claims of the average Settlement Class Member, the risks associated with the continued prosecution of the Action, and the likelihood of success on the merits of the Action, and believe that, after considering all the circumstances, including the uncertainties surrounding the risk of further litigation and the defenses that Defendant has asserted and could assert, the proposed Settlement set forth in this Agreement is fair, reasonable, adequate, in the best interests of Plaintiff and the Settlement Class, and confers substantial benefits upon the Settlement Class.

1.8 Plaintiff warrants and represents that she is effecting this Settlement and executing this Agreement after having received full legal advice as to her rights and has had the opportunity to obtain independent counsel to review this Agreement.

1.9 The Parties further agree that the Agreement, the fact of this Settlement, any of the terms of this Agreement, and any documents filed in connection with the Settlement shall not constitute, or be offered, received, claimed, construed, or deemed as, an admission, finding, or evidence of: (i) any wrongdoing, (ii) any violation of any statute or law, (iii) any liability on the claims or allegations in the Action on the part of any Released Parties, or (iv) the propriety of certifying a litigation class or pursuing representative relief under the PAGA in the Action or any other proceeding; and shall not be used by any person for any purpose whatsoever in any legal proceeding, including but not limited to arbitrations, and/or other civil and/or administrative proceedings, other than a proceeding to enforce the terms of the Agreement.

1.10 The Parties desire to compromise and settle all issues and claims that have been, could have been, or should have been brought against Defendant or related persons in the Action, including all claims brought on a putative class and PAGA representative basis in the Action.

II. DEFINITIONS

2.1 “Class Counsel” means Diversity Law Group, A Professional Corporation, Polaris Law Group, Hyun Legal, APC, and Law Offices of Choi & Associates, P.C.

2.2 “Class Counsel Award” means (i) the attorneys’ fees for Class Counsel’s litigation and resolution of the Action, and all claims resolved by this Settlement, as awarded by the Court, which will be paid exclusively from the Gross Settlement Amount, and may not exceed thirty-three and one-third percent (33 1/3%) of the Gross Settlement Amount (equaling \$666,666.67) and (ii) all expenses and costs incurred by Class Counsel in litigation and resolution of the Action, and

all claims resolved by this Settlement, not to exceed \$30,000, which will be paid exclusively from the Gross Settlement Amount.

2.3 “Class Information” means information regarding Settlement Class Members that Defendant will in good faith compile from its records and provide to the Settlement Administrator. Class Information shall include, if possible, for each Settlement Class Member: full name, last known mailing address, last four digits of the social security number, and number of qualifying wage statements. Because Settlement Class Members’ private information is included in the Class Information, the Settlement Administrator and Class Counsel shall maintain any Class Information received in confidence and shall use and disclose Class Information only for purposes of this Settlement and for no other purpose, and pursuant to the restrictions as described in Paragraph 9.1. Further, within the Settlement Administrator’s operations, access shall be limited to those personnel with a need to use the Class Information as part of the administration of the Settlement.

2.4 “Class Notice” means the notice of class action settlement to be provided to Settlement Class Members, without material variation from the relevant portion of Exhibit A.

2.5 “Court” means United States District Court, Eastern District of California.

2.6 “Effective Date” means one (1) day after the Court’s Final Approval order and Judgment have become final, which shall be the latest of the following dates, as applicable: (i) in the event that any Settlement Class Member has filed an objection to the Settlement, and thereafter any appeal relating thereto, the date any appellate court has rendered a final ruling affirming the Court’s final approval of the Settlement without material modification; (ii) in the event that any Settlement Class Member has filed an objection to the Settlement, the date that the deadline for seeking appellate review of the Court’s final approval of the Settlement has passed without the filing of a timely appeal or timely request for review, or (iii) in the event that no Settlement Class Member has filed an objection to the Settlement, the date that the Court enters its Final Approval order and Judgment. The Parties waive their rights to bring an appeal relating to this Settlement; provided, however, Class Counsel may appeal any reduction to their request for attorneys’ fees.

2.7 “Final Approval” means the Court’s entry of a Final Approval order finally approving this Settlement.

2.8 “Final Approval Hearing” means the hearing at or after which the Court will make a final decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, finally approved by the Court.

2.9 “Individual Settlement Payment” means the amount payable to each Settlement Class Member from the Gross Settlement Amount.

2.10 “Judgment” means the judgment to be entered in the Action on Final Approval of this Settlement.

2.11 “Legally Authorized Representatives” means an administrator/administratrix, personal representative, or executor/executrix of a deceased Settlement Class Member’s estate; a guardian, conservator, or next friend of an incapacitated Settlement Class Member; or any other legally appointed person responsible for handling the business affairs of a Settlement Class Member.

2.12 “Opt-Out List” means the Court-approved list of all persons who timely and properly request exclusion from the Settlement Class.

2.13 “PAGA Claims” means the Plaintiff’s representative claims seeking penalties pursuant to PAGA predicated on violation of § 226 of the California Labor Code.

2.14 “PAGA Payment” means a total payment of \$100,000, or such other amount as the Court may require, to settle all claims under PAGA. From this amount, 75% will be paid to the LWDA for civil penalties pursuant to PAGA and 25% will be distributed to Settlement Class Members and considered penalties for tax reporting purposes (“PAGA Allocation”). Should the Court alter the amount to be allocated for this purpose, it shall not affect the Gross Settlement Amount or any other term of the Agreement.

2.15 “Preliminary Approval Date” means the date that the Court enters the Preliminary Approval Order and thus: (i) preliminarily approves the Settlement, and the exhibits thereto, and (ii) enters an order providing for notice to the Settlement Class, an opportunity to opt out of the Settlement Class, an opportunity to submit timely and proper objections to the Settlement, and setting a hearing on the fairness of the terms of Settlement, including approval of the Class Counsel Award.

2.16 “Preliminary Approval Hearing” means the hearing at or after which the Court will make a preliminary decision as to whether the Settlement is fair, reasonable, and adequate, and therefore, preliminarily approved by the Court.

2.17 “Preliminary Approval Order” means the order that Plaintiff and Defendant will seek from the Court, without material variation from Exhibit B. Entry of the Preliminary Approval Order shall constitute preliminary approval of the Agreement.

2.18 “Released Claims” means the claims described in Paragraphs 8.1, 8.2, and 8.3.

2.19 “Released Parties” means Defendant McDonald’s Restaurants of California, Inc. and its present and former parents, owners, subsidiaries and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys, insurers, and agents and any other successors, assigns, affiliates, or legal representatives and any individual or entity who or which could be jointly liable with McDonald’s and all persons or entities acting by, through, under, or in concert with any of them. The Parties understand and agree that Released Parties shall not include any franchisees, or independent McDonald’s restaurants not operated by McDonald’s Restaurants of California, Inc.

2.20 “Service Award” means the amounts approved by the Court to be paid to Plaintiff, in addition to Plaintiff’s Individual Settlement Payment, in recognition of her efforts in coming forward as named Plaintiff and as consideration for a full, general, and comprehensive release of the Named Plaintiff’s General Released Claims. The Service Award amount payable to Plaintiff shall come exclusively from the Gross Settlement Amount and is not to exceed \$10,000.

2.21 “Settlement Administrator” means ILYM.

2.22 “Settlement Administrator Expenses” means the amount to be paid to the Settlement Administrator exclusively from the Gross Settlement Amount, including the total costs, expenses, and fees of the Settlement Administrator. The amount is not to exceed \$30,000.00.

2.23 “Settlement Class” consists of two subclasses:

2.23.1 The “June 2, 2020 Settlement Subclass” consists of all California non-exempt employees who received wage statements that included daily, weekly, or seventh day

premium overtime and/or MQI True Up wages at any time from June 2, 2020 through the Preliminary Approval Date (“June 2, 2020 Subclass Class Period”) and who were subject to the class settlement reached in *Sanchez v. McDonald's Restaurants of Cal., Inc.*, Los Angeles County Superior Court Case No. BC499888.

2.23.2 The “April 6, 2019 Settlement Subclass” consists of all California non-exempt employees who received wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages at any time from April 6, 2019 through the Preliminary Approval Date (“April 6, 2019 Subclass Class Period”), and who were not subject to the class settlement reached in *Sanchez v. McDonald's Restaurants of Cal., Inc.*, Los Angeles County Superior Court Case No. BC499888.

2.24 “Settlement Class Member” means any member of the Settlement Class.

2.25 “Void Date” means the date by which any checks issued to Settlement Class Members shall become void, *i.e.*, on the 181st day after mailing.

III. SETTLEMENT CONSIDERATION

3.1 The total amount Defendant will pay in consideration of the Settlement and dismissal with prejudice and release of all individual, class, and representative claims brought by Plaintiff, including all claims alleged or that could have been alleged in the operative complaint, is \$2,000,000.00 (“Gross Settlement Amount”). This Gross Settlement Amount includes all payments to the Settlement Class members, named Plaintiff, Class Counsels’ attorneys’ fees and costs, PAGA penalties, taxes, and the costs of settlement administration. Under no circumstances, will McDonald’s or any Released Party be required to pay anything more than the Gross Settlement Amount, except that if the actual number of wage statements containing daily, weekly, or seventh day premium overtime furnished to these groups exceeds 57,000 during the periods defined above in Paragraphs 2.6.1 and 2.6.2, through June 30, 2021, the Gross Settlement Amount will increase proportionally on a per wage statement basis for the number of wage statements in excess of 57,000.

3.2 The Gross Settlement Amount shall be allocated to pay the Settlement Administrator Expenses, Plaintiff’s Service Award, Class Counsel Award, and PAGA Payment in such amounts as are approved by the Court, with all remaining funds allocated to the Individual Settlement Payments (“Net Settlement Amount”). No portion of the Gross Settlement Amount will be retained by, or revert to, Defendant.

3.3 McDonald’s shall not be required to pay any settlement payments in any amounts under this Agreement unless and until the Court conducts the Final Approval Hearing, fully and finally approves all terms of this Agreement, the time to appeal from the Court’s order has expired, any appeals that may have been filed have been fully resolved by a final judgment, and all other conditions specified in this Agreement are fully satisfied.

IV. SUBMISSION OF THE AGREEMENT TO THE COURT FOR PRELIMINARY AND FINAL APPROVAL

4.1 After execution of this Agreement, Plaintiff shall submit to the Court a motion for preliminary approval of the Settlement, which shall seek approval of the Class Notice attached hereto as Exhibit A and entry of the [Proposed] Preliminary Approval Order attached hereto as Exhibit B.

4.2 McDonald's stipulates to the certification of the Settlement Class under Federal Rule of Civil Procedure 23, for settlement purposes only. McDonald's agreement to certification for settlement purposes is in no way an admission that class certification is proper for litigation purposes, and evidence of this limited stipulation will not be deemed admissible in this or any other proceeding except for purposes of effectuating settlement.

