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

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF TULARE

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

Plaintiffs,

vs.

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

Defendants.

CASE NO. VCU280653

Assigned to the Hon. Nathan Ide

**DECLARATION OF JAMES HAWKINS
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: June 7, 2021
Time: 08:30 a.m.
Dept.: 2

DECLARATION OF JAMES HAWKINS

I, James Hawkins, declare as follows:

1. I am an individual over the age of 18. I am a partner at the law firm of James Hawkins, APLC. I am one of the attorneys of record for Plaintiff Kassandra Vasquez (hereinafter referred to as "Plaintiff" or "Class Representative"), who filed this action on behalf of the Class Members on or about October 2, 2019. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement, which Plaintiff filed concurrently herewith, along with the supporting Memorandum of Points and Authorities. I have personal knowledge of the facts set forth below, and if called to testify regarding them, I could and would do so competently.

2. Attached hereto as Exhibit 1 is a true and correct copy of the executed Settlement Agreement which the Parties ask the Court to approve. Attached as Exhibit A to the Settlement Agreement is a true and correct copy of the Notice of Class Action Settlement. Attached as Exhibit B to the Settlement Agreement is a true and correct copy of the Objection Form. Attached as Exhibit C to the Settlement Agreement is a true and correct copy of the Exclusion/Opt Out Form which the Parties have requested the Court approve for sending to the Settlement Class.

3. On October 2, 2019, Plaintiff Vasquez filed her class action complaint alleging claims (1) failure to pay minimum wages and overtime wages; (2) failure to provide meal breaks; (3) failure to authorize/permit rest breaks; (4) failure to timely pay wages; (5) failure to reimburse business expenses; and (6) unfair competition. On April 1, 2021 Plaintiff Vasquez submitted a PAGA notice to the LWDA in accordance with the requirements of Labor Code section 2699.3(a). The PAGA notice alleged that Defendant had violated various California Labor Code sections. The parties await the LWDA response if any to investigate the alleged violations. Plaintiff will file a First Amended Complaint which alleges claims under PAGA based on the same allegations and Labor Code provisions in the complaint and adding a claim for Labor Code section 226 wage statement violations. The Parties anticipate filing a stipulation to amend the complaint prior to the hearing on the motion for preliminary approval.

1 4. On September 28, 2020, Plaintiff Vasquez and Defendant attended a full-day
2 mediation with mediator Jeff Ross, but were not able to reach a settlement on that date. Plaintiff
3 Vasquez and Defendant continued to engage in informal settlement discussions with the assistance
4 of Jeff Ross, including having the financial documents of Defendant reviewed by Plaintiff's expert
5 CPA. During this process, the parties continued to negotiate, and ultimately mediator Jeff Ross
6 communicated a mediator proposal for \$4,250,000. On January 7, 2021, the parties accepted the
7 mediator proposal and ultimately negotiated the settlement, the terms of which are fully
8 memorialized in the Settlement Agreement.

9 5. Plaintiff's Counsel conducted a thorough investigation into the factual and legal
10 issues implicated by Plaintiffs' claims, and were able to objectively assess the settlement's
11 reasonableness. For example, prior to filing the action, Plaintiff contacted Plaintiff's Counsel to
12 discuss the factual bases for pursuing their actions against Defendant for Labor Code violations.
13 Plaintiff was intimately familiar with Defendant's labor policies and practices, and over the course
14 of multiple interviews, knowledgeably summarized those policies and practices to Plaintiff's
15 Counsel. During those conversations, Plaintiff's Counsel explained how the policies and practices
16 were instituted and provided valuable insight into how they gave rise to the alleged Labor Code
17 violations. Based on these interviews with Plaintiff, Plaintiff's Counsel determined that there were
18 legally sufficient grounds for pursuing the Actions against Defendant. And in preparation for
19 drafting the complaints, Plaintiff's Counsel conducted their own independent preliminary
20 investigations into the factual bases for Plaintiff's claims, which entailed, *inter alia*, a careful
21 examination of Plaintiffs' personnel files and associated records.

22 6. In response to Plaintiff's informal discovery requests, Plaintiff's Counsel received a
23 considerable amount of documents and data, including employee demographic data, time and pay
24 records, and Defendant's policies and procedures manuals which covered a broad range of topics
25 including, *inter alia*, employee clock-in policies and procedures, attendance policies, meal
26 periods/rest periods, overtime & premium pay, etc. and sampled time and pay records for
27 approximately 20% of the Class Members. The document and data exchanges allowed Plaintiff's
28 Counsel to fully assess the nature and magnitude of the claims being settled, as well as the

1 impediments to recovery, and ultimately enabled Plaintiff's Counsel so as to make an independent
2 assessment of the reasonableness of the settlement's terms.

