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McDonald's Restaurant (erroneously sued as

7 RLMK, Inc. dba McDonald's); Leapday

Enterprise, Inc.; KAD Enterprises, LLC; Delph

8 Enterprises, LLC; KAD91, Inc.

9 **Plaintiff's Counsel listed on Next Page

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF TULARE

12
13 KASSANDRA VASQUEZ, individually and
on behalf of all others similarly situated,

14 Plaintiffs,

15 vs.

16 RLMK, INC., dba MCDONALD'S, a
17 California corporation; and DOES 1-50,
inclusive,

18 Defendants.
19

Case No. 280653

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT
AND RELEASE**

Assigned for All Purposes to:
Hon. Melinda Reed, Dept. 1

Action Filed: October 2, 2019
Trial Date: None Set

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Attorneys for Plaintiff KASSANDRA VASQUEZ,
individually and on behalf of all others similarly situated

1 IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff KASSANDRA
2 VASQUEZ (“Plaintiff” or “Class Representative”), on behalf of herself and all others similarly
3 situated to her and as defined below, and R L M K, INC. dba McDonald’s Restaurant; Leapday
4 Enterprise, Inc.; KAD Enterprises, LLC; Delph Enterprises, LLC; and KAD91, Inc (collectively,
5 “Defendants”), as set forth below:

6 **I. The Conditional Nature of This Stipulation**

7 Defendants and Class Representative enter into this Joint Stipulation of Class Action and
8 PAGA Settlement and Release (“Stipulation,” “Settlement,” or “Settlement Agreement”), including
9 all associated exhibits or attachments, in compromise of dispute claims for the sole purpose of
10 resolving the matters entitled *Kassandra Vasquez v. RLMK, Inc. dba McDonald’s, et al.*, Tulare
11 County Superior Court Case No. 280653 (“Action” or “Litigation”). The Settlement is subject to
12 approval by the Court. In the event that the Court does not execute and file the Final Approval
13 Order and Judgment, or in the event that the associated Judgment does not become final for any
14 reason, this Stipulation will be deemed null and void, it will be of no force or effect whatsoever, it
15 will not be referred to or used for any purpose whatsoever, and the negotiation, terms, and entry of
16 it shall remain subject to the provisions of California Evidence Code §§ 1119 and 1152.

17 Defendants deny all of the claims and allegations asserted in the Litigation (as defined
18 herein). Defendants have agreed to resolve this Action via this Stipulation, but to the extent this
19 Stipulation is deemed void or does not take effect, Defendants do not waive, but rather expressly
20 reserves all rights to challenge all such claims and allegations in the Action upon all procedural and
21 factual grounds, including without limitation the ability to challenge suitability for class treatment
22 or representative adjudication on any grounds or to assert any and all defenses or privileges. The
23 Class Representative and her counsel agree that Defendants retain and reserves these rights. In
24 particular, the Class Representative and her counsel waive and agree not to argue or to present any
25 argument that Defendants would be estopped from contesting class certification because it has
26 entered into this Stipulation.

27 **II. The Parties to this Stipulation**

28 This Stipulation (with the associated exhibits) is made and entered into by and among

1 Plaintiff (on behalf of herself and each of the members of the Class [as defined below]) and
2 Defendants (Plaintiff and Defendants shall be referred to collectively as “Parties”). This Stipulation
3 is intended by the Parties to result in a Judgment and to fully, finally, and forever resolve, discharge,
4 and settle the Released Claims (defined below) upon and subject to the terms and conditions thereof.

5 **III. Procedural Posture**

6 On October 2, 2019, Plaintiff commenced a class action lawsuit against Defendant R L M
7 K, Inc. dba McDonald’s Restaurant (erroneously sued as RLMK, Inc. dba McDonald’s) by filing
8 her Class Action Complaint for Damages in Tulare County Superior Court. On September 28, 2020,
9 the Parties participated in mediation before Jeffrey Ross. Negotiations continued after mediation
10 through January 6, 2021. The parties accepted a Mediator’s Proposal, which was the result of an
11 arms-length negotiation with the Parties agreeing to settle this matter and enter into this Stipulation.
12 In connection with this Settlement, Plaintiff shall file a Second Amended Complaint to correct the
13 current Defendant’s name to R L M K, Inc. dba McDonald’s Restaurant, and include the following
14 Defendants: Leapday Enterprise, Inc.; KAD Enterprises, LLC; Delph Enterprises, LLC; and
15 KAD91, Inc. Additionally, Plaintiff shall properly exhaust as necessary and amend the Complaint
16 to add the following claims: (1) failure to provide accurate wage statements; and (2) penalties
17 pursuant to the Private Attorneys’ General Act (“PAGA”).

18 **IV. Defendants’ Denial of Wrongdoing or Liability**

19 Defendants deny all of the claims and contentions alleged by the Plaintiff in the Litigation,
20 and has asserted multiple defenses to liability, class certification, and damages. Defendants do not,
21 by this Settlement Agreement or otherwise, admit any liability of wrongdoing of any kind.
22 Nonetheless, Defendants have taken into account the uncertainty and risks inherent in any litigation,
23 particularly class action litigation, and concluded that to continue the Litigation would be protracted
24 and expensive and that it is desirable that the Litigation be fully and finally settled in the manner
25 and upon the terms and conditions set forth in this Stipulation.

26 The Parties understand and acknowledge that this Settlement Agreement constitutes a
27 compromise and settlement of disputed claims. No action taken by the Parties whether previously
28 or in connection with the negotiations or proceedings connected with the Settlement or this

1 Agreement shall be deemed or construed to be an admission of the truth or falsity of any allegations,
2 claims, or defenses heretofore made, or an acknowledgment or admission by any party of any fact,
3 fault, liability, or wrongdoing of any kind whatsoever.

4 Neither the Settlement, nor any act performed or document executed pursuant to or in
5 furtherance of the Settlement: (a) is or may be deemed to be, or may be used as, an admission of, or
6 evidence of, the validity of any claim made by the Plaintiff or Class Members, or of any wrongdoing
7 or liability of Defendants or the Released Parties (as defined below); or (b) is or may be deemed to
8 be, or may be used as, an admission of, or evidence of, any fault or omission of any of the Released
9 Parties, in the Litigation or in any proceeding in any court, administrative agency, or other tribunal;
10 or construed as an admission by Defendants or the Released Parties regarding the validity of any
11 allegation or claim asserted in this Action or that Defendants or Released Parties have waived any
12 allegation or claim asserted in the Action.

13 In addition to any other defenses Defendants may have at law, in equity, or otherwise, to the
14 extent permitted by law, this Settlement Agreement may be pleaded as a full and complete defense
15 to, and may be used as the basis for an injunction against, any action, suit, or other proceeding that
16 may be instituted, prosecuted or attempted in breach of this Settlement Agreement or the releases
17 contained herein.

18 In light of the above, Defendants have determined that it is desirable and beneficial to it that
19 the Litigation be settled in the manner and upon the terms and conditions set forth in this Stipulation.