4.3 Within ten (10) calendar days of submitting the motion for preliminary approval, Class Counsel will notify the LWDA of the proposed settlement.

4.3.1 No later than ten (10) calendar days following the filing of this Settlement Agreement and the motion for preliminary approval, the Claims Administrator shall provide notice of this settlement to the United States Attorney General, the Attorney General of the State of California, and the Attorneys General of any state in which a Settlement Class Member resides, based on the last known mailing address in McDonald's HR system of record. The CAFA Notice, to be provided not later than ten (10) calendar days following the filing of this Settlement Agreement and the motion for preliminary approval, shall include the following to the extent available:

4.3.2 A copy of the complaint and any amendments to the complaint;

4.3.3 A schedule of upcoming hearing dates, if any;

4.3.4 A copy of the Parties' proposed Notice;

4.3.5 A copy of this Agreement;

4.3.6 A copy of any proposed final judgment or order of dismissal filed with the Court at the time of the motion for preliminary approval;

4.3.7 An estimate of the number of Settlement Class Members who reside in the jurisdiction of the entity or agency receiving the notice;

4.3.8 The estimated proportionate share of the entire settlement being offered to the individuals who reside in the jurisdiction of the entity or agency receiving the notice; and

4.3.9 Any written judicial opinion or order of the Court relating to the items 4.3.4 to 4.3.6 above.

Class Counsel agree that the process described in this Paragraph 4.3.1 complies with 28 U.S.C. § 1715. The Parties will include a provision in the proposed final order and/or Final Judgment adjudicating the validity of the CAFA Notice and barring any Non-Claimant Settlement Class Member's claim to void or avoid the settlement under CAFA.

4.4 Class Counsel shall be responsible for ensuring that a duly noticed motion, accompanying memorandum of points and authorities prepared by Class Counsel, and such other pleadings, evidence or other documents as may be necessary for the Court to determine that the settlement documented by this Agreement is fair, adequate, and reasonable are filed with the Court in advance of the Final Approval Hearing.

4.5 At the Final Approval Hearing, Plaintiff shall request entry of a Final Approval order and a Judgment, to be agreed upon by the Parties, that among other things:

4.5.1 Finally approves the Settlement as fair, reasonable, and adequate and directs its consummation pursuant to the terms of the Agreement;

4.5.2 Finds that Class Counsel and Plaintiff adequately represented the Settlement Class for the purpose of entering into and implementing the Agreement;

4.5.3 Re-confirms the appointment of the Settlement Administrator and finds that the Settlement Administrator has fulfilled its duties under the Settlement to date;

4.5.4 Finds that the Class Notice (i) constituted the best practicable notice; (ii) constituted notice that was reasonably calculated, under the circumstances, to apprise Settlement Class Members of the pendency of the Action, and their right to exclude themselves from or object to the proposed settlement and to appear at the Final Approval Hearing; (iii) was reasonable and constituted due, adequate, and sufficient notice to all persons entitled to receive notice; and (iv) met all applicable requirements of Federal Rule of Civil Procedure 23(c)(2), due process, and any other applicable rules or law;

4.5.5 Approves the Opt-Out List and determines that the Opt-Out List is a complete list of all Settlement Class Members who have timely and properly requested exclusion from the Settlement Class;

4.5.6 Directs that the Final Approval order and Judgment of dismissal shall be final and entered forthwith;

4.5.7 Adjudges that Plaintiff, all Settlement Class Members not included in the Opt-Out List, and their Legally Authorized Representatives, heirs, estates, trustees, executors, administrators, principals, beneficiaries, representatives, agents, assigns, and successors, and/or anyone claiming through them or acting or purporting to act for them or on their behalf, regardless of whether they have received actual notice of the proposed Settlement, have conclusively compromised, settled, discharged, and released their respective Released Claims against McDonald's and the Released Parties, and are bound by the provisions of this Agreement;

4.5.8 Affirms that, notwithstanding the submission of a timely and proper request for exclusion, Settlement Class Members included in the Opt-Out List will still be bound by the settlement and release of the PAGA Claims under the Final Judgment pursuant to *Arias v. Superior Court*, 46 Cal. 4th 969 (2009) as requests for exclusion do not apply to the PAGA Claims, and further affirms that any claims by the LWDA for civil penalties pursuant to PAGA are also extinguished;

4.5.9 Declares this Agreement and the Final Approval order and Judgment to be binding on, and have res judicata and preclusive effect, including as to Settlement Class Members who may not have received actual notice of the Action or this proposed Settlement;

4.5.10 Authorizes the Parties, without further approval from the Court, to mutually agree to and adopt such amendments, modifications, and expansions of this Agreement, including all Exhibits hereto, as (i) shall be consistent in all material respects with the Final Approval order and (ii) do not limit the rights of Settlement Class Members; and

4.5.11 Contains such other and further provisions consistent with the terms of this Agreement as may be necessary obtain Final Approval.

4.6 At the Final Approval Hearing and as a part of the final approval of this Settlement, Class Counsel will also request approval of the Plan of Allocation set forth in Section IX. Any modification to the Plan of Allocation by the Court shall not (i) affect the enforceability of the Agreement, (ii) provide any of the Parties with the right to terminate the Agreement, or (iii) impose any obligation on the Defendant or any Released Party to increase the consideration paid in connection with the Settlement.

4.7 At the Final Approval Hearing, Class Counsel may also request entry of an Order approving the Class Counsel Award and the Service Award to the Plaintiff, which shall be paid exclusively from the Gross Settlement Amount. In no event shall any Released Party otherwise be obligated to pay for any attorneys' fees and expenses or any Service Award. The disposition of Class Counsel's application for a Class Counsel Award and for the Service Award is within the sound discretion of the Court and is not a material term of this Agreement, and it is not a condition of this Agreement that such application be granted. Any disapproval or modification of such application by the Court shall not (i) affect the enforceability of the Agreement, (ii) provide any of the Parties with the right to terminate the Agreement, or (iii) increase the consideration Defendant or any Released Party pays in connection with the Settlement. If the Court modifies the amount of the Class Counsel Award to be lower than the maximum allocated to the Class Counsel Award in the Agreement, the difference shall be allocated to the Individual Settlement Payments. Released Parties shall have no liability to Class Counsel arising from any claim regarding the division of the Class Counsel Award between and among Class Counsel or any other counsel representing Plaintiff or the Settlement Class Members.

4.8 Within ten (10) calendar days after entry of Judgment, Class Counsel will provide a copy of the Judgment to the LWDA.

4.9 Plaintiff's counsel shall provide McDonald's with a draft of all filings to be submitted in connection with the Preliminary and Final Approval Hearings and other any post-approval proceedings the Court may require for review and approval at least five (5) business days before filing any such documents with the Court. McDonald's shall not unreasonably withhold its approval.

4.10 The settlement documented by this Agreement is contingent upon entry of Preliminary and Final Approval orders consistent with the terms set forth in Exhibit B and Paragraph 4.5. An Order from the Court denying preliminary or final approval without prejudice and with instructions to amend terms and conditions of the Settlement or make adjustments to the moving papers which does not otherwise increase the total amount of the Gross Settlement Amount will not be grounds to void the Settlement. If such orders are not issued, the Parties will negotiate in good faith in an attempt to get approval, and in the event approval is not then granted, McDonald's maintains sole discretion to either proceed or void the Settlement in which event the Action shall revert back to its status quo as of the date the Settlement is executed.

V. CLASS NOTICE

5.1 No more than twenty (20) business days after entry of the Preliminary Approval Order, Defendant shall provide the Settlement Administrator with the Class Information for purposes of sending the Class Notice to Settlement Class Members.

5.2 The Class Notice, subject to Court approval, will inform each Settlement Class Member of their right to request exclusion from the Settlement, their right to object to the Settlement, their right to dispute the information upon which their share of the Settlement will be calculated, and the claims to be released. Settlement Class Members will be provided forty-five (45) calendar days after the mailing of their Class Notice and accompanying statement or fifteen (15) calendar days after any re-mailing of their notice, whichever is longer, to disagree with the calculation of their number of qualifying wage statements by providing documentation to the Settlement Administrator. The Settlement Administrator shall review any documentation submitted by a Settlement Class Member and consult with the Parties to determine whether an adjustment is warranted. There will be a presumption that McDonald's records are correct, absent evidence produced by a Settlement Class Member to the contrary. The Settlement Administrator's determination of the number of any Settlement Class Member's qualifying wage statements shall be binding upon the Settlement Class Member and the Parties, and a Settlement Class Member's Individual Settlement Payment will be calculated according to the Settlement Administrator's determination.

5.3 No more than twenty (20) business days after receipt of the Class Information, the Settlement Administrator shall send a copy of the Class Notice by U.S. mail to each potential Settlement Class Member (the "Notice Date"). Before the initial mailing of the Class Notice, the Settlement Administrator shall make a good-faith attempt to obtain the most-current names and postal mail addresses for all potential Settlement Class Members to receive such postal mail, including (1) cross-checking the names and/or postal mail addresses it received from McDonald's, and (2) reviewing the addresses with the National Change of Address Database.

5.4 If any Class Notice sent via U.S. mail to any potential Settlement Class Member is returned to the Settlement Administrator with a forwarding address, the Settlement Administrator shall forward the postal mailing to that address. If the Settlement Administrator is not provided a forwarding address, the Settlement Administrator shall attempt to locate a current mailing address for the Class Member by skip tracing using the Class Member's SSN and will mail the Class Notice to the updated address identified. In the event that any Class Notice is returned as undeliverable a second time, no further efforts shall be required. The Settlement Administrator shall maintain a log detailing the Class Notices returned as undeliverable.

5.5 All Settlement Class Members' names and postal mail addresses obtained through these sources shall be protected as confidential and not used for purposes other than the notice and administration of this Settlement. The address determined by the Settlement Administrator as the current mailing address through this process shall be presumed to be the best mailing address for the applicable Settlement Class Member.

5.6 The Parties agree that the procedures set forth in this Section constitute reasonable and the best practicable notice under the circumstances and an appropriate and sufficient effort to locate current addresses for Settlement Class Members such that no additional efforts to do so shall be required.

5.7 At least twenty-one (21) calendar days before the Final Approval Hearing, the Settlement Administrator shall prepare a declaration of due diligence and proof of dissemination with regard to the mailing of the Class Notice, and any attempts by the Settlement Administrator to locate Settlement Class Members, its receipt of valid requests for exclusion, and its inability to deliver the Class Notice to Settlement Class Members due to invalid addresses ("Due Diligence

Declaration”), to Class Counsel and counsel for McDonald’s for presentation to the Court. Class Counsel shall be responsible for filing the Due Diligence Declaration with the Court.