3 7. In summary, Plaintiff's Counsel performed a thorough investigation into the claims
4 at issue, which included: (1) determining Plaintiffs' suitability as private attorneys general and
5 class representatives through interviews, background investigations, and analyses of their
6 employment files and related records; (2) evaluating all of Plaintiff's potential representative
7 claims; (3) researching similar wage and hour class actions as to the claims brought, the nature of
8 the positions, and the type of employer; (4) analyzing employees' time and wage records; (5)
9 reviewing Defendant's employment policies and practices; (6) researching settlements in similar
10 cases; (7) evaluating Plaintiffs' claims and estimating Defendant's liability for purposes of
11 settlement; (8) drafting the mediation brief; and (9) participating in the mediation.

12 8. By engaging in such a thorough investigation and evaluation of Plaintiff's claims,
13 Plaintiff's Counsel can opine that the Settlement, for the consideration and on the terms set forth
14 in the Settlement Agreement, is fair, reasonable, an adequate, and is in the best interests of Class
15 Members in light of all known facts and circumstances, including the risk of significant delay and
16 uncertainty associated with litigation, and various defenses asserted by Defendant.

17 9. Defendants deny any wrongdoing and deny liability with respect to the matters
18 alleged in the Complaint and believe that they have valid defenses to all of Plaintiffs' claims.
19 Defendants further contend that they complied with all wage and hour laws applicable to the
20 employment of Plaintiff and other Class Members. To date, no class has been certified and no
21 court has made any findings that Defendants engaged in any wrongdoing or in any wrongful
22 conduct, or otherwise acted improperly or in violation of any law, rule or regulation with respect
23 to any of the issues presented in this action.

24 10. Defendants operates fast food and quick service restaurants such as McDonalds and
25 is headquartered in Visalia, CA. Defendants operate approximately 27 locations in California.
26 Plaintiffs worked as a non-exempt employee performing various tasks relating to Defendants'
27 restaurant business.

28 11. Since the filing of the complaint, the Parties have exchanged extensive

1 informal discovery and engaged in numerous discussions regarding the factual and legal issues
2 surrounding this case. Throughout the litigation, Defendant produced thousands of pages of
3 information and thousands of lines of data, including policies, handbooks, payroll and time
4 records for approximately 20% of the class. Defendants also provided Plaintiff's personnel file,
5 records regarding documents identifying the non-exempt positions and information regarding the
6 number of employees holding these positions during the relevant time period. Defendant also
7 provided substantial information concerning the total number of potential class members, the
8 payroll data at issue, and the applicable hourly rates, workweeks and pay periods, and other
9 summary data related to the alleged class. The Parties have conducted themselves in informed,
10 good faith arms-length negotiations after conducting discovery and exchanging extensive evidence
11 and information about the claims and defenses of this lawsuit through informal discovery, and
12 engaging in pre-mediation discussions, telephone conferences, and correspondence all aimed at
13 settling their dispute.

14 12. In preparation for the mediations, Plaintiff reviewed the entire discovery produced.
15 The information had to be extrapolated and processed to figure out the amount of compensation
16 Plaintiffs contend are due to the Class. The evidence and information gathered and reviewed by
17 counsel provided a factual framework for a comprehensible and reliable damage model pertaining
18 to all Settlement Class Members. The mediation included discussions and examination of the
19 proposed Class and the Parties' respective positions on the legal and factual issues raised in the
20 Complaint.

21 13. As a result of the mediation, the Parties agreed to settle this matter for a Gross
22 Settlement Fund ("GSF") of \$4,250.00. The Class consists of any and all current and former hour-
23 paid non-exempt employees who worked for Defendants within the State of California at any time
24 from October 2, 2015 to the Preliminary Approval Date, or 60 days after full execution, whichever
25 dates occurs first. There are approximately 7,200 Class Member.

26 14. Plaintiff's counsel balanced the terms of the proposed Settlement against the risk of
27 litigation and probable outcome at the class certification stage, and if any Class were certified, at
28 trial. Based on their own respective independent investigations and evaluations, and after taking

1 into account the sharply disputed factual and legal issues involved in this matter, the risks
2 attending further prosecution of the case, and the monetary benefits received under the Settlement
3 despite the questionable nature of the claims, Plaintiff's counsel is of the opinion that Settlement
4 for the consideration and on the terms set forth in the Settlement Agreement is fair, reasonable and
5 adequate and is in the best interests of Plaintiff and the Class. Counsel for the Parties investigated
6 the applicable law as applied to the facts discovered regarding the claims of Plaintiff, Defendants'
7 defenses thereto and the damages claimed by Plaintiff on behalf of the Settlement Class.