20 **V. Claims of the Class Representative and Benefits of Settlement**

21 The Class Representative believes that the claims asserted in the Litigation have merit. The
22 Class Representative and Class Counsel recognize and acknowledge, however, the expense and
23 time, which could take many years, associated with continued litigation against Defendants through
24 class certification, trial, and/or appeals. The Class Representative and Class Counsel have also taken
25 into account the uncertain outcome and risks of any litigation, and in particular putative class actions
26 such as this Litigation, as well as the difficulties and delays inherent in such litigation. The Class
27 Representative and Class Counsel are also mindful of the inherent problems of proof in establishing
28 and overcoming potential defenses to the claims asserted in the Litigation. In light of these

1 considerations, the Class Representative and Class Counsel believe that the Settlement set forth in
2 the Stipulation confers substantial benefits and is in the best interests of the Class.

3 **VI. Terms of Stipulation and Agreement of Settlement**

4 **1. Definitions**

5 As used in all parts of this Stipulation (including the exhibits which are incorporated as part
6 of the Stipulation), the following terms have the meanings specified below:

7 1.1 “Settlement Class” or “Class Members” means any and all current and former
8 hourly-paid non-exempt employees who worked for Defendants within the State of California at
9 any time from October 2, 2015 to the Preliminary Approval Date, or 60 days after full execution,
10 whichever date occurs first. Defendants represents there were approximately 7,200 employees
11 through September 28, 2020

12 1.2 “Class Counsel” means James R. Hawkins, Gregory Mauro, and Michael Calvo of
13 James Hawkins APLC, 9880 Research Drive, Suite 200, Irvine, CA 92618.

14 1.3 “Class Period” means the time period from October 2, 2015 to the Preliminary
15 Approval Date, or 60 days after full execution, whichever date occurs first, who worked for
16 Defendants as hourly-paid non-exempt employees in California.

17 1.4 “Court” means the Superior Court of the State of California, for the County of Tulare.

18 1.5 “Complaint” the Complaint captioned *Kassandra Vasquez, et al. v. RLMK, Inc.*
19 *dba McDonald’s, et al.*, filed on October 2, 2015, and all amendments thereto, if any.

20 1.6 “Effective Date” means the later of: (a) if no objections to the Settlement are
21 submitted, the date on which the Court issues the Final Approval Order and Judgment; (b) if any
22 objections to the Settlement are submitted, the date which is forty-five (45) calendar days after notice
23 of entry of the Final Approval Order and Judgment if no notice is filed within that time seeking
24 appeal of the Final Approval Order and Judgment and if no motion for extension to appeal is filed;
25 or (c) if a notice of appeal is filed, the date upon which all appellate and/or other proceedings resulting
26 from the notice of appeal have been terminated in such a manner as to permit the Final Approval
27 Order and Judgment to take effect in substantially the form described herein

28 1.7 “Employer Taxes” means Defendants’ share of payroll taxes (e.g. UI, ETT, Social

1 Security, and Medicare taxes) with respect to the wages portion of Individual Settlement Amounts,
2 which will be paid by Defendants separately and in addition to the Maximum Settlement Amount.

3 1.8 "Skip Tracing" means the utilization of Accurint or Experian, or some comparable
4 system, after the Reasonable Address Verification, to review the accuracy of and, if possible, to
5 update a mailing address for a Class Member in the event that his or her Class Notice is returned to
6 the Settlement Administrator as undeliverable without a forwarding address.

7 1.9 "Maximum Settlement Amount" is the amount of Four Million Two Hundred and
8 Fifty Thousand Dollars and Zero Cents (\$4,250,000.00), which is the maximum amount to be paid
9 by Defendants pursuant to the Settlement Agreement, which will include: Attorneys' Fees and
10 Costs, Settlement Administration Costs, Service Payments, LWDA Payment, employee-portion of
11 PAGA Penalties, and the Net Settlement Amount.

12 1.10 "Individual Settlement Amount" means an individual Participating Class Member's
13 share of the Net Settlement Amount, which will be allocated as 20% wages and 80% interest and
14 penalties. Individual Settlement Amounts will be calculated by multiplying the Net Settlement
15 Amount by the Payment Ratio Fraction of each Participating Class Member.

16 1.11 "Individual Settlement Payment" means the net payment of a Participating Class
17 Member's Individual Settlement Amount, after reduction for the applicable taxes.

18 1.12 "Last Known Address" means the most recently recorded mailing address for a Class
19 Member, as such information is contained in employment, payroll, or personnel records maintained
20 by Defendants.

21 1.13 "Net Settlement Amount" means the Maximum Settlement Amount, less the amount
22 that will be available for payment to all Participating Class Members (subject to the occurrence of
23 the Effective Date), and is calculated by subtracting all of the following from the Maximum
24 Settlement Amount: (1) attorneys' fees in the amount of up to \$1,416,666.00 and reimbursement of
25 litigation costs and expenses in the amount of up to \$20,000.00 to Class Counsel ("Attorneys' Fees
26 and Costs"); (2) service award to Plaintiff in the amount of up to \$7,500.00 ("Service Payment");
27 (3) fees and expenses of administration of the Settlement to the Settlement Administrator in an
28 amount not to exceed \$80,000.00 ("Settlement Administration Costs"); (4) the twenty-five percent

(25%) share of the PAGA Penalties to be a part of the Net Settlement Sum that will be distributed to Class Members in the PAGA Group in the amount of \$62,500.00; and (5) the seventy-five percent (75%) share of PAGA Penalties (“LWDA Payment”) in the amount of \$187,500.00 to the California Labor and Workforce Development Agency (“LWDA”). The Net Settlement Amount is currently estimated to be approximately \$2,475,834.00, and this figure may change depending on the actual amounts awarded by the Court for the Settlement Administration Costs, Attorneys’ Fees and Costs, Service Payment, and approved by the Court for PAGA Penalties. Any difference between the following amounts allocated and actually awarded shall be included in the Net Settlement Amount: attorneys’ fees, reimbursement of litigation costs and expenses, service award to Plaintiff, or fees and expenses of administration of the Settlement to the Settlement Administrator, shall be included in the Net Settlement Amount.

1.14 “Notice of Class Action Settlement” or “Class Notice(s)” means a notice titled “Notice of Class Action Settlement” to be approved by the Court, substantially in the form attached hereto as “**Exhibit 1.**” The Notice of Class Action Settlement will constitute the Class Notice pursuant to California Rule of Court, Rule 3.769(f).

1.15 “Opt Out” means a Class Member’s act of excluding him or herself from the Settlement, by way of submitting a timely and valid Request for Exclusion to the Settlement Administrator, in conformity with the requirements set forth herein and in the Class Notice.

1.16 “Final Approval Order and Judgment” means the judgment and order to be entered by the Court, substantially in the form that the parties mutually agree to and lodge with the Court, which will be a judgment for purposes of California Rule of Court, Rule 3.771(a) (“Judgment”) and constitute approval pursuant to California Rule of Court, Rule 3.769(a). The Final Approval Order and Judgment will be posted on the Settlement Administrator’s website for a period of sixty (60) calendar days in compliance with California Rule of Court, Rule 3.771(b).

1.17 “PAGA Penalties” means the penalties pursuant to California Labor Code §§ 2698 et seq., the Private Attorneys General Act of 2004 in the amount of \$250,000.00 to be paid in the settlement of the PAGA claims in the Litigation. PAGA Penalties are to be approved by the Court pursuant to Labor Code § 2699 and are to be distributed as follows: seventy-five percent (75%) to

1 the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%) to be a part of the Net
2 Settlement Sum that will be distributed to Class Members in the PAGA Group.