VI. PROCEDURES FOR REQUESTS FOR EXCLUSION

6.1 Settlement Class Members (with the exception of Plaintiff) may opt out of the Settlement. Those who wish to exclude themselves (or “opt out”) from the Settlement Class must submit timely, written requests for exclusion. To be effective, such a request must include the Settlement Class Member’s name, address, and telephone number; a clear and unequivocal statement that the Settlement Class Member wishes to be excluded from the Settlement Class; and the signature of the Settlement Class Member. The request must be mailed to the Settlement Administrator at the address provided in the Class Notice and must be postmarked no later than forty-five (45) calendar days after the Notice Date or fifteen (15) calendar days after the re-mailing of a Settlement Class Member’s Notice, whichever is later (“Exclusion/Written Objection Deadline”). The date of the postmark shall be the exclusive means used to determine whether a request for exclusion has been timely submitted. Requests for exclusion must be exercised individually by the Settlement Class Member. Attempted collective group, class, or subclass requests for exclusions shall be ineffective and disregarded by the Settlement Administrator.

6.2 The Settlement Administrator shall promptly log each request for exclusion that it receives and provide copies of the log and all such requests for exclusion to counsel for McDonald’s. Class Counsel shall be permitted access to the log if, and only if, necessary to resolve disputes arising from the administration of the Settlement.

6.3 The Settlement Administrator shall prepare a list of all persons who timely and properly requested exclusion from the Settlement Class (the Opt-Out List). Plaintiff shall submit an affidavit from the Settlement Administrator to the Court attesting to the accuracy of the list concurrently with her motion for Final Approval.

6.4 All Settlement Class Members who are not included in the Opt-Out List approved by the Court shall be bound by this Agreement and any Court orders relating to it, even if they did not receive actual notice of the Action or this proposed Settlement.

6.5 The Settlement Administrator, in its sole discretion, shall determine whether a request for exclusion was timely and properly submitted. The Settlement Administrator’s decision shall be final, binding, and nonappealable.

6.6 Plaintiff agrees not to request exclusion from the Settlement Class.

6.7 Settlement Class Members may object to or opt out of the Settlement, but may not do both. Any Settlement Class Member who submits a timely and proper request for exclusion may not file an objection to the Settlement or receive a Settlement Payment, and shall be deemed to have waived any rights or benefits under the Agreement, with the sole exception of a payment of their proportional share of the PAGA Allocation based on the number of wage statements received that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages during the Settlement Class Member’s applicable Subclass Class Period, in consideration of the individual’s release of the PAGA Claims or remedies under the Final Judgment pursuant to *Arias v. Superior Court*, 46 Cal. 4th 969 (2009). If a Settlement Class Member files both an objection and a valid and timely request for exclusion, the request for exclusion will override the objection, and the objection shall therefore be ignored.

VII. PROCEDURES FOR OBJECTIONS

7.1 Any Settlement Class Member who wishes to object to the fairness, reasonableness, or adequacy of this Agreement, the proposed Settlement, or any terms therein must submit a timely written statement of objection by directing such objection to the Class Administrator within the Exclusion/Written Objection Deadline via First-Class U.S. Mail. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether an objection is timely submitted.

7.2 A written objection must contain at least the following: (i) the objector's full name, address, telephone, and signature; (ii) a clear reference to the Action; (iii) a statement of the specific legal and factual basis for each objection argument; and (iv) a statement whether the objecting person or entity intends to appear at the Final Approval Hearing, either in person or through counsel and, if through counsel, a statement identifying that counsel by name, bar number, address, and telephone number. All objections shall be signed by the objecting Settlement Class Member, even if the Settlement Class Member is represented by counsel.

7.3 Settlement Class Members who object to the proposed Settlement shall remain Settlement Class Members bound by the Final Approval order and Judgment.

7.4 It shall be Class Counsel's sole responsibility to respond to any objections made with respect to any application for the Class Counsel Award and Service Award.

VIII. RELEASES

8.1 **June 2, 2020 Subclass Released Claims.** In exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, all June 2, 2020 Settlement Subclass Members who have not been excluded from the Settlement Class as provided in the Opt-Out List, individually and on behalf of their Legally Authorized Representatives, heirs, estates, trustees, executors, administrators, representatives, agents, successors, and assigns, and anyone claiming through them or acting or purporting to act on their behalf, past or present, fully and without limitation release and discharge each and all of the Released Parties from any and all claims for damages and/or penalties for alleged violations of § 226 of the California Labor Code and for penalties under § 2698, *et seq.* premised upon violation of Labor Code § 226 for the time period of June 2, 2020, through June 30, 2021, except that the release for claims relating to the display of MQI True Up shall extend through the date the Court grants final approval of the Settlement. This release covers, without limitation, any and all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or any other counsel representing Plaintiff or Settlement Class Members, or by Plaintiff or Settlement Class Members, or any of them, in connection with or related in any manner to the Action, the Settlement of the Action, the administration of such Settlement, and/or the released claims, except to the extent otherwise specified in the Agreement.

8.2 **April 6, 2019 Subclass Released Claims.** In exchange for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, all April 6, 2019 Settlement Subclass Members who have not been excluded from the Settlement Class as provided in the Opt-Out List, individually and on behalf of their Legally Authorized Representatives, heirs, estates, trustees, executors, administrators, representatives, agents, successors, and assigns, and anyone claiming through them or acting or purporting to act on their behalf, past or present, fully and without limitation release and discharge each and all of the Released Parties from any and all claims for damages and/or penalties for alleged violations of § 226 of the California Labor Code

and for penalties under § 2698, *et seq.* premised upon violation of Labor Code § 226 for the time period of April 6, 2019, through June 30, 2021, except that the release for claims relating to the display of MQI True Up shall extend through the date the Court grants final approval of the Settlement. This release covers, without limitation, any and all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or any other counsel representing Plaintiff or Settlement Class Members, or by Plaintiff or Settlement Class Members, or any of them, in connection with or related in any manner to the Action, the Settlement of the Action, the administration of such Settlement, and/or the released claims, except to the extent otherwise specified in the Agreement.

8.3 Named Plaintiff's General Released Claims. In addition to the paragraphs above, for all periods up to and including the date of Final Approval, Plaintiff for herself and also on behalf of her respective heirs, assigns, executors, administrators, and agents, past or present (collectively, her "Affiliates"), hereby fully and without limitation releases and discharges the Released Parties from any and all claims, including but not limited to: any and all claims arising under the laws of the State of California or the United States; all claims raised or that could have been raised in the Action; all other statutory, constitutional, contractual, and/or common law claims for wages, damages, restitution, unreimbursed expenses, equitable or declaratory relief, penalties, liquidated damages, and/or punitive damages (including, without limitation, claims under any applicable Industrial Welfare Commission Wage Order, PAGA, or any other provision of the California Labor Code); any and all claims under Title VII of the Civil Rights Act of 1964, 42 U.S.C. § 1981, the Age Discrimination In Employment Act, the Americans With Disabilities Act, Sections 503 and 504 of the Rehabilitation Act of 1973, the Family Medical Leave Act, the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Occupational Safety and Health Act, the Worker Adjustment and Retraining Notification Act, as amended, the California Unfair Competition Law (Cal. Bus. & Prof. Code § 17200 *et seq.*), and/or the California Fair Employment and Housing Act; any state, civil, or statutory laws, including any and all human rights laws and laws against discrimination; any other federal, state, or local statutes, codes, or ordinances; any common law, contract law, or tort law cause of action; and any claims for interest, attorneys' fees, and/or costs.

8.3.1 Plaintiff expressly acknowledges that she is aware of and familiar with the provisions of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

With full awareness and understanding of the above provision, Plaintiff on behalf of herself and her Affiliates hereby waives and relinquishes any and all rights and benefits that she may have under Section 1542 of the California Civil Code, or the law of any other state or jurisdiction, or common law principle, to the same or similar effect, and agrees and acknowledges that this waiver of rights under Section 1542 extends beyond the waiver provided in Paragraph 8.3.

8.3.2 Plaintiff further acknowledges, agrees, and understands that: (i) she has read and understands the terms of this Agreement; (ii) she has been advised in writing to consult with an attorney before executing this Agreement; and (iii) she has obtained and considered such legal counsel as she deems necessary.

8.3.3 Plaintiff hereby represents, covenants, and warrants that she has 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. Plaintiff further agrees that she shall not in any way hereafter commence, join, aid, or assist others in pursuing any claim, charge or action against any of the Released Parties for any acts or omissions released under this Agreement.

8.3.4 Plaintiff understands that the facts with respect to which this Agreement is entered into may be materially different from those the Parties now believe to be true. The Parties accept and assume this risk, and agree that this Agreement, including specifically the releases contained herein, shall remain in full force and effect, and legally binding, notwithstanding the discovery or existence of any additional or different facts, or any claims with respect to those facts.

8.4 As of the Final Approval Date, Plaintiff and all Settlement Class Members who have not been excluded from the Settlement Class as provided in the Opt-Out List shall be permanently barred and enjoined from initiating, asserting, or prosecuting against the Released Parties in any federal or state court or tribunal any and all of Released Claims described in Paragraph 8.1, 8.2, and/or 8.3, as applicable.

IX. PLAN OF ALLOCATION

9.1 The Settlement Administrator will be responsible for calculating the Individual Settlement Payment amounts due to each Settlement Class Member.

9.2 Each Settlement Class Member shall receive their proportionate share of the PAGA Allocation. The calculation of each Settlement Class Member's proportional share shall be based on the number of qualifying wage statements they received during their applicable Subclass Class Period as follows:

9.2.1 **April 6, 2019 Subclass:** the number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by the Settlement Class Member at any time during the April 6, 2019 Subclass Class Period divided by the total number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by all April 6, 2019 Settlement Class Members during the April 6, 2019 Subclass Class Period.

9.2.2 **June 2, 2020 Subclass:** the number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by the Settlement Class Member at any time during the June 2, 2020 Subclass Class Period divided by the total number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by all June 2, 2020 Settlement Class Members during the June 2, 2020 Subclass Class Period.

9.3 Each Settlement Class Member who does not request exclusion (“Remaining Settlement Class Members”) shall be paid their proportional share of the Net Settlement Amount. The calculation of each Remaining Settlement Class Member’s proportional share shall be based on the number of qualifying wage statements they received during their applicable Subclass Class Period as follows:

9.3.1 **April 6, 2019 Subclass:** the number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by the Remaining Settlement Class Member at any time during the April 6, 2019 Subclass Class Period divided by the total number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by all Remaining April 6, 2019 Settlement Class Members during the April 6, 2019 Subclass Class Period.