8 15. I believe that the consideration and terms set forth in the Settlement Agreement are
9 fair, reasonable, and adequate and are in the best interests of the Settlement Class in light of all
10 known facts and circumstances, including the various defenses asserted by Defendant, and
11 numerous potential appellate issues. In addition, the prospect of a potential adverse summary
12 judgment ruling, as well as the uncertainty of class certification, the difficulties of complex
13 litigation, the lengthy process of establishing specific damages and various possible delays and
14 appeals, were also carefully considered in agreeing to the proposed Settlement.

15 16. The GSF includes, without limitation, attorneys' fees in an amount not to exceed
16 \$1,416,666.00 ("Attorneys' Fees") plus litigation costs according to proof not to exceed
17 \$20,000.00; (3) class representative service payment not to exceed \$7,500 to Plaintiff ("Service
18 Payment"); (4) all settlement administration fees and costs, including those of the Claims
19 Administrator not to exceed \$80,000.00 ("Claims Administration Fees"); (5) Penalties paid
20 pursuant to PAGA in the amount of \$187,500.00 of which seventy five percent (75%) or
21 \$187,500.00 will be paid the LWDA¹ and twenty five percent (25%) or \$62,500.00 will be included
22 in the Net Settlement Fund; and (5) all payroll taxes and all other applicable taxes, excluding the
23 employer's portion of the payroll taxes ("Payroll Taxes"). This is a non-reversion settlement.
24 After deductions, the Net Settlement Amount is estimated to be approximately \$2,475,834.

25 17. Fairness of the Settlement is demonstrated by the uncertainty and risks to Plaintiff

26 _____
27 ¹ The Motion for Preliminary approval along with a copy of the Settlement Agreement was
28 filed with the LWDA on May 13, 2021.

involved both in not prevailing on one or more of the causes of action or theories alleged in the operative Complaint and in non-certification, and if successful, Defendants dispute of the ability of Plaintiff to certify a class in this case. Defendants also argued it maintained lawful written policies that were provided to the class members. Yet, despite the defenses proffered by Defendants, the proposed Settlement commits Defendants to pay each Class Member a portion of the NSA. The amount to be paid to the Class is fair, adequate and reasonable given the significant risk to Plaintiff and the Class in continuing with the litigation and not prevailing on their claims at class certification or at trial or not being paid anything even if trial was successful.

18. The predominant claims in this action arise from alleged violations of California law with respect to Defendants' failure to provide meal periods and permit and authorize rest periods and failing to pay all wages earned for off the clock. Plaintiff alleges that these practices resulted directly from the implementation and enforcement of Defendants' own policies and practices.

19. Defendants argued that the employees were not performing any work during the meal periods and that the employees were required to take a meal period and let Defendants know if they did not take a meal period. Defendants further argued that any time unpaid was de minimis. Plaintiff alleges Defendants' practices resulted in non-de minimis time in favor of the employer. In *Troester v. Starbucks*, (2018) S234969, the California Supreme Court recently held that the de minimis doctrine adopted under the federal Fair Labor Standards Act (FLSA) does not apply to California employers. The Court held that the relevant wage order and statutes do not permit application of the de minimis rule on the facts given to us by the Ninth Circuit. Thus, Defendants were liable for unpaid time when class members did not take a full 30 minute lunch or worked off the clock otherwise. Here, such uncompensated time may have resulted in uncompensated overtime hours, and some of employees in the putative class worked overtime hours.

20. Plaintiffs also asserted Defendants failed provide meal periods or rest periods and that Defendants' rest rest period policy did not comply with California law. For instance, Plaintiff argued that Defendant does not authorize and permit a second rest break until 6.49 hours of work which is contrary to California law. Defendants' time keeping records, payroll records, and

1 review other relevant data points, were analyzed to come up with a damage model to determine
2 Defendants' exposure.

3 21. The Labor Code section 203 claim was uncertain given the defenses asserted for
4 the underlying meal and rest break claims and as a lack of evidence of the "willfulness" prong
5 necessary for a Labor Code §203 claim. Further, California's Second District Court of Appeals
6 in *Gustavo Naranjo, et al. v. Spectrum Security Services, Inc.* held that unpaid premium wages for meal
7 break violations do not entitle employees to additional remedies under the California Labor Code for
8 inaccurate wage statements or waiting time penalties. Class Counsel recognized these risks of an
9 adverse finding on certification as to these claims.