3 1.18 "PAGA Calculation" means the Settlement Administrator will calculate the total
4 Workweeks for all PAGA Members by adding the number of Workweeks worked by each PAGA
5 Member during the PAGA Period and then dividing the Workweeks by two (2) to come up with the
6 number of Pay Periods each individual worked during the PAGA Period.. The respective Pay
7 Periods for each PAGA Member will be divided by the total Pay Periods for all PAGA Members,
8 resulting in the Payment Ratio for each PAGA Member. Each PAGA Member's Payment Ratio will
9 then be multiplied by the employee portion of the PAGA Penalties to calculate each PAGA
10 Member's estimated share of the PAGA Penalties. PAGA Members shall receive this portion of
11 their Individual Settlement Payment regardless of whether they opt out of the participation regarding
12 the class claims.

13 1.19 "PAGA" Period means the period from October 2, 2018 to the earlier of 60 days after
14 full execution of this settlement agreement or the Preliminary Approval Date.

15 1.20 "PAGA Members" means all current and former non-exempt employees of
16 Defendants who were employed by Defendants in the state of California at any time during the
17 PAGA Period.

18 1.21 "Participating Class Members" or "Settlement Class" means all Class Members who
19 do not Opt Out pursuant to Paragraph 3.3.4 and, thus, become bound by the Judgment.

20 1.22 "Payment Ratio Fraction" means a fraction that has as its numerator the Participating
21 Class Member's individual Workweeks and has as its denominator the total aggregate Workweeks
22 of all Participating Class Members.

23 1.23 "Person" means a natural person, corporation, company, partnership, firm,
24 association, or society.

25 1.24 "Preliminary Approval Date" means the date on which the Court grants preliminary
26 approval of the Settlement.

27 1.25 "Preliminary Approval Order" means an order to be executed and filed by the Court,
28 substantially in the form that the parties mutually agree to and lodge with the Court, which will

1 constitute an order certifying a provisional class for settlement purposes only pursuant to California
2 Rule of Court, Rule 3.769(d) and an order setting a Final Approval Hearing pursuant to California
3 Rule of Court, Rule 3.769(e).

4 1.26 “Reasonable Address Verification” means the utilization of the National Change of
5 Address Database maintained by the United States Postal Service to review the accuracy of and, if
6 possible, update a mailing address.

7 1.27 “Released Claims” means all claims, demands, rights, liabilities and causes of action
8 of every nature and description whatsoever including without limitation statutory, constitutional,
9 contractual or common law claims, against the Released Parties (as defined below), and any of them,
10 for relief and penalties, that accrued during the Class Period, and as a result of Class Members’
11 employment by Defendants in California, that arise under any law or administrative order, rule, or
12 other precedent that, pled based on the claims, allegations or facts alleged in the operative
13 Complaint, including claims of failure to pay wages, failure to pay minimum wages, failure to pay
14 overtime wages, failure to provide compliant meal periods and/or associated premiums, failure to
15 provide compliant rest periods and/or associated premiums, failure to provide accurate wage
16 statements, failure to pay wages timely at termination, failure to reimburse for business expenses,
17 unfair competition, PAGA penalties and violations of California Labor Code §§201, 202, 203, 204,
18 226(a), 226.7, 510, 512, 558, 1021.5, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2800, 2802,
19 2804 the applicable Wage Order of the Industrial Wage Commission, civil penalties pursuant to
20 §2698 *et seq.* and other related penalties, and California Business & Professions Code §§ 17200 to
21 17208, including without limitation all related claims for restitution and other equitable relief arising
22 from California Business and Professions Code §§ 17200, *et seq.*, interest on unpaid wages, unpaid
23 wages, attorneys’ fees or litigation costs, and any other related claims and/or penalties, including
24 civil penalties. The release does not extend to any claims not alleged in the operative Complaint
25 and specifically excludes claims for workers’ compensation, personal injuries, unemployment
26 insurance, state disability compensation, claims under the Employment Retirement Income Security
27 Act of 1974, previously vested benefits under any employer sponsored benefits plan, wrongful
28 termination, discrimination, retaliation, and harassment including but not limited to those arising

1 under the Age Discrimination In Employment Act, the California Fair Employment and Housing
2 Act, Title VII of the Federal Civil Rights Act of 1964, and/or Federal Civil Rights Act of 1991, or
3 any similar state or federal laws, the California Family Rights Act, the Federal Family Medical
4 Leave Act, the California Pregnancy Leave Law, or similar state or federal laws, the Federal Equal
5 Pay Act of 1963, violations of the Americans with Disabilities Act of 1990 or violations of any other
6 state or federal law, rule or regulation concerning discrimination, retaliation and/or harassment.

7 1.28 “Released PAGA Claims” means all claims, demands, rights, liabilities and causes
8 of action of every nature and description whatsoever against the Released Parties (as defined below),
9 and any of them, for relief and penalties, that accrued during the PAGA Period, and as a result of
10 Class Members’ employment by Defendants in California, that arise under any law or administrative
11 order, rule, or other precedent that, , was pled based on the claims, allegations or facts alleged in the
12 operative Complaint under the PAGA, including civil penalties pursuant to §2698 *et seq.* for claims
13 of failure to pay wages, failure to pay minimum wages, failure to pay overtime wages, failure to
14 provide compliant meal periods and/or associated premiums, failure to provide compliant rest
15 periods and/or associated premiums, failure to provide accurate wage statements, failure to pay
16 wages timely at termination, failure to reimburse for business expenses and violations of California
17 Labor Code §§201, 202, 203, 204, 226(a), 226.7, 510, 512, 558, 1021.5, 1174, 1174.5, 1175, 1194,
18 1197, 1197.1, 1198, 2800, 2802, 2804 the applicable Wage Order of the Industrial Wage
19 Commission, and including attorneys’ fees or litigation costs.

20 1.29 “Released Parties” means Defendants R L M K, Inc. dba McDonald’s Restaurant;
21 Leapday Enterprise, Inc.; KAD Enterprises, LLC; Delph Enterprises, LLC; KAD91, Inc.; and each
22 of its parent companies, subsidiaries, related companies, affiliates, dbas, current and former
23 management companies, shareholders, members, agents (including any investment bankers,
24 accountants, insurers, reinsurers, attorneys and any past, present or future officers, directors and
25 employees) predecessors, successors, and assigns.

26 1.30 “Response Deadline” means the date that is forty-five (45) calendar days after the
27 date on which the Settlement Administrator initially mails the Class Notice to the Class Members,
28 which will be the deadline for a Class Member to Opt Out, dispute the number of Workweeks

1 credited to him or her, and/or object to the Settlement, and which will be indicated on the Class
2 Notice that is mailed to the Class Members.

3 1.31 “Request for Exclusion” means a written request to be excluded from the Settlement,
4 which must be made in writing submitted to the Settlement Administrator by mail, postmarked on
5 or before the Response Deadline, and which must contain the case name (*Kassandra Vasquez v.*
6 *RLMK, Inc. dba McDonald’s*, Tulare County Superior Court Case No. 280653), as well as the Class
7 Member’s full name, address, telephone number, last four (4) digits of his or her Social Security
8 number, signature, and a clear statement indicating that he or she seeks to exclude him or herself
9 from the Settlement.

10 1.32 “Settlement Administrator” means the third-party settlement administration firm,
11 ILYM Group, Inc.