9.3.2 **June 2, 2020 Subclass:** the number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by the Remaining Settlement Class Member at any time during the June 2, 2020 Subclass Class Period divided by the total number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by all Remaining June 2, 2020 Settlement Class Members during the June 2, 2020 Subclass Class Period.

X. FUNDING AND ADMINISTRATION OF THE SETTLEMENT FUND

10.1 The Claims Administrator will establish a “qualified settlement fund” within the meaning of Treasury Regulations § 1.468B-1, et seq. (“QSF”), to which McDonald’s will pay the Settlement Amount and the employer-portion share of taxes as set forth herein. In connection with McDonald’s transfer of funds into the QSF, the following definitions will apply:

10.1.1 McDonald’s will be a “transferor” within the meaning of Treasury Regulation § 1.468B-1(d)(1) to the QSF with respect to the amounts transferred;

10.1.2 The Settlement Administrator will be the “administrator” of the QSF within the meaning of Treasury Regulation § 1.468B-2(k)(3), responsible for causing the filing of all tax returns required to be filed by or with respect to the QSF, paying from the QSF any taxes owed by or with respect to the QSF, and complying with any applicable information reporting or tax withholding requirements imposed by Treasury Regulation § 1.468B-2(1)(2) or any other applicable law on or with respect to the QSF, and in accordance with this Settlement Agreement; and

10.1.3 McDonald’s and the Settlement Administrator shall reasonably cooperate in providing any statements or making any elections or filings necessary or required by applicable law for satisfying the requirements for qualification as a QSF, including the relation-back election within the meaning of Treasury Regulation § 1.468B-1(j).

10.2 The Settlement Administrator shall promptly provide a current Internal Revenue Service (“IRS”) Form W-9 of the QSF to McDonald’s.

10.3 Within twenty (20) business days of the Effective Date, McDonald’s shall provide the Gross Settlement Amount to the QSF established by the Settlement Administrator.

10.4 Within sixty (60) calendar days of the Effective Date, the Settlement Administrator shall pay the Individual Settlement Payments, Class Counsel Award, Service Award, PAGA Payment, and Settlement Administrator Expenses as approved by the Court from the QSF.

10.4.1 The Settlement Administrator shall issue the Individual Settlement Payments from the Gross Settlement Amount to each Settlement Class Member. In the case of Remaining Settlement Class Members, one hundred percent (100%) of each Individual Settlement Payment shall be issued as penalties, which shall be reported on an IRS 1099 form. In the case of the Settlement Class Members who do opt out, the Individual Settlement Payment shall be for \$10.00, in consideration of their release of the PAGA Claims or remedies under the Final Judgment pursuant to *Arias v. Superior Court*, 46 Cal. 4th 969 (2009). This \$10.00 payment shall be issued as penalties, and will not require any IRS Form to issue given the amount. In the case of Plaintiff, the Service Award shall be considered entirely non-wages, and shall be included in Plaintiff's IRS Form 1099.

10.4.2 The Class Counsel Award will be subject to allocation amongst Class Counsel according to their agreement. The Settlement Administrator shall issue an IRS Form 1099 and its state and local equivalents to Class Counsel for any awarded attorney's fees and costs.

10.4.3 Any Service Award shall not be subject to withholding, and the Settlement Administrator shall issue an IRS Form 1099 for the payment. Plaintiff shall be solely responsible for paying any taxes and penalties on the Service Award and shall defend, indemnify, and hold McDonald's and the Released Parties harmless from any claims, demands, actions, causes of action, losses, costs, attorney's fees, penalties, or expenses arising from any classification of the service payment as taxable income.

10.5 If any portion included in the Individual Settlement Payments is not successfully distributed to Settlement Class Members after the initial Void Date (*i.e.* checks are not cashed or checks are returned as undeliverable after the initial distribution), then the Settlement Administrator shall void the check and shall direct such unclaimed funds to be paid to the *cy pres* beneficiary of the Settlement, the Center for Employment Training, a California affiliate of Unidos US.

10.6 Settlement Class Members who are not on the Opt-Out List approved by the Court shall be subject to and bound by the provisions of the Agreement, the releases contained herein, and the Judgment, regardless of whether they obtained any distribution from the Gross Settlement Amount.

10.7 Payment from the Gross Settlement Amount made pursuant to and in the manner set forth herein shall be deemed conclusive of compliance with this Agreement as to all Settlement Class Members.

10.8 No Settlement Class Member shall have any claim against the Plaintiff, Class Counsel, or the Settlement Administrator based on distributions made substantially in accordance with this Agreement and/or orders of the Court. No Settlement Class Member shall have any claim against any Released Party or its counsel relating to distributions made under this Settlement.

XI. EFFECT OF DISAPPROVAL, CANCELLATION, OR TERMINATION OF AGREEMENT

11.1 No later than ten (10) business days after the Exclusion/Written Objection Deadline, the Settlement Administrator shall provide to counsel for McDonald's the Opt-Out List together with copies of the opt-out requests. Notwithstanding any other provision of this Agreement, if more than ten percent (10%) of Settlement Class Members exercise their right to opt out of the Settlement, Defendant at its sole and absolute discretion may elect to rescind and revoke the entire Agreement by sending written notice that it revokes the Settlement pursuant to this paragraph to Class Counsel within ten (10) business days following receipt of the Opt-Out List. Should Defendant exercise its rights under this Paragraph, Defendant shall bear all of the Settlement Administrator's costs incurred up to the point of the revocation.

11.2 If the Court does not approve the Settlement as set forth in this Agreement, or does not enter the Final Approval order and Judgment on the terms described herein, or if the Court enters the Judgment and appellate review is sought, and on such review, the entry of Judgment is vacated, modified in any way, or reversed, or if the Final Approval order does not otherwise become Final, then this Agreement shall be cancelled and terminated, unless all Parties, in their sole discretion no later than thirty (30) calendar days from the date such ruling becomes Final, provide written notice to all other Parties hereto of their intent to proceed with the Settlement under the terms of the Judgment as it may be modified by the Court or any appellate court.

11.3 In the event that the Settlement is cancelled and terminated under Paragraph 11.2: (a) the Settlement, this Agreement, the Class Information, the Opt-Out List, and all documents exchanged and filed in connection with the Settlement shall be treated as privileged mediation communications under Cal. Evid. Code §§ 1115 *et seq.*; (b) the Settlement shall be without force and effect upon the rights of the Parties hereto, and none of its terms shall be effective or enforceable, with the exception of this Paragraph, which shall remain effective and enforceable; (c) the Parties shall be deemed to have reverted *nunc pro tunc* to their respective status prior to execution of this Agreement, including with respect to any Court-imposed deadlines; (d) all Orders entered in connection with the Settlement, including the certification of the Settlement Class, shall be vacated without prejudice to any party's position on the issue of class certification or any other issue in the Action or any other action, and the Parties shall be restored to their litigation positions existing on the date of execution of this Agreement; and (e) the Parties shall proceed in all respects as if the Agreement and related documentation and orders had not been executed, and without prejudice in any way from the negotiation or fact of the Settlement or the terms of the Agreement. The Agreement, the Settlement, all documents, orders, and evidence relating to the Settlement, its negotiation, and any steps taken in pursuit of its effectuation shall not be admissible in any proceeding, and shall not be offered, received, or construed as evidence of a presumption, concession, or admission of liability, of the certifiability of a litigation class, or of any misrepresentation or omission in any statement or written document approved or made, or otherwise used by any person for any purpose whatsoever, in any trial of the Action or any other action or proceedings. Plaintiff, Class Counsel and the Settlement Administrator shall return to counsel for McDonald's all copies of Class Information and Opt-Out Lists and shall not use or disclose the Class Information or Opt-Out List for any purpose or in any proceeding.

XII. ADDITIONAL PROVISIONS

12.1 Neither Plaintiff, Plaintiff's counsel, Defendant or Defendant's counsel shall engage in any publicity, including website or social media postings, of any type related to this lawsuit, settlement, or litigation against Defendant. The Parties understand and agree that this clause does not apply to any court order requiring Plaintiff's counsel to publish and/or make case documents available to the public and/or prohibit Plaintiff and Plaintiff's counsel from communicating with Settlement Class Members regarding this case and/or this settlement and/or Plaintiff's counsel disclosing this settlement in declarations submitted in support of a finding of adequacy regarding class certification or settlement approval in other cases.

12.2 All of the Exhibits to this Agreement are an integral part of the Settlement and are incorporated by reference as though fully set forth herein.

12.3 Plaintiff and Class Counsel acknowledge that an adequate factual record has been established that supports the Settlement.

12.4 This Agreement constitutes the full and complete agreement of the Parties hereto, and supersedes all prior negotiations and agreements, whether oral, written or otherwise, and may be amended or modified only by a written instrument signed by counsel for all Parties or the Parties' successors-in-interest.

12.5 The Parties reserve the right, subject to the Court's approval when necessary, to agree to any reasonable extensions of time that might be necessary to carry out any of the provisions of this Agreement. Such agreements must be in writing to be enforceable.

12.6 The Agreement, the Settlement, the fact of the Settlement's existence, any of terms of the Agreement, any public statement concerning the Agreement or the Settlement, and any negotiations, proceedings, acts performed, or documents executed pursuant to or in furtherance of the Agreement or the Settlement may not be used as evidence of any waiver of, unenforceability of, or as a defense to any McDonald's arbitration agreement.

12.7 The Released Parties shall have the right to file the Agreement, the Final Approval order and Judgment, and any other documents or evidence relating to the Settlement in any action that may be brought against them in order to support a defense or counterclaim based on principles of res judicata, collateral estoppel, release, good-faith settlement, judgment bar, reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

12.8 The Parties to the Agreement agree that the Gross Settlement Amount and the other terms of the Settlement were negotiated at arm's length and in good faith by the Parties, resulted from an arm's-length mediation session facilitated by Michael Loeb, Esq., and subsequent discussions between the Parties, and reflect a settlement that was reached voluntarily based upon adequate information and sufficient discovery and after consultation with experienced legal counsel.

12.9 Plaintiff and Class Counsel have concluded that the Settlement set forth herein constitutes a fair, reasonable, and adequate resolution of the claims that Plaintiff asserted against defendants, including the claims on behalf of the Settlement Class, and that it promotes the best interests of the Settlement Class.

12.10 To the extent permitted by law, all agreements made and orders entered during the course of the Action relating to the confidentiality of information shall survive this Agreement.

12.11 The waiver by one Party of any breach of this Agreement by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

12.12 This Agreement constitutes the entire agreement among the Parties, and no representations, warranties, or inducements have been made to any Party concerning this Agreement, other than the representations, warranties, and covenants contained and memorialized in this Agreement.