10 22. Class certification was somewhat uncertain given the numerous hurdles necessary
11 under the California Supreme Court decision in *Brinker Restaurant Corp. v. Superior Court*.
12 Plaintiffs also considered Defendants' arguments that subsequent decisions citing and relying on
13 the U.S. Supreme Court decision in *Wal-Mart v. Dukes*, 564 U.S. 338 (2011) arguably made it
14 more difficult to certify a class in this case based upon the need to demonstrate that common
15 issues are superior and could be dealt with in "one stroke" and that the "trial by formula" (*Duran*
16 *v. U.S. Bank* (2014) 59 Cal.4th 1172) could not satisfy such requirements based upon due process
17 grounds. However, Plaintiff disagreed that the subsequent decisions citing *Walmart*, applied to
18 the facts in this case. Additionally, Plaintiff believes the cases denying certification are
19 distinguishable and that the facts in this case are more akin to the facts in cases where certification
20 had been granted, Class Counsel recognize the risk of an adverse finding on certification and
21 considered and weighed this risk in determining to settle and compromise these claims. Lastly,
22 Plaintiffs believe the decisions in *Sav-On Drug Stores, Inc. v. Sup. Ct.* (2004) 34 Cal. 4th 319, 340
23 and *Bell v. Farmers Ins. Exchange*, (2004) 115 Cal. App. 4th 715 provide the applicable framework
24 for class certification trial by formula plans. See also *Duran v. Superior Court*, 2014 Cal. LEXIS
25 5569 (Cal. Aug. 13, 2014).

26 23. Further, beyond the risk of an adverse ruling on the merits or certification, Class
27 Counsel considered the fact that continued litigation would likely take years and would be
28 extremely expensive given the breadth and complexity of the claims. In this case, post-trial and

1 appellate proceedings are likely to occur, which will surely drag the case far into the future even
2 with a positive trial result. When facing a distant and unsure resolution of the allegations in this
3 action, the swift, sure and substantial Settlement is all the more reasonable. Avoiding such costly
4 litigation in favor of more immediate benefits to the Class was a consideration favoring settlement.
5 Given these realities, it is highly likely that the future expense of this litigation, and its likely
6 duration if the settlement is not approved, would be significant and weigh heavily in favor of
7 approval of this settlement.

8 24. The GSA is well within the acceptable range of reasonableness for the claims of the
9 Settlement Class Members. After analysis and review of Defendants' time and pay record
10 production and other payroll data, Class counsel estimates the overall value of the claims at
11 approximately **\$24,945,081** should Plaintiff prevail at the class certification stage and at trial and
12 survive any appeals. There are an estimated 340,000 workweeks during the class period,
13 approximately 1,250,000 shifts, and approximately 70,000 pay periods during the PAGA Period.
14 The value of the failure to pay wages including overtime were valued at approximately **\$714,600**
15 calculated as follows: 1,250,000 shifts x .08 hours shaved per shift x 0.6 shifts worked less than 8
16 hours x \$11.91 (average regular rate) = **\$714,600**. Defendants owe class members in premium
17 wages **\$2,679,750 for missed meal periods** (\$11.91 avg. regular rate x 0.18 eligible shifts x
18 1,250,000 shifts). Defendants owe class members in premium wages **\$2,118,515 for missed first**
19 **rest breaks** (\$11.91 avg. regular rate x 177,877 eligible shifts). Defendants owe to class members
20 **\$6,953,600 in wage statement violations** (69,536 pay periods x \$100). Defendants owe to class
21 members **\$9,001,816.2 in waiting time penalties** (4,420 employees x 5.7 hours per day x 30 days
22 x \$11.91 avg hourly rate). Defendants owe to class members **\$3,476,800 in PAGA penalties**
23 (69,536 pay periods x \$50). The reimbursement claim was analyzed and provided little to no value
24 as the employees were not systematically required to use their vehicle for work purposes.

25 25. As a result, the GSA of \$4,250,000 represents a reasonable recovery. The proposed
26 GSA is within the "ballpark of reasonableness" and should be approved. Counsel for Plaintiff
27 believe that this is a fair and reasonable Settlement in light of the complexities of the case, the
28 state of the law and uncertainties of class certification and litigation, the policies and practices

1 Defendants has had in place or implemented during the purported liability period, and the benefit
2 to be recovered for the Class. Given the risks inherent in litigation, this settlement is fair,
3 adequate, and reasonable and is in the best interests of the Settlement Class, and should be
4 preliminarily approved.

5 26. Based on