12 1.33 “Final Approval Hearing” means a hearing set by the Court for the purpose of
13 determining the fairness, adequacy and reasonableness of the Settlement pursuant to class action
14 procedures and requirements and entering Judgment, and required under California Rule of Court,
15 Rule 3.769(a).

16 1.34 “Unknown Claims” means any Released Claims which the Class Representative does
17 not know or suspect to exist in her favor at the time of the entry of the Judgment, and which if known
18 might have affected the settlement with and release of Defendants.

19 1.35 “Updated Address” means a mailing address that was updated via a Reasonable
20 Address Verification, via an updated mailing address provided by the United States Postal Service
21 or a Class Member, via Skip Tracing, or via a Locator Service.

22 1.36 “Workweeks” are any calendar weeks (defined as Monday through Sunday) during
23 the Class Period in which a Class Member worked at least one shift. An individual’s total workweeks
24 will be determined as follows:

25 (a) For the time period of October 2, 2015 through October 4, 2020, the number of actual
26 workweeks for each Class Member will be provided based on Defendants’ internal employee
27 database:

28 (b) For the time period of October 5, 2020 through the end of the Class Period,

1 Defendants will provide the number of actual workweeks for each Class Member, if possible. If
2 Defendants do not have the technological capabilities of providing the actual workweeks for each
3 Class Member for this specified time period, then workweeks for each Class Member for this time
4 period will be determined by calculating the number of calendar weeks between October 5, 2020 or
5 the Class Member's start date, whichever one is later, to the earlier of the Class Member's end date
6 of employment or the Class Period end date.

7 (c) If a Class Member worked during both time periods identified in subsection 1.36(a)
8 and (b), the Settlement Administrator will take the sum of both numbers to determine the total
9 number of workweeks for each Class Member during the Class Period.

10 **2. Settlement Amount, Timing of Payments, Tax Reporting Obligations, and**
11 **Other Obligations of Defendants and the Settlement Administrator**

12 2.1 Defendants will fund the total Maximum Settlement Amount, along with the
13 Employer Taxes (which will be paid by Defendants separately and in addition to the Maximum
14 Settlement Amount). The Maximum Settlement Amount will be paid as follows: Defendants shall
15 deposit the required maximum payout of \$4,250,000.00 with the Settlement Administrator in one
16 installment no later than thirty (30) days after the Effective Date. If the Court's approval of this
17 settlement is overturned on appeal, all settlement funds deposited by Defendants with the Settlement
18 Administrator to date shall be refunded to Defendants within (14) days of the Court's order declining
19 to approve the settlement, and Defendants shall be excused from making any further settlement
20 payment installments.

21 2.2 The Settlement Administrator will administer the Settlement and perform any
22 function related to settlement administration at the agreed-upon instruction of both Class Counsel
23 and Defendants, including, and not limited to, establishing and maintaining a settlement website and
24 toll-free telephone line for Class Members to call with inquiries regarding the Settlement,
25 distributing the Class Notice, performing skip traces with respect to Class Notices that are returned
26 as undeliverable and without a forwarding address on or before the Response Deadline, receiving
27 and processing Requests for Exclusion and objections to the Settlement, adjudicating Class
28 Members' disputes regarding Workweeks, providing Class Counsel and counsel for Defendants

1 with weekly updates on the status of the settlement administration process (including the names and
2 percentages of Class Members who Opt Out or object), calculating and handling inquiries regarding
3 the calculation of the Individual Settlement Amounts, preparing a declaration to submit to the Court
4 that details the settlement notice administration process and identifies each Class Member who Opt
5 Out, and distributing the Maximum Settlement Amount. The actions of the Settlement
6 Administrator will be governed by the terms of this Stipulation. The Parties, through their counsel,
7 may provide written information needed by the Settlement Administrator pursuant to the
8 Stipulation. The Settlement Administrator (along with any of its agents) shall represent and warrant
9 that it will: (a) provide reasonable and appropriate administrative, physical and technical safeguards
10 for any personally identifiable information ("PII"), which it receives from Defendants; (b) not
11 disclose the PII to Class Counsel, Plaintiff, any party or third parties, including agents or
12 subcontractors, without Defendants' consent; (c) not disclose or otherwise use the PII other than to
13 carry out its duties as set forth herein; (d) promptly provide Defendants with notice if PII is subject
14 to unauthorized access, use, disclosure, modification, or destruction; and (e) continue to protect the
15 PII upon termination of its services.

16 2.3 The Parties agree to cooperate in good faith and to coordinate with each other and
17 the Settlement Administrator to carry out the terms of the Settlement, including, without limitation,
18 by providing reasonably available information regarding Class Members.

19 2.4 Defendants, through the Settlement Administrator, will distribute payments as
20 follows:

21 (a) Class Representative Enhancement Payment: Subject to Court approval, the
22 Named Plaintiff shall receive a service award as follows: \$7,500.00. Defendants agree not to oppose
23 the amount of the Named Plaintiff's and Class Representative's service award. Since it is the intent
24 of the Parties that the service award to the Named Plaintiff and Class Representative is for her
25 service to the Class Members, and not wages, the Claims Administrator will not withhold any taxes
26 from the service award. The Claims Administrator will report the service award on a Form 1099,
27 which it will provide to the Named Plaintiff and Class Representative and to the pertinent taxing
28 authorities.

1 (b) Attorneys' Fees and Litigation Costs: Class Counsel shall submit their
2 Application for Award of Attorneys' Fees and Costs to the Court before the Final Approval Hearing.
3 Class Counsel will seek attorneys' fees and costs in the amount of \$1,416,666.00, and actual costs
4 up to \$20,000.00, subject to proof and court approval. Class Counsel shall serve Defendants with
5 copies of all documents in support of their Application for Award of Attorneys' Fees and Costs.
6 The Claims Administrator will report the attorneys' fees and costs award on a Form 1099, which it
7 will provide to Class Counsel and to the pertinent taxing authorities. The failure of the court to
8 award the entire amount sought in attorneys' fees shall not impact the validity and enforceability of
9 the Agreement.

10 (c) Claims Administration Costs: Subject to Court approval, the Claims
11 Administrator shall be paid an amount which is expected to not exceed \$80,000.00 for all fees and
12 costs relating to the administration of this settlement, all tax document preparation, custodial fees
13 and accounting fees, all costs and fees associated with preparing, issuing, and mailing any and all
14 Class Notices, all costs and fees associated with computing, reviewing, and paying distributions
15 from the Maximum Settlement Amount, all costs and fees associated with preparing any tax returns
16 and any other filings required by any governmental taxing authority or agency, all costs and fees
17 associated with preparing any other notices, reports, or filings to be prepared in the course of
18 administering disbursements from the Maximum Settlement Amount, and any other costs and fees
19 incurred and/or charged by the Claims Administrator in connection with the execution of its duties
20 under this Stipulation.