12.13 This Agreement may be executed in one or more counterparts and by facsimile, PDF, electronic, and/or DocuSign signatures. If Plaintiff executes the Agreement by electronic signature, including DocuSign or any comparable service, Class Counsel makes the following representations: (a) the electronic signature system and processes used to obtain Plaintiff's signature comply with the federal ESIGN Act and any state laws regarding the use or adoption of electronic signatures, (b) Plaintiff consented to using electronic signatures for this purpose, as required under both the federal and state laws), (c) Class Counsel selected and implemented a method in their electronic signature system to authenticate Plaintiff to ensure the signature is Plaintiff's signature, (d) Class Counsel has and will maintain records of the system and the process used to present the agreement to Plaintiff and obtain and record Plaintiff's signature, and will maintain and provide such records to counsel for McDonald's to allow counsel for McDonald's to lay the foundation for the admission of the Agreement into evidence, (e) Plaintiff and Class Counsel waive any objections to the admission of the agreement in any later action to enforce the terms of the agreement based on the electronic signature process, and (f) Class Counsel agrees to indemnify and hold McDonald's harmless from any loss, cost, damage or expense (including attorneys' fees) resulting from our McDonald's inability to enforce the agreement and release against their client arising from the fact of any electronic signature. All executed counterparts and copies thereof shall be deemed to be one and the same instrument.

12.14 The Parties hereto and their respective counsel agree that they will use their best efforts to obtain all necessary approvals of the Court required by this Agreement.

12.15 This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Parties hereto, including any and all Released Parties and any corporation, partnership, or other entity into or with which any Released Party hereto may merge, consolidate, or reorganize.

12.16 This Agreement shall not be construed more strictly against one Party than another merely because of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that because of the arm's-length negotiations resulting in the Agreement, all Parties hereto have contributed substantially and materially to the preparation of the Agreement.

12.17 Except where this Agreement itself provides otherwise, all terms, conditions, and Exhibits are material and necessary to this Agreement and have been relied upon by the Parties in entering into this Agreement.

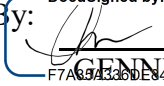
12.18 This Agreement shall be governed by California law. Any action based on this Agreement, or to enforce any of its terms, shall be venued in United States District Court, Eastern District of California, which shall retain jurisdiction over all such disputes. All Parties to this Agreement shall be subject to the jurisdiction of United States District Court, Eastern District of California for all purposes related to this Agreement. This paragraph relates solely to the law governing this Agreement and any action based thereon, and nothing in this paragraph shall be

construed as an admission or finding that California law applies to the Released Claims of any Plaintiff or Settlement Class Members who reside outside of the state. In any action or other proceeding brought by a party to this Agreement to enforce this Agreement, the prevailing party shall be entitled to recover its/her reasonable attorneys' fees and legal costs incurred.

12.19 The Parties to this Agreement warrant that that they are acting upon independent judgment and upon the advice of counsel, and not in reliance upon any warranty or representation, express or implied, of any nature of any kind by any other Party, other than the warranties and representations expressly made in this Agreement.

12.20 Each counsel signing this Agreement on behalf of their clients who are unable to sign the Agreement on the date that it is executed by other Parties represents that such counsel is fully authorized to sign this Agreement on behalf of their clients; provided, however, that all Parties who have not executed this Agreement on the date that it is executed by the other Parties shall promptly thereafter execute this Agreement and in any event no later than one (1) week after the Agreement has been executed by counsel.

Dated: 9/13/2021, 2021

DocuSigned by:
By: 
JENNIFER MANZO
PLAINTIFF

Dated: _____, 2021

By: _____
HAL MERCK
VICE PRESIDENT FOR
MCDONALD'S RESTAURANTS
OF CALIFORNIA, INC.

Dated: 9/10, 2021

By: 
Larry W. Lee
ATTORNEYS FOR PLAINTIFF

Dated: _____, 2021

By: _____
Kelsey Israel-Trummel
ATTORNEYS FOR DEFENDANT

construed as an admission or finding that California law applies to the Released Claims of any Plaintiff or Settlement Class Members who reside outside of the state. In any action or other proceeding brought by a party to this Agreement to enforce this Agreement, the prevailing party shall be entitled to recover its/her reasonable attorneys' fees and legal costs incurred.

12.19 The Parties to this Agreement warrant that that they are acting upon independent judgment and upon the advice of counsel, and not in reliance upon any warranty or representation, express or implied, of any nature of any kind by any other Party, other than the warranties and representations expressly made in this Agreement.

12.20 Each counsel signing this Agreement on behalf of their clients who are unable to sign the Agreement on the date that it is executed by other Parties represents that such counsel is fully authorized to sign this Agreement on behalf of their clients; provided, however, that all Parties who have not executed this Agreement on the date that it is executed by the other Parties shall promptly thereafter execute this Agreement and in any event no later than one (1) week after the Agreement has been executed by counsel.

Dated: _____, 2021

By: _____

GENNIFER MANZO
PLAINTIFF

Dated: September 14, 2021

By: _____

DocuSigned by:
Hal Merck
9B09DF1C0FC24F7...
HAL MERCK
VICE PRESIDENT FOR
MCDONALD'S RESTAURANTS
OF CALIFORNIA, INC.

Dated: _____, 2021

By: _____

Larry W. Lee
ATTORNEYS FOR PLAINTIFF

Dated: September 15, 2021

By: _____

Kelsey Israel-Trummel
Kelsey Israel-Trummel
ATTORNEYS FOR DEFENDANT

EXHIBIT A to *MANZO* SETTLEMENT AGREEMENT
NOTICE OF CLASS ACTION AND PAGA SETTLEMENT

Gennifer Manzo v. McDonald's Restaurants of California, Inc.

U.S. District Court for the Eastern District of California, Case No. 1:20-cv-01175-NONE-HBK

To: All California non-exempt employees of McDonald's of Cal., Inc. ("McDonald's") who received wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages at any time from April 6, 2019 through [date of Preliminary Approval] ("April 6, 2019 Subclass Class Period"), and who were not subject to the class settlement reached in *Sanchez v. McDonald's Restaurants of Cal., Inc.*, Los Angeles County Superior Court Case No. BC499888 **AND**

All California non-exempt employees of McDonald's who received wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages at any time from June 2, 2020 through [date of Preliminary Approval] ("June 2, 2020 Subclass Class Period") and who were subject to the class settlement reached in *Sanchez v. McDonald's Restaurants of Cal., Inc.*, Los Angeles County Superior Court Case No. BC499888.

If you fit either of the descriptions above, you have received this Notice because McDonald's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

If you want to participate in this class action settlement, no action is required. You will be automatically included in the Settlement and will receive a settlement payment, if the Court grants final approval to the Settlement. If you do NOT want to participate in the Settlement, then you must take action by [Exclusion/Written Objection Deadline], as described below.

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY THIS PROPOSED CLASS ACTION SETTLEMENT.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

DO NOTHING	To receive your Individual Settlement Payment, you do not need to do anything. Your payment will be mailed to you, automatically, after the Court grants final approval to the Settlement and final judgment is entered. <i>You must, however, keep a current address on file with the Settlement Administrator to ensure receipt of your check.</i>
CHANGE CONTACT AND ADDRESS INFORMATION	Update your address with the Settlement Administrator to ensure your check is sent to the correct address.
EXCLUDE YOURSELF FROM THE SETTLEMENT	You may request to be excluded from the Settlement, if you do not wish to participate in the Settlement. If you request exclusion, you will not receive an Individual Settlement Payment under the Settlement. This is the only option that allows you to pursue your own claims (in your own lawsuit) against McDonald's about the legal claims in this case. If you want to exclude yourself from the Settlement, you must follow the instructions in Section VIII.B and submit your request for exclusion to the Settlement Administrator no later than [Exclusion/Written Objection Deadline]. Untimely requests for exclusion will be rejected.
OBJECT TO THE SETTLEMENT	Submit written objections no later than [Exclusion/Written Objection Deadline] if you think the Settlement is not fair. See Section VIII.C for instructions on how to object to the Settlement.
GO TO A HEARING	Ask to speak in Court about why you think the Settlement is not fair. It is not necessary for you to appear at hearing, although you may appear if you wish to.

California law strictly prohibits retaliation for participating or electing not to participate in this Settlement. McDonald's will not take any adverse action against or otherwise target, retaliate, or discriminate against any class member because of the class member's participation or decision not to participate in this Settlement.

EXHIBIT A to *MANZO* SETTLEMENT AGREEMENT

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Gennifer Manzo (“Plaintiff”) and Defendant McDonald’s Restaurants of California, Inc. (“Defendant” or “McDonald’s”) (Plaintiffs and Defendant are collectively referred to as the “Parties”) in the case entitled *Gennifer Manzo v. McDonald’s Restaurants of California, Inc.*, U.S. District of California for the Eastern District of California Case No. 1:20-cv-01175-NONE-HBK (“Action”), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the Settlement and scheduled a hearing on [hearing date] at [hearing time] (“Final Approval Hearing”) to determine whether or not the Court should grant final approval of the Settlement.

I. IMPORTANT DEFINITIONS

“**Settlement Class**” means the following Sub Classes: (i) the “June 2, 2020 Settlement Subclass” which consists of all California non-exempt employees who received wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages at any time from June 2, 2020 through [the Preliminary Approval Date] (“June 2, 2020 Subclass Class Period”) and who were subject to the class settlement reached in *Sanchez v. McDonald’s Restaurants of Cal., Inc.*, Los Angeles County Superior Court Case No. BC499888; and/or (ii) the “April 6, 2019 Settlement Subclass” which consists of all California non-exempt employees who received wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages at any time from April 6, 2019 through [the Preliminary Approval Date] (“April 6, 2019 Subclass Class Period”), and who were not subject to the class settlement reached in *Sanchez v. McDonald’s Restaurants of Cal., Inc.*, Los Angeles County Superior Court Case No. BC499888.

“**Settlement Class Member**” means a member of one or both of the June 2, 2020 Settlement Subclass and/or the April 6, 2019 Subclass.

II. WHY DID I GET THIS NOTICE?

According to McDonald’s records, you are a Settlement Class Member.

A Court authorized this notice because you have a right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve it. This notice explains the Action, the terms of the Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”), your legal rights, the benefits that are available, who is eligible to receive them, and how to get them.

On [DATE], 2021, the Court preliminarily approved the Settlement of the Action and directed you to receive this Notice. The Court will hold a Final Approval Hearing on _____, 2021 at _____ a.m., in Department __ of the U.S. District Court for the Eastern District of California, Yosemite Courthouse, located at 9004 Castle Cliffs Court, Yosemite Valley California 95389. The Final Approval Hearing may be continued to another date without further notice.

III. BACKGROUND OF THE ACTION

On August 20, 2020, former employee Gennifer Manzo (“Plaintiff”) filed the Action against McDonald’s, asserting class and representative claims on behalf of herself and proposed classes consisting of all “past and present non-exempt California employees who worked for Defendant [and] were paid any overtime wages at any time from April 6, 2019, through the present” and all “past and present non-exempt California employees who worked for Defendant [and] were paid any MQI True Up wages at any time from April 6, 2019, through the present.” Plaintiff asserts two causes of action: (1) violation of Cal. Labor Code § 226 (failure to provide accurate wage statements) and (2) violation of Cal. Labor Code §§ 2698, et seq. (“PAGA”).

McDonald’s denies all allegations in the Action and contends it complied with the California Labor Code and all other applicable laws. The Settlement is not an admission of any wrongdoing by McDonald’s or an indication any law was violated. The Court has not ruled on the merits of the claims asserted in the Action. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case if it went to trial.

The Court has appointed ILYM Group, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiff Gennifer Manzo as representative of the Settlement Class (“Class Representative”), and the following Plaintiff’s attorneys as counsel for the Settlement Class (“Class Counsel”):

EXHIBIT A to *MANZO* SETTLEMENT AGREEMENT

Larry Lee
Diversity Law Group APC
515 S. Figueroa St., Ste. 1250 --
Los Angeles, California 90071
Telephone: (213) 488-6555

William Marder
Polaris Law Group LLP
501 San Benito Street, Ste. 200 --
Hollister, CA 95023
Telephone: (831) 531-4214

Dennis Hyun
Hyun Legal APC
515 S. Figueroa St., Ste. 1250
Los Angeles, California 90071
Telephone: (213) 488-6555

Edward Choi
Law Offices of Choi & Associates
515 S. Figueroa St., Ste. 1250
Los Angeles, California 90071
Telephone: (213) 381-1515

IV. WHY IS THERE A SETTLEMENT?

The Court did not decide in favor of Plaintiff or McDonald's. There was no trial. However, to avoid additional expense, inconvenience, and risks of continued litigation, Plaintiff and McDonald's have concluded that it is in their respective best interests and the interests of the Settlement Class Members to settle the Action on the terms summarized in this Notice.

This Settlement was reached after an exchange of extensive information about the facts and legal arguments in support of, and against, all of the claims raised in the Action. The Class Representative, Class Counsel, and McDonald's support this Settlement. Among the reasons for support are the defenses to liability potentially available to McDonald's, the inherent risk of trial on the merits, the delays and uncertainties associated with litigation, and the benefits provided to Settlement Class Members under the Settlement. If you are a Settlement Class Member, you do not need to take any action to receive an Individual Settlement Payment (explained further below). But you have the opportunity to request exclusion from the Settlement (in which case you will not receive an Individual Settlement Payment), object to the Settlement, and/or dispute the qualifying wage statements credited to you, if you so choose, as explained more fully in Section VIII below.

V. SUMMARY OF THE PROPOSED SETTLEMENT

If the Court grants final approval of the settlement, McDonald's will pay **\$2,000,000** (referred to as the "Gross Settlement Payment"). The Parties agreed to the following payments from the Gross Settlement Payment, subject to court approval:

Penalties to the California Labor Workforce and Development Agency. The amount of \$100,000 from the Gross Settlement Payment will be allocated to Plaintiff's claims for penalties under PAGA. Of this amount, 75% (or \$75,000) will be paid to the California Labor Workforce Development Agency ("LWDA Payment") and the remaining 25% (or \$25,000) will be distributed to the Settlement Class Members proportionally according to the formula set forth in the Settlement Agreement (collectively, "PAGA Payments").

Attorneys' Fees and Costs. Class Counsel have been prosecuting the lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. Class Counsel will ask for fees of up to \$666,666.67, and litigation costs not to exceed \$30,000 (together, "Class Counsel Award"). The Court will determine the actual amount awarded to Class Counsel as attorneys' fees and costs, which will be paid from the Gross Settlement Payment.

Service Award to the Class Representative. Class Counsel will ask the Court to award a service payment of \$10,000 to Plaintiff Gennifer Manzo ("Service Award") as compensation for her work and effort in prosecuting this case, for undertaking the risks of payment of costs in the event of an unsuccessful outcome of this case, and releasing her claims. The Service Award, if approved by the Court, will be paid to the Class Representative in addition to the Individual Settlement Payment to which she is entitled under the Settlement.

Settlement Administrator Expenses. The total costs, expenses, and fees of the Settlement Administrator ("Settlement Administrator Expenses") will be paid from the Gross Settlement Amount, which amount is not to exceed \$30,000.00.

Net Settlement Amount. The "Net Settlement Amount" is the amount available for payment to Settlement Class Members who do not submit timely and valid requests for exclusion from the Settlement ("Remaining Settlement Class Members") and is the remaining portion of the Gross Settlement Payment after subtracting the amounts approved by the Court for the Class Counsel Award, Service Award, Settlement Administrator Expenses, and LWDA Payment. The Net Settlement Amount is estimated to be **\$**.

Individual Settlement Shares. Each Settlement Class Member who does not request exclusion ("Remaining Settlement

EXHIBIT A to *MANZO* SETTLEMENT AGREEMENT

Class Members”) shall be paid their proportional share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of qualifying wage statements they received during their applicable Subclass Class Period as follows:

April 6, 2019 Subclass: The number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by the Remaining Settlement Class Member at any time during the April 6, 2019 Subclass Class Period divided by the total number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by all Remaining April 6, 2019 Settlement Class Members during the April 6, 2019 Subclass Class Period.

June 2, 2020 Subclass: The number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by the Remaining Settlement Class Member at any time during the June 2, 2020 Subclass Class Period divided by the total number of wage statements that included daily, weekly, or seventh day premium overtime and/or MQI True Up wages received by all Remaining June 2, 2020 Settlement Class Members during the June 2, 2020 Subclass Class Period.

Your estimated Individual Settlement Share is listed in Section VI below. Remaining Settlement Class Members will be issued payment of their final Individual Settlement Share. A claim form is not required.

One hundred percent (100%) of each Individual Settlement Payment shall be issued as penalties, which shall be reported on an IRS 1099 form. The Settlement Administrator, McDonald’s and its counsel, Plaintiff and Class Counsel, and the Court cannot provide you with tax advice. Accordingly, you should consult with your tax advisor concerning the tax consequences and treatment of payments under this Settlement.

No payments to the Class Representative, Settlement Class Members, Remaining Settlement Class Members, Class Counsel, or the State of California will be made until after the Effective Date as defined in the Settlement Agreement. After the Effective Date, Individual Settlement Shares and PAGA Payments will be mailed to Remaining Settlement Class Members and/or Settlement Class Members, as applicable, at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

VI. WHAT IS MY INDIVIDUAL SETTLEMENT SHARE?

Your Individual Settlement Share is based the number of qualifying wage statements you received as an hourly paid or non-exempt employee of McDonald’s in California.

A. Your Qualifying Wage Statements Based on Defendant’s Records

According to Defendant’s records:

From [April 6, 2019 or June 2, 2020] through [Preliminary Approval], you received ____ qualifying wage statements.

If you wish to challenge the number of qualifying wage statements credited to you, you must submit a written, signed challenge (“Dispute”), along with any supporting documents to the Settlement Administrator. The Dispute must contain (a) your full name, address, telephone number, and the last four digits of your Social Security Number; (b) clearly state that you dispute the number of qualifying wage statements credited to you and identify the number of qualifying wage statements you contend should be credited to you; (c) include information and/or attach any documentation demonstrating that the number of wage statements that you contend should be credited to you is correct; and (d) be returned by mail to the Settlement Administrator at the address specified in Section IV.B below, postmarked **no later than [the Exclusion/Written Objection Deadline]**.

B. Your Estimated Individual Settlement Share

As explained above, your estimated Individual Settlement Share is based on the number of qualifying wage statements credited to you.

Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [redacted]. The Individual Settlement Share will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share reflected in this Notice is only an estimate. Your actual Individual Settlement Share and Payment may be higher or lower.

EXHIBIT A to MANZO SETTLEMENT AGREEMENT

VII. WHAT AM I GIVING UP TO GET A SETTLEMENT PAYMENT?

If the Court approves the Settlement, the Court will enter judgment and the Settlement Agreement will bind all Settlement Class Members who have not timely opted out of the Settlement, and will bar all such class members from bringing certain claims against McDonald's as described below. Specifically, you will be giving up or "releasing" the claims described below:

Release of Claims:

June 2, 2020 Subclass Released Claims. All June 2, 2020 Settlement Subclass Members who have not been excluded from the Settlement Class, individually and on behalf of their Legally Authorized Representatives, heirs, estates, trustees, executors, administrators, representatives, agents, successors, and assigns, and anyone claiming through them or acting or purporting to act on their behalf, past or present, fully and without limitation release and discharge each and all of the Released Parties from any and all claims for damages and/or penalties for alleged violations of § 226 of the California Labor Code and for penalties under § 2698, *et seq.* premised upon violation of Labor Code § 226 for the time period of June 2, 2020, through June 30, 2021, except that the release for claims relating to the display of MQI True Up shall extend through the date the Court grants final approval of the Settlement. This release covers, without limitation, any and all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or any other counsel representing Plaintiff or Settlement Class Members, or by Plaintiff or Settlement Class Members, or any of them, in connection with or related in any manner to the Action, the Settlement of the Action, the administration of such Settlement, and/or the released claims, except to the extent otherwise specified in the Agreement.

April 6, 2019 Subclass Released Claims. All April 6, 2019 Settlement Subclass Members who have not been excluded from the Settlement Class, individually and on behalf of their Legally Authorized Representatives, heirs, estates, trustees, executors, administrators, representatives, agents, successors, and assigns, and anyone claiming through them or acting or purporting to act on their behalf, past or present, fully and without limitation release and discharge each and all of the Released Parties from any and all claims for damages and/or penalties for alleged violations of § 226 of the California Labor Code and for penalties under § 2698, *et seq.* premised upon violation of Labor Code § 226 for the time period of April 6, 2019, through June 30, 2021, except that the release for claims relating to the display of MQI True Up shall extend through the date the Court grants final approval of the Settlement. This release covers, without limitation, any and all claims for attorneys' fees, costs or disbursements incurred by Class Counsel or any other counsel representing Plaintiff or Settlement Class Members, or by Plaintiff or Settlement Class Members, or any of them, in connection with or related in any manner to the Action, the Settlement of the Action, the administration of such Settlement, and/or the released claims, except to the extent otherwise specified in the Agreement.