21 2.5 No later than forty-five (45) calendar days after Effective Date and fifteen (15)
22 calendar days after the payment of funds to the Settlement Administrator, Defendants, through the
23 Settlement Administrator, and according to the terms, conditions and procedures set forth in
24 Paragraph 2.6 of this Stipulation, shall pay to each Participating Class Member their Individual
25 Settlement Amount and the PAGA portion of the Individual Settlement Amount corresponding with
26 the release of PAGA claims to the Class Members who have opted out of the non-PAGA portion of
27 the settlement. Each of the payments to Participating Class Members will be inclusive of interest
28 and penalties, including PAGA and wage statement penalties, and will be allocated as follows:

1 Twenty Percent (20%) to satisfaction of claims for unpaid wages; Eighty Percent (80%) to the
2 satisfaction of claims for interest and penalties. All payments to Opt Out Class Members for the
3 Released PAGA Claims shall be considered One Hundred Percent (100%) non-wages. All
4 settlement payments for wages shall be subject to required withholdings and deductions as W-2
5 wage payments. With regard to payments in settlement of claims for penalties and interest, these
6 payments shall be issued through a 1099 form and not subject to withholdings or deductions. The
7 Claims Administrator shall compute the Individual Settlement Amount for the Participating Class
8 Members as follows:

9 (a) The payment of the Individual Settlement Amounts will be calculated by
10 using the formula set forth in Paragraph 1.10.

11 (b) The payment of the PAGA penalties to Class Members of the PAGA Group
12 will be calculated using the formula set forth in Paragraph 1.18.

13 (c) The Parties agree that the above-described formula and distribution methods
14 are reasonable and fair in light of the Parties' investigation of the claims of the Class, and the relative
15 degree of uncertainty, risk of outcome of further litigation, and difficulties and delays inherent in
16 such litigation of these claims. The Parties further acknowledge and agree that the formula used to
17 calculate workweeks and individual settlement and other payments does not imply that all of the
18 elements of damages covered by the release are not being taken into account. The above formula
19 was devised as a practical and logistical tool to simplify the payment process.

20 2.6 Defendants, through the Claims Administrator, will report each payment made on
21 the Maximum Settlement Amount to government authorities including the Internal Revenue Service
22 as required by law, and it shall make all required deductions and/or withholdings. Defendants,
23 through the Claims Administrator, shall report payments for penalties and interest to the Internal
24 Revenue Service (and other relevant governmental agencies) as non-wage income in the year of
25 payment on a Form 1099, or similar form issued to the Participating Class Members in question.

26 2.7 To the extent that there are excess funds from uncashed checks or Class Members
27 who cannot be located, the Parties agree that such funds will escheat to the Controller of the State
28 of California in the name of the Class Member 180 days after the checks have been mailed to the

1 Class Members, unless the Court determines that such funds should be distributed to a *cy pres* or in
2 some other manner, whether by Code of Civil Procedure section 384 or other requirement.

3 **3. Procedure for Approval and Implementation of Settlement**

4 **3.1 Preliminary Approval**

5 3.1.1 The Class Representative, through her counsel of record, will file an
6 unopposed motion for preliminary approval of Settlement, seeking an order approving the
7 Settlement pursuant to the California Rule of Court, Rule 3.769(e), and this Stipulation will be filed
8 with the Court contemporaneously and/or as part of the motion. By way of the motion, the Class
9 Representative will request that the Court enter a Preliminary Approval Order, approving the
10 distribution of the Class Notice and scheduling the Final Approval Hearing (pursuant to California
11 Rule of Court, Rule 3.769(e)) for the purposes of determining whether to grant final approval of the
12 Settlement and enter Judgment in conformity with California Rule of Court, Rule 3.769(h). The
13 motion for preliminary approval of Settlement will be filed with the Court no later than thirty (30)
14 calendar days after receipt of the fully executed Stipulation by Class Counsel.

15 3.1.2 The Settlement will be void if the Court categorically refuses to enter the
16 Preliminary Approval Order in its entirety or in a substantially similar form; however, the Parties
17 are to take all reasonable steps to cure any non-material issues so as to avoid the Settlement being
18 void. A material deficiency would be any failure by the Court to approve the bargained for
19 settlement amount and release, and/or the allocation of the Individual Settlement Amount between
20 wages and penalties as set forth in this Settlement Agreement.

21 **3.2 Notice to Class Members**

22 3.2.1 No later than twenty (20) calendar days after the Settlement Administrator
23 receives the Class List, the Settlement Administrator will mail the Court-approved Class Notice to
24 all Class Members. The Class Notice will be mailed via first class mail through the United States
25 Postal Service. The envelope containing the Class Notice will bear the following phrase in bold
26 type, ¼ inch below the return address or ¼ inch above the addressee's address: RETURN SERVICE
27 REQUESTED. The envelope will also bear the following phrase in the bottom left hand corner:
28 IMPORTANT – R L M K, INC. CLASS ACTION SETTLEMENT INFORMATION. PLEASE

1 OPEN IMMEDIATELY. The Class Notice and its envelope or covering will be marked to denote
2 the return address of the Settlement Administrator as set forth in the Class Notice.

3 3.2.2 Defendants will prepare a list, in an electronically usable format for the
4 Settlement Administrator, containing for each Class Member, to the extent Defendants have such
5 information, the following: the full name; Last Known Address; social security number; total
6 number of actual workweeks from Defendants' employee database for Class Members from October
7 2, 2015 to October 4, 2020; and either the total number of actual workweeks from Defendants'
8 employee database from October 5, 2020 to the end of the Class Period, if possible, or Defendants
9 will provide dates of employment to help determine the number of workweeks from October 5, 2020
10 to the end of the Class Period, which are to be calculated in accordance with paragraph 1.36. ("Class
11 List"). By granting preliminary approval of the Settlement, the Court will be deemed to have
12 authorized Defendants to provide the Settlement Administrator with the Class List. Defendants will
13 provide the Class List to the Settlement Administrator within twenty-one (21) calendar days
14 following the Preliminary Approval Date.

15 3.2.3 For Class Members who were employees of Defendants as of the Preliminary
16 Approval Date, or 60 days after full execution, whichever date occurs first, the Settlement
17 Administrator will mail the Class Notice to the Last Known Address provided by Defendants. No
18 Reasonable Address Verification will be conducted for Class Members who were employed by
19 Defendants as of the Preliminary Approval Date, or 60 days after full execution, whichever date
20 occurs first,.

21 3.2.4 For Class Members who were not employed by Defendants as of the
22 Preliminary Approval Date, or 60 days after full execution, whichever date occurs first, prior to
23 mailing the Class Notice, the Settlement Administrator will undertake a Reasonable Address
24 Verification to ascertain the accuracy of the Last Known Address of the Class Member. To the
25 extent this process yields an Updated Address, that Updated Address will be treated as the Last
26 Known Address for purposes of this Stipulation and for Class Notice mailing.

27 3.2.5 If a Class Member is known to be deceased, the Class Notice for that deceased
28 Class Member will be mailed to the Last Known Address (or Updated Address, if applicable) of the

1 legal representative of the deceased Class Member's estate, to the extent known; otherwise, it will
2 be mailed to the Last Known Address (or Updated Address, if applicable) of the deceased Class
3 Member.