"Released Parties" means Defendant McDonald's Restaurants of California, Inc. and its present and former parents, owners, subsidiaries and any affiliated or related persons or entities and each of their respective officers, directors, employees, partners, shareholders, attorneys, insurers, and agents and any other successors, assigns, affiliates, or legal representatives and any individual or entity who or which could be jointly liable with McDonald's and all persons or entities acting by, through, under, or in concert with any of them. Released Parties does not include any franchisees, or independent McDonald's restaurants not operated by McDonald's Restaurants of California, Inc.

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.settlement.mcdonalds.com. 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.

VIII. WHAT ARE YOUR RIGHTS AND OPTIONS AS A SETTLEMENT CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Settlement and receive money from the Settlement, you do not have to do anything. You will automatically be included in the Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Settlement.

Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will release the claims described in Section VII above. As a

EXHIBIT A to *MANZO* SETTLEMENT AGREEMENT

Settlement Class Member, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Exclude Yourself from the Settlement

If you wish to pursue a separate lawsuit against McDonald's for the claims asserted in this Action, or if you do not want to participate in the Settlement for other reasons, you must submit a written letter to the Settlement Administrator asking to exclude yourself or "opt out" of the Settlement.

A request for exclusion must: (a) state your full name, address, and telephone number; (b) contain a statement clearly indicating that you wish to be excluded from the Settlement; (c) be signed by you; and (d) be submitted to the Settlement Administrator by mail, postmarked no later than [Exclusion/Written Objection Deadline], at the following mailing address:

[Settlement Administrator]

[Mailing Address]

[Fax Number]

No requests for exclusion postmarked after [Exclusion/Written Objection Deadline] will be valid. Requests to opt out that do not include all required information will be deemed null, void, and ineffective.

If the Court grants final approval of the Settlement, any Settlement Class Member who submits a valid and timely request for exclusion will not be entitled to receive an Individual Settlement Payment from the Settlement, will not be bound by the non-PAGA portion of the Settlement (and the release of non-PAGA claims described in Section VII above), and will not have any right to object to, appeal, or comment on the Settlement. Notwithstanding the submission of a timely and proper request for exclusion, Settlement Class Members will still be bound by the settlement and release of the PAGA Claims under the Final Judgment pursuant to *Arias v. Superior Court*, 46 Cal. 4th 969 (2009) as requests for exclusion do not apply to the PAGA Claims.

Any Settlement Class Members who do not submit a valid and timely request for exclusion will be deemed Remaining Class Members and will be bound by all terms of the Settlement, including those pertaining to the release of claims described in Section VII above, as well as any judgment that may be entered by the Court based thereon.

C. Object to the Settlement

If you don't think the Settlement is fair, you can object to the Settlement and tell the Court you don't agree with the Settlement or some part of it as long as you have not submitted a request for exclusion from the Settlement. The Court will consider your views. To object, you must submit a written objection to the Settlement Administrator or appear at the final settlement hearing to explain your objection.

A written objection must contain at least the following: (i) your full name, address, telephone, and signature; (ii) a clear reference to the Action; (iii) a statement of the specific legal and factual basis for each objection argument; and (iv) a statement whether you intend to appear at the Final Approval Hearing, either in person or through counsel and, if through counsel, a statement identifying your counsel by name, bar number, address, and telephone number. All objections must be signed by you, even if you are represented by counsel.

Written objections must be mailed to the Settlement Administrator at the address listed in Section VIII.B above, postmarked no later than [Exclusion/Written Objection Deadline].

IX. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing on _____, 2021 at _____ a.m., in Department __ of the U.S. District Court for the Eastern District of California, Yosemite Courthouse, located at 9004 Castle Cliffs Court, Yosemite Valley California 95389, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award the Class Counsel Award and Service Award to Plaintiff.

The hearing may be continued without further notice to Settlement Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

X. ADDITIONAL INFORMATION

A complete copy of the Settlement Agreement and this Notice are available at [www._____](http://www._____.). This website will be updated periodically to update the Class on any developments in the case.

EXHIBIT A to *MANZO* SETTLEMENT AGREEMENT

If you have questions about the Settlement or would like more information, you should contact the Settlement Administrator, _____, at: [name, address, and contact information]

You may also contact the Class Counsel listed below:

Larry Lee
Diversity Law Group APC
515 S. Figueroa St., Ste. 1250 --
Los Angeles, California 90071
Telephone: (213) 488-6555

William Marder
Polaris Law Group LLP
501 San Benito Street, Ste. 200 --
Hollister, CA 95023
Telephone: (831) 531-4214

Dennis Hyun
Hyun Legal APC
515 S. Figueroa St., Ste. 1250
Los Angeles, California 90071
Telephone: (213) 488-6555

Edward Choi
Law Offices of Choi & Associates
515 S. Figueroa St., Ste. 1250
Los Angeles, California 90071
Telephone: (213) 381-1515

PLEASE DO NOT CONTACT THE COURT OR MCDONALD'S COUNSEL ABOUT THIS NOTICE

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

GENNIFER MANZO, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

MCDONALD'S RESTAURANTS OF
CALIFORNIA, INC., A CORPORATION;
AND DOES 1 THROUGH 50, INCLUSIVE,

Defendants.

Case No. 1:20-cv-01175-NONE-HBK

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS AND PRIVATE ATTORNEYS
GENERAL ACT SETTLEMENT**

Hearing Date: [insert]
Time: [insert]

Complaint filed: August 20, 2020

1 **WHEREAS**, this action is pending as a putative class, collective, and representative
2 action (the “Action”);

3 **WHEREAS**, the Plaintiff Gennifer Manzo (“Plaintiff”) has filed a Motion for Preliminary
4 Approval of the Settlement of the Action (“Motion”) in accordance with the Settlement and
5 Release Agreement (the “Settlement Agreement” or the “Settlement”), which, together with its
6 exhibits, set forth the terms and conditions for a proposed settlement and dismissal of the Action
7 with prejudice upon the terms and conditions set forth therein, which is not opposed by Defendant
8 McDonald’s Restaurants of California, Inc. (“Defendant”); and

9 **WHEREAS**, this Order incorporates by reference the definitions in the Agreement, and
10 all terms defined therein shall have the same meaning in this Order as set forth in the Agreement.

11 **NOW, THEREFORE, IT IS HEREBY ORDERED:**

12 1. The Court has reviewed Plaintiff’s Motion and all declarations and exhibits filed
13 therewith, including the Settlement Agreement executed by the Parties.

14 2. For reasons explained below, the Court hereby **GRANTS** preliminary approval of
15 the class action settlement and approval of the Private Attorneys General Act (“PAGA”) settlement
16 as set forth in the Settlement Agreement.

17 **SETTLEMENT CLASS CERTIFICATION**

18 3. The Court recognizes that Plaintiff and Defendant stipulate to certification of the
19 Settlement Class for settlement purposes only.

20 4. The Settlement Agreement will not be deemed admissible in this or any other
21 proceeding for purposes of liability, and is for settlement purposes only.

22 5. On the basis of the findings set forth herein, the Court conditionally certifies the
23 following Settlement Class pursuant to Fed. R. Civ. P. 23 for settlement purposes only in
24 accordance with the terms of the Settlement Agreement:

- 25 a. A “June 2, 2020 Settlement Subclass” consisting of all California non-exempt
26 employees who received wage statements that included daily, weekly, or seventh
27 day premium overtime and/or MQI True Up wages at any time from June 2, 2020
28 through the Preliminary Approval Date (“June 2, 2020 Subclass Class Period”) and

1 who were subject to the class settlement reached in *Sanchez v. McDonald's*
2 *Restaurants of Cal., Inc.*, Los Angeles County Superior Court Case No. BC499888.

- 3 b. An “April 6, 2019 Settlement Subclass” consisting of all California non-exempt
4 employees who received wage statements that included daily, weekly, or seventh
5 day premium overtime and/or MQI True Up wages at any time from April 6, 2019
6 through the Preliminary Approval Date (“April 6, 2019 Subclass Class Period”),
7 and who were not subject to the class settlement reached in *Sanchez v. McDonald's*
8 *Restaurants of Cal., Inc.*, Los Angeles County Superior Court Case No. BC499888.

9 6. The Court preliminarily finds, for settlement purposes only, that the requirements
10 of Rule 23(a) are satisfied, as follows:

- 11 a. Rule 23(a)(1) is satisfied because the class consists of at least [XX] persons, whose
12 identities are ascertainable through Defendant’s records or through self-
13 identification.
- 14 b. Rule 23(a)(2) is satisfied because there remain common issues of law and fact at
15 the core of all claims, including whether Defendant’s wage statements comply with
16 California law.
- 17 c. Rule 23 (a)(3) and (4) are satisfied because the named plaintiff’s claims are typical
18 of those of the Settlement Class Members and the Class Representative, Gennifer
19 Manzo, will fairly and adequately protect the interests of the Settlement Class.

20 7. Additionally, the Court preliminarily finds, for settlement purposes only, that the
21 requirements of Rule 23(b)(3) are satisfied: the questions of law or fact common to the Settlement
22 Class predominate over individual questions and a class action is superior to other available
23 methods for the fair and efficient adjudication of this controversy. The Court has investigated the
24 matters pertinent to these findings and is satisfied that the Settlement Agreement meets the
25 required standards.

26 8. The Court, for settlement purposes only, appoints Plaintiff Gennifer Manzo as the
27 Class Representative herein.

28 9. The Court appoints, for settlement purposes only, as Class Counsel: Diversity Law

1 Group, A Professional Corporation, Polaris Law Group, Hyun Legal, APC, and Law Offices of
2 Choi & Associates, P.C.

3 10. Class Counsel is authorized to act on behalf of Settlement Class Members with
4 respect to all acts or consents required by, or which may be given pursuant to, the Settlement
5 Agreement, and such other acts reasonably necessary to consummate the Settlement. Any
6 Settlement Class Member may enter an appearance through counsel of his or her own choosing
7 and expense. Any Settlement Class Member who does not enter an appearance or appear on his or
8 her own will be represented by Class Counsel.

9 11. The Court has weighed all factors in Rule 23(e)(2), and having done so, hereby
10 approves on a preliminary basis the Settlement Agreement and settlement described therein,
11 including the definitions and disposition of the Gross Settlement Amount proceeds and related
12 matters provided for in the Settlement Agreement.

13 12. It appears to the Court on a preliminary basis that the Gross Settlement Amount
14 and terms of the Settlement are fair, adequate, and reasonable as to all Settlement Class Members
15 when balanced against the probable outcome of further litigation relating to liability and damage
16 issues.

17 13. It further appears to the Court's satisfaction that sufficient investigation, including
18 informal pre-mediation discovery, has been conducted into the relevant legal issues herein such
19 that Class Counsel are able to reasonably evaluate claims and defenses alleged in the Action.