4 3.2.6 Unless the Settlement Administrator receives a Class Notice returned from
5 the United States Postal Service for reasons discussed below in this paragraph, on or before the
6 Response Deadline, that Class Notice will be deemed to have been mailed and received by the Class
7 Member to whom it was sent five (5) calendar days after the mailing. In the event that subsequent
8 to the first mailing of a Class Notice and on or before the Response Deadline, the Class Notice is
9 returned to the Settlement Administrator by the United States Postal Service without a forwarding
10 address, the Settlement Administrator will undertake a Skip Tracing on the Class Member to attempt
11 to ascertain the current address of the Class Member, and if such an address is ascertained, the
12 Settlement Administrator will undertake a single re-mailing of the Class Notice to any Updated
13 Address that is located for the Class Member, within three (3) business days of receipt of the returned
14 Class Notice, and the Class Notice will be deemed mailed and received at that point. In the event
15 that subsequent to the initial mailing of a Class Notice and on or before the Response Deadline, the
16 Class Notice is returned to the Settlement Administrator by the United States Postal Service with a
17 forwarding address for the Class Member, the forwarding address will be deemed the Updated
18 Address for the Class Member, the Settlement Administrator will undertake a single re-mailing of
19 the Class Notice to the Updated Address within three (3) business days of receipt of the returned
20 Class Notice, and the Class Notice will be deemed mailed and received at that point. The Settlement
21 Administrator will include a cover letter with any re-mailing to inform the Class Member that the
22 Class Notice was re-mailed and that he or she has the later of the Response Deadline or ten (10)
23 calendar days from the date on which the Class Notice was re-mailed (which shall be the date the
24 re-mailing of the Class Notice is postmarked) to Opt Out, object to the Settlement, and/or dispute
25 the number of Workweeks credited to him or her. Compliance with the procedures described in this
26 paragraph will constitute due and sufficient notice to Class Members of this Settlement and of the
27 Final Approval Hearing, and will satisfy the requirements of due process. Nothing else will be
28 required of or done by the Parties, Class Counsel, counsel for Defendants, or the Settlement

1 Administrator to provide notice of the Settlement and the Final Approval Hearing.

2 3.2.7 No later than seven (7) calendar days after the Response Deadline, the
3 Settlement Administrator will provide Class Counsel and counsel for Defendants with a declaration
4 attesting to completion of the notice process, including any attempts to obtain Updated Addresses
5 for, and the re-sending of, any returned Class Notices, to be filed with the Court by Class Counsel.

6 **3.3 Responses to the Notice of Class Action Settlement**

7 3.3.1 Disputing Workweeks: If a Class Member disagrees with the number of
8 Workweeks credited to him or her as set forth in his or her Class Notice, he or she must submit a
9 written dispute along with documentation that supports his or her belief that he or she should be
10 credited with a different number of Workweeks. The dispute must be submitted to the Settlement
11 Administrator by mail, postmarked on or before the Response Deadline. The dispute must contain
12 the case name and number of the Action (*Kassandra Vasquez v. RLMK, Inc. dba McDonald's*,
13 Tulare County Superior Court Case No. 280653), as well as the Class Member's name, address,
14 telephone number, last four (4) digits of his or her Social Security number, and signature. The
15 dispute must also contain a clear statement indicating that the Class Member disputes the number
16 of Workweeks credited to him or her. The Settlement Administrator will review the Workweeks
17 dispute and supporting documentation and make a determination based upon the submitted
18 documentation as to the validity of the Class Member's claim. If the Settlement Administrator needs
19 further information from Defendants concerning the Class Member's claim, the Settlement
20 Administrator will notify Defendants and request the needed information. Defendants' records will
21 be presumed determinative if there is a dispute over the dates of employment that the Class Member
22 worked as a non-exempt or hourly-paid employee in California, unless the Class Member has
23 submitted valid and compelling documentation to support his or her claim to a different number of
24 Workweeks than the number shown on the Class Notice. The Settlement Administrator will resolve
25 all disputes by applying the above standard, and the decision of the Settlement Administrator on any
26 such disputes will be final absent contrary order of the Court.

27 3.3.2 Entry of Appearance at Class Members' Own Expense: Pursuant to
28 California Rule of Court, Rule 3.766(d)(5), any Class Member who does not Opt Out may, if the

1 Class Member so desires, enter an appearance through counsel at his or her own expense, and will
2 be advised of this by way of the Class Notice. Class Members who choose to enter such an
3 appearance are responsible for any attorneys' fees or costs incurred as a result thereof.

4 3.3.3 Objections to Settlement: Class Members who do not Opt Out may object to
5 the Settlement by submitting a written objection to the Settlement to the Settlement Administrator,
6 postmarked no later than the Response Deadline. A written objection to the Settlement must be
7 signed by the Class Member and dated, and additionally state the Class Member's name, last four
8 (4) digits of his or her Social Security number, dates of employment as a non-exempt or hourly-paid
9 employee of Defendants in California, the case name and number of the Action (*Kassandra Vasquez*
10 *v. RLMK, Inc. dba McDonald's*, Tulare County Superior Court Case No. 280653), all legal and
11 factual bases for objection to the Settlement, whether the Class Member intends to appear at the
12 Final Approval Hearing, and whether the Class Member is represented by legal counsel (and if so,
13 identifying the legal counsel and providing said legal counsel's mailing address). Alternatively,
14 Class Member's may choose to voice their objections at the Final Approval Hearing. A Class
15 Member who objects to the Settlement will still be considered a Participating Class Member who is
16 subject to the Settlement.

17 3.3.4 Opting Out of Settlement: Class Members may elect to Opt Out of non-
18 PAGA portion of the Settlement and, thus, exclude themselves from the Settlement. Class Members
19 who wish to exercise this option must submit a timely and valid Request for Exclusion to the
20 Settlement Administrator, postmarked on or before the Response Deadline, in accordance with
21 Paragraph 3.2.6. If a valid Request for Exclusion is not received by the Settlement Administrator
22 from a Class Member on or before the Response Deadline, then that Class Member will be deemed
23 to have forever waived his or her right to Opt Out. The Class Notice will advise Class Members of
24 their option to Opt Out of the non-PAGA portion of the Settlement and will contain instructions on
25 how to do so. Class Members who do not Opt Out by submitting valid and timely Requests for
26 Exclusion will be deemed to be Participating Class Members, will be bound by the Settlement and
27 the Judgment entered based thereon. Class Members who Opt Out by submitting valid and timely
28 Requests for Exclusion will not be bound by the Settlement other than the release of Released PAGA

1 Claims, will not be entitled to any benefits thereunder other than a payment for the PAGA portion
2 for the Released PAGA Claims, or to make any objection to the Settlement.

3 3.3.5 If a Class Member submits both a Request for Exclusion and an objection
4 to the Settlement, the Request for Exclusion will be accepted and the objection will be disregarded.

5 3.3.6 The Parties agree that the Response Deadline will not be extended, and no
6 untimely submissions will be honored, under any circumstances, unless mutually agreeable by the
7 Parties and/or except to the extent permitted under Paragraph 3.2.6.

8 **3.4 Final Approval Hearing.**

9 3.4.1 After the Response Deadline, a Final Approval Hearing will be held before
10 the Court in order to: (1) determine whether the Court should grant final approval of the Settlement;
11 (2) consider objections to the Settlement; and (3) consider Class Representative's application for an
12 award of Attorneys' Fees and Costs to Class Counsel and the Service Payment to the Class
13 Representative. At the Final Approval Hearing, the Parties will request that the Court grant final
14 approval of the Settlement and enter the Final Approval Order and Judgment. The Parties will take
15 all reasonable efforts to secure entry of the Final Approval Order and Judgment. If the Court rejects
16 the Stipulation, fails to enter the Final Approval Order and Judgment, this Stipulation will be void,
17 and Defendants will have no obligation to make any payments under the Settlement, other than the
18 Settlement Administration Costs; however, the Parties and their counsel agree to make all
19 reasonable efforts to fix any issues that the Court cites for its non-approval as set forth in Paragraph
20 3.1.2.

21 **3.5 Releases**

22 3.5.1 Release by Participating Class Members. Upon the Effective Date, each of
23 the Participating Class Members (including the Class Representative) will be deemed to have, and
24 by operation of the Judgment will have fully, finally, and forever released, relinquished and
25 discharged Defendants and the Released Parties from any and all Released Claims.

26 3.5.2 Release of Released PAGA Claims by Participating Class Members and Opt
27 Out Members. Upon the Effective Date, each of the Participating Class Members and Opt Out Class
28 Members will be deemed to have, and by operation of the Judgment will have fully, finally, and

1 forever released, relinquished and discharged Defendants and the Released Parties from any and all
2 Released PAGA Claims during the PAGA Period.

3 3.5.3 Class Representative's General Release of Claims

4 i. In addition to those releases set forth in Paragraph 3.5.1 hereof, with
5 respect to any and all Released Claims, upon the Effective Date, the Class Representative will
6 expressly and will be deemed to have, and by operation of the Judgment will have, waived the
7 provisions, rights and benefits of California Civil Code § 1542 with respect to the Released Claims,
8 which provides as follows:

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

14 ii. In consideration for the Service Payment and as an inducement for
15 Defendants to enter into this Stipulation, with respect to the Class Representative only, the Released
16 Claims will additionally include any and all claims including Unknown Claims against Defendants
17 that accrued during the Class Period, but does not include claims for: age discrimination under the
18 Age Discrimination In Employment Act, unemployment insurance, workers' compensation benefits,
19 state disability compensation, previously vested benefits under any Employer-sponsored benefits
20 plan or claims under the Employment Retirement Income Security Act of 1974.

21 iii. The Class Representative(s) may hereafter discover facts in addition
22 to or different from those which he or she now knows or believes to be true with respect to the
23 subject matter of the Released Claims, but any such Class Representative(s), upon the Effective
24 Date, will be deemed to have, and by operation of the Judgment will have fully, finally, and forever
25 settled and released any and all Released Claims, known or unknown, suspected or unsuspected,
26 contingent or non-contingent, whether or not concealed or hidden, which then exist, or previously
27 have existed upon any theory of law or equity now existing or coming into existence in the future,
28 including, but not limited to, conduct which is negligent, intentional, with or without malice, or a
breach of any duty, law or rule, without regard to the subsequent discovery or existence of such
different or additional facts. The Class Representative acknowledges that the foregoing waiver was

1 separately bargained for and a key element of the Settlement of which this release is a part.
2 Notwithstanding any other provision of this Stipulation, the Parties recognize that because the only
3 Unknown Claims released by this Stipulation are those Unknown Claims that meet the definition of
4 Released Claims, the release effectuated by this Stipulation will not extend to Unknown Claims
5 other than those described in Paragraph 1.34 above.

6 **3.6 Termination of Settlement; Reasonable Steps to Cure.**

7 3.6.1 In the event that the Settlement is not be approved in its entirety by the Court,
8 or in the event that the Effective Date does not occur, Defendants will have the option to void the
9 Settlement, and in such case, no payments will be made by Defendants to anyone, other than the
10 cost of administration, in accordance with the terms of this Stipulation, and this Stipulation will be
11 deemed null and void with no effect on the Litigation whatsoever. Notwithstanding this provision,
12 the Parties agree to take all reasonable steps to cure any issues cited by the Court as reason for non-
13 approval of any matter(s) filed with the Court for preliminary and final approval. In the event that
14 more than five percent (5%) of the Class Members Opt Out by submitting timely and valid Requests
15 for Exclusion to the Settlement Administrator by the Response Deadline, Defendants will have the
16 right to terminate and void this Settlement; however, Defendants must notify Class Counsel, of its
17 intention to nullify the Settlement in writing by certified mail to James Hawkins of James Hawkins
18 APLC, 9880 Research Drive, Suite 200, Irvine, CA 92618, within three (3) weeks after the
19 expiration of the Response Deadline.

20 3.6.2 The Settlement is based on Defendants' representation that there were
21 approximately 340,000 Workweeks through September 28, 2020. Should the actual number of
22 Workweeks increase by more than ten percent (10%), Defendants, at their option may choose to (1)
23 increase the Gross Settlement Amount on a *pro-rata* basis equal to the percentage increase in the
24 number of Workweeks worked by the Class Members above 10%; (2) cut off the date of the Class
25 Period upon the date the total workweeks reach 374,000; or (3) void the settlement, however
26 Defendants would be responsible for administration costs incurred to date if they choose to void the
27 settlement.

1 **3.7 Miscellaneous Provisions.**

2 3.7.1 No Person will have any claim against Class Counsel, the Settlement
3 Administrator, or any of the Released Parties based on the payments made or other actions taken
4 substantially in accordance with the Settlement or further orders of the Court.

5 3.7.2 In the event that the Settlement is not substantially approved by the Court,
6 after all reasonable steps to cure have been exhausted, or the Settlement is terminated, cancelled,
7 declared void, or fails to become effective in accordance with its terms, or if the Judgment does not
8 become final, or to the extent cancellation is otherwise provided for in this Stipulation, the Parties
9 will resume the Litigation at that time as if no Stipulation had been entered. In such event, the terms
10 and provisions of the Stipulation will have no further force and effect with respect to the Parties and
11 will not be used in this Litigation or in any other proceeding for any purpose, and any Judgment or
12 order entered by the Court in accordance with the terms of the Stipulation will be treated as vacated.
13 Notwithstanding any other provision of this Stipulation, if the Court should fail to award attorneys'
14 fees to Class Counsel in the full amount provided for in this Stipulation, no order of the Court or
15 modification of any order of the Court concerning the amount of any attorneys' fees to be paid by
16 Defendants to Class Counsel pursuant to this Settlement will constitute grounds for cancellation or
17 termination of the Stipulation or grounds for limiting any other provision of the Judgment. It is
18 agreed that no order of the Court, including any order concerning attorneys' fees, may alter or
19 otherwise increase the Maximum Settlement Amount.

20 3.7.3 The Parties (a) acknowledge that it is their intent to consummate this
21 agreement; (b) agree to cooperate to effectuate and implement all terms and conditions of the
22 Stipulation and to exercise their best efforts to accomplish the foregoing terms and conditions of the
23 Stipulation; (c) agree to seek and to attempt to obtain preliminary and final approval by Court of the
24 Settlement; and (d) agree to reasonably work together to seek and attempt to obtain preliminary and
25 final approval of the Stipulation should the Court not grant approval upon the first presentation.

26 3.7.4 The Parties and attorneys agree to keep the Settlement confidential until the
27 Motion for Preliminary Approval of the Settlement is filed. Thereafter, the Parties will agree to make
28 no comments to the media or otherwise publicize the terms of the Settlement.

1 3.7.5 The Parties agree that they will not engage in making or publishing written
2 statements which are disparaging to the reputation of the other or their corporate parents and
3 affiliates.

4 3.7.6 The Stipulation compromises claims which were contested and the subject of
5 a good faith dispute, and it will not be deemed an admission by any of the Parties as to the merits of
6 any claim or defense. The Parties agree that the amounts paid in settlement of the Litigation and the
7 other terms of the Settlement were negotiated at arms-length and in good faith with sufficient
8 information by the Parties and reflect a settlement that was reached voluntarily after consultation
9 with competent legal counsel.