20 14. It further appears to the Court that settlement at this time will avoid substantial
21 additional costs by all Parties, as well as avoid the delay and risks that would be presented by
22 further prosecution of the claims, including appeal of orders relating to class certification and/or
23 the substantive merits of the case.

24 15. It further appears that the Settlement Agreement has been reached as the result of
25 intensive, serious, non-collusive, and arm's-length negotiations after mediation with an
26 experienced mediator.

27 16. This is a non-reversionary settlement. Any amounts that are reduced by the Court
28 under the Settlement, such as the award of attorneys' fees or the requested class representative

1 service award, shall revert back to the Settlement Class Members only, to be distributed in
2 accordance with the distribution formula the Parties have agreed to.

3 **PAGA SETTLEMENT**

4 17. The Court finds the Settlement was entered into in good faith, that the settlement is
5 fair, reasonable and adequate, and that the settlement satisfies the standards and applicable
6 requirements for approval of PAGA representative actions under California law. The Court
7 approves the penalties to be paid to the Aggrieved Employees and the State of California as set
8 forth in the Settlement Agreement, and approves all other terms of the settlement of the PAGA
9 claims of all Settlement Class Members as set forth in the Settlement Agreement pursuant to Labor
10 Code § 2699(1)(2).

11 **NOTICE AND ADMINISTRATION**

12 18. The Court approves and appoints ILYM to serve as the neutral, third-party Claims
13 Administrator in accordance with the Settlement Agreement and consistent with this Order.

14 19. Promptly following entry of this order, the Claims Administrator will prepare a
15 final version of the Notice of Class Settlement consistent with the template attached as Exhibit B
16 to the Settlement Agreement.

17 20. The Claims Administrator shall be responsible for all tasks delegated to the Claims
18 Administrator in the Settlement Agreement and which are reasonably necessary to effectuate the
19 issuance of the Court-authorized Notice of Class Settlement, to collect and track Opt-Out Forms
20 and objections received from the Settlement Class Members, and, upon any later granting of final
21 approval herein, to distribute funds associated with the Settlement in accordance with the terms of
22 the Settlement Agreement.

23 21. Counsel for the settling Parties have the right to review and approve any documents
24 to be mailed by the Claims Administrator in connection with the Settlement prior to their mailing,
25 and the Claims Administrator may not mail/e-mail any such documents without first receiving
26 written approval from counsel for the settling Parties or direction from the Court to send such
27 documents.

28 22. The Claims Administrator is ordered to take reasonable steps to protect the

disclosure of information concerning members of the Settlement Class provided by Defendant.

23. The Court authorizes notice of the Settlement as set forth in the Settlement Agreement, and as ordered or modified herein, as it appears fair, reasonable, and adequate within the meaning of Fed. R. Civ. P. 23 and the Class Action Fairness Act of 2005 (“CAFA”). The Court also approves of the PAGA notification provisions set forth in the Settlement Agreement.

24. The Parties are directed to ensure that the Notice of Class Settlement is disseminated according to the terms of the Settlement Agreement.

25. The Court finds that the proposed Notice of Class Settlement, sent by U.S. Mail, constitutes the best notice practicable under the circumstances and is in full compliance with the United States Constitution and the requirements of due process. The Notice of Class Settlement accurately informs the Settlement Class Members of the material elements of the lawsuit, the Settlement, and each Settlement Class Member’s right and opportunity to opt out of or object to the Settlement.

26. The Court further finds that mailing the Notice of Class Settlement to the Class Members via U.S. Mail is an appropriate method of notice, reasonably designed to reach all individuals who would be bound by the Settlement.

27. All costs and expenses due the Claims Administrator in connection with its administration of the Settlement, including, but not limited to, providing the Notice of Class Settlement, locating Settlement Class Members, processing Opt-Out Forms, issuing IRS forms, and administering and distributing individual settlement payments, shall be paid from the Gross Settlement Amount and are not anticipated to exceed \$30,000. In the event the reasonable costs of the Claims Administrator exceed \$30,000, the Claims Administrator must file a declaration with the Court explaining the basis for the costs above the cap articulated herein and seeking approval for payment of the additional reasonable costs out of the amount remaining from the Net Settlement Amount. The Claims Administrator shall not be paid for costs above \$30,000 absent Court approval.

EXCLUSIONS AND OBJECTIONS

28. A Settlement Class Member may opt-out of or object to the Settlement.

1 29. The procedures for opting-out of or objecting to the Settlement shall be in
2 conformity with Sections VI and VII of the Settlement Agreement and as described in the Notice
3 of Class Settlement. A Settlement Class Member who wishes to opt out of the Settlement must
4 timely complete and return their Opt-Out Form to the Claims Administrator via First-Class U.S.
5 Mail. Forms must be sent on or before the “Exclusion/Written Objection Deadline,” which is 45
6 calendar days from the date that a Settlement Class Member’s Notice of Class Settlement was
7 mailed, or 15 calendar days from the date their Notice of Class Settlement was first re-mailed,
8 whichever is later.

9 30. The date of the postmark on the mailing envelope shall be the exclusive means used
10 to determine whether an Opt-Out Form is timely submitted. Any Settlement Class Member who
11 submits a timely and proper Opt-Out Form shall no longer be a member of the Rule 23 class, shall
12 be barred from participating in the non-PAGA portion of the Settlement, shall be barred from
13 objecting to the Settlement, and shall receive no benefit or payment from the Settlement except
14 for his/her proportional share of the PAGA Amount under the Settlement, because the right to opt
15 out does not apply to the PAGA claims in the Action. All Settlement Class Members are bound
16 by the release and settlement of the PAGA claims in the Action regardless of whether or not they
17 submit a valid Opt-Out Form.

18 31. In the event the Settlement receives final approval, any Settlement Class Member
19 who does not properly and timely request exclusion shall be bound by all the terms and provisions
20 of the Settlement Agreement, the final approval order, the final judgment, and the releases set forth
21 therein, and will be deemed to have waived all objections and opposition to the fairness,
22 reasonableness, and adequacy of the Settlement, whether or not such person objected to the
23 Settlement and whether or not such person made a claim upon, or participated in, the Settlement.

24 32. Any Settlement Class Member who does not submit a timely Opt-Out Form and
25 wishes to object to the Settlement may do so in writing by submitting a timely written statement
26 of objection to the Class Administrator within the Exclusion/Written Objection Deadline via First-
27 Class U.S. Mail.

28 33. The date of the postmark on the mailing envelope shall be the exclusive means used

1 to determine whether an objection is timely submitted. Any written objection to the Settlement
2 Agreement should contain (i) the objector's full name, address, telephone, and signature; (ii) a
3 clear reference to the Action; (iii) a statement of the specific legal and factual basis for each
4 objection argument; and (iv) a statement whether the objecting person or entity intends to appear
5 at the Final Approval Hearing, either in person or through counsel and, if through counsel, a
6 statement identifying that counsel by name, bar number, address, and telephone number. All
7 objections shall be signed by the objecting Settlement Class Member, even if the Settlement Class
8 Member is represented by counsel.

9 34. Although it is preferred that Settlement Class Members submit written objections,
10 no objector shall be denied the ability to object at the Final Approval Hearing (whether
11 individually or through counsel).

12 **FINAL APPROVAL, SCHEDULE, AND OTHER PROVISIONS**

13 35. A hearing (the "Final Approval Hearing") shall be held before this Court on
14 _____ [DATE] at _____ a.m./p.m. at the United States District Court for the
15 Eastern District of California, before the Hon. _____, at the United States
16 Courthouse, _____ [ADDRESS], to determine all necessary matters
17 concerning the Settlement, including: (a) whether the Settlement of the Action on the terms and
18 conditions provided for in the Stipulation is fair, adequate, and reasonable and should be finally
19 approved by the Court; (b) whether a final judgment should be entered herein; (c) whether the plan
20 of allocation contained in the Settlement Agreement, including the PAGA allocation, should be
21 approved as fair, adequate and reasonable to the Settlement Class Members; and (d) the
22 appropriateness of Class Counsel's attorneys' fees and costs, Plaintiff's incentive awards, and
23 settlement administration expenses of the Claims Administrator.

24 36. The Parties and the Claims Administrator shall henceforth adhere to the schedule
25 anticipated by the Settlement Agreement. Class Counsel has stated their intention to request Class
26 Counsel attorney's fees of 33 and 1/3 % of the Gross Settlement Amount (or \$666,666.67), Class
27 Counsel's litigation costs and expenses not to exceed \$30,000, and a Service Award granted to
28 Plaintiff not to exceed \$10,000. The Court will weigh these amounts at Final Approval.

1 37. If in considering final approval of the Settlement, the Court decides to award less
2 than the amounts set forth above, any unawarded amounts shall revert back to the Settlement Class
3 Members only, to be distributed in accordance with the approved distribution formula.

4 38. The Settlement Agreement is not a concession or admission and shall not be used
5 against Defendant or any of the putative Released Parties as an admission or indication with
6 respect to any claim of any fault or omission by Defendant or any of the Released Parties. Whether
7 or not the Settlement is finally approved, neither the Settlement Agreement (nor any document,
8 statement, proceeding or conduct related to the Settlement) nor any reports or accounts thereof,
9 shall in any event be:

- 10 a. Construed as, offered or admitted in evidence as, received as or deemed to be
11 evidence for any purpose adverse to the Released Parties, including, but not limited
12 to, evidence of a presumption, concession, indication or admission by Defendant
13 or any of the Released Parties of any liability, culpability, negligence, fault,
14 wrongdoing, omission, concession, or damage; or
- 15 b. Disclosed, referred to, or offered or received in evidence against Defendant or any
16 of the Released Parties in any further proceeding in the Action, or in any other civil,
17 criminal or administrative action or proceeding, except for purposes of settling the
18 Action pursuant to the Settlement.

19 39. As of the date this Order is signed, all dates and deadlines associated with the
20 Action shall continue to be stayed, other than those related to the approval and administration of
21 the Settlement of the Action, subject to the Final Approval Hearing.

22 40. The Court reserves the right to adjourn or continue the date of the Final Approval
23 Hearing and all dates provided for in the Stipulation without further notice to Settlement Class
24 Members, and retains jurisdiction to consider all further applications arising out of or connected
25 with the proposed Settlement.

26
27 Accordingly, and for the reason set forth above, the Court hereby **GRANTS** Plaintiff's
28 Motion for Preliminary Approval. **IT IS SO ORDERED.**

EXHIBIT B to *MANZO* SETTLEMENT AGREEMENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

DATED: _____

BY: _____
Hon. [XXX]
United States District Court Judge

EXHIBIT B