10 3.7.7 All of the exhibits to the Stipulation and material and integral parts hereof
11 and are fully incorporated herein by this reference.

12 3.7.8 The Stipulation may be amended or modified only by a written instrument
13 signed by or on behalf of all Parties or their respective counsel, subject to approval by the Court.

14 3.7.9 The Stipulation constitutes the entire agreement among the Parties hereto and
15 no representations, warranties or inducements have been made to any party concerning the
16 Stipulation or its exhibits other than the representations, warranties and covenants contained and
17 memorialized in such documents. Except as otherwise provided herein, each party will bear its own
18 costs.

19 3.7.10 The Parties understand and acknowledge that: (a) they have performed an
20 independent investigation of the allegations of fact and law made in connection with this Litigation;
21 and (b) even if they may hereafter discover facts in addition to, or different from, those that they
22 now know or believe to be true with respect to the subject matter of the Litigation as reflected in
23 this Settlement Agreement, that will not affect or in any respect limit the binding nature of this
24 Settlement Agreement. It is the Parties' intention to resolve their disputes in connection with this
25 Litigation pursuant to the terms of this Settlement Agreement and thus, in furtherance of their
26 intentions, the Settlement Agreement will remain in full force and effect notwithstanding the
27 discovery of any additional facts or law, or changes in law, and this Settlement will not be subject
28 to rescission or modification by reason of any changes or differences in facts or law, subsequently

1 occurring or otherwise. All documents of Released Parties disclosed in the course of mediation by
2 Defendants to Plaintiff, Plaintiff's counsel and any expert or anyone else in furtherance of the
3 mediation shall be returned to Defendants, and Plaintiff and any representative or related entity shall
4 not retain any copies of said documents.

5 3.7.11 Class Counsel, on behalf of the Class Members and on behalf of all alleged
6 aggrieved employees, is expressly authorized by the Class Representative to take all appropriate
7 action required or permitted to be taken by the Class pursuant to the Stipulation to affect its terms
8 and also expressly authorized to enter into any modifications or amendments to the Stipulation.
9 Plaintiff will properly exhaust and submit and make all required disclosures and seek all required
10 approvals, including under Labor Code section 2699(1)(1)-(4).

11 3.7.12 Each counsel or other Person executing the Stipulation or any of its exhibits
12 on behalf of any Parties hereby warrants that such Person has full and express authority to do so.

13 3.7.13 The Stipulation may be executed in one or more counterparts. All executed
14 counterparts and each of them will be deemed to be one and the same instrument. A complete set of
15 executed counterparts will be filed with the Court.

16 3.7.14 The Stipulation will be binding upon, and inure to the benefit of, the
17 successors and assigns of the parties hereto; however, this Stipulation is not designed to and does not
18 create any third-party beneficiaries unless otherwise specifically provided herein.

19 3.7.15 The Court will retain jurisdiction with respect to implementation and
20 enforcement of the terms of the Stipulation, and all parties hereto submit to the jurisdiction of the
21 Court for purposes of implementing and enforcing the Settlement embodied in the Stipulation, in
22 conformity with California Rules of Court, Rule 3.769 and California Civil Procedure Code section
23 664.6.

24 3.7.16 The Stipulation and the exhibits hereto will be considered to have been
25 negotiated, executed and delivered, and to have been wholly performed, in the State of California,
26 and the rights and obligations of the parties to the Stipulation will be construed and enforced in
27 accordance with, and governed by, the internal, substantive laws of the State of California without
28 regard to principles of conflicts of law.

1 3.7.17 The language of all parts of this Stipulation will in all cases be construed as
2 a whole, according to its fair meaning, and not strictly for or against either party. No party will be
3 deemed the drafter of this Stipulation. The Parties acknowledge that the terms of the Stipulation are
4 contractual and are the product of negotiations between the parties and their counsel. Each party
5 and their/its counsel cooperated in the drafting and preparation of the Stipulation. In any
6 construction to be made of the Stipulation, the Stipulation will not be construed against any party
7 and the canon of contract interpretation set forth in California Civil Code § 1654 will not be applied.

8 3.7.18 Should any deadlines set forth in the Stipulation require any action to be taken
9 on a weekend or a Court holiday, then the action may be taken on the next business day, unless
10 otherwise specified by law or rule of Court, except that should the Response Deadline (or
11 extension(s) thereof specified in the Stipulation relating to a deficiency notice or a re-mailing) fall
12 on a Saturday and regular U.S. Mail service is in operation that day, then no further extension
13 pursuant to this paragraph will apply to these specific deadlines.

14 DATED: , 2021 By: _____
15 Plaintiff Kassandra Vasquez

17 DATED: April 2 , 2021 By: 
18 Roger Delph
19 President of R L M K, Inc. dba McDonald's
Restaurant

20 DATED: April 2 , 2021 By: 
21 Name: Matt Delph
22 Its: President of Leapday Enterprise, Inc.

23 DATED: April 2 , 2021 By: 
24 Name: Roger Delph
25 Its: Manager of KAD Enterprises, LLC

26 DATED: April 2 , 2021 By: 
27 Name: Roger Delph
28 Its: Manager of Delph Enterprises, LLC

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DATED: April 2 , 2021 By:



Name: Kevin Delon
Its: Manager of KAD91, Inc.

APPROVED AS TO FORM

DATED: , 2021 By:

James Hawkins
Greg Mauro
Michael Calvo
James Hawkins, APLC
Attorneys for Plaintiff

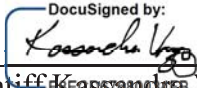


DATED: April 2 , 2021 By:

Katherine C. Den Bleyker
Raina Singer
Lewis Brisbois Bisgaard & Smith LLP
Attorneys for Defendants

3.7.17 The language of all parts of this Stipulation will in all cases be construed as a whole, according to its fair meaning, and not strictly for or against either party. No party will be deemed the drafter of this Stipulation. The Parties acknowledge that the terms of the Stipulation are contractual and are the product of negotiations between the parties and their counsel. Each party and their/its counsel cooperated in the drafting and preparation of the Stipulation. In any construction to be made of the Stipulation, the Stipulation will not be construed against any party and the canon of contract interpretation set forth in California Civil Code § 1654 will not be applied.

3.7.18 Should any deadlines set forth in the Stipulation require any action to be taken on a weekend or a Court holiday, then the action may be taken on the next business day, unless otherwise specified by law or rule of Court, except that should the Response Deadline (or extension(s) thereof specified in the Stipulation relating to a deficiency notice or a re-mailing) fall on a Saturday and regular U.S. Mail service is in operation that day, then no further extension pursuant to this paragraph will apply to these specific deadlines.

DATED: 4/3/2021, 2021 By:  Plaintiff Kassandra Vasquez

DATED: , 2021 By: Roger Delph
President of R L M K, Inc. dba McDonald's
Restaurant

DATED: , 2021 By: Name: _____
Its: _____ of Leapday Enterprise, Inc.

DATED: , 2021 By: Name: _____
Its: _____ of KAD Enterprises, LLC

DATED: , 2021 By: Name: _____
Its: _____ of Delph Enterprises, LLC

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DATED: _____, 2021 By: _____
Name: _____
Its: _____ of KAD91, Inc.

APPROVED AS TO FORM

DATED: April 1, 2021 By: 
James Hawkins
Greg Mauro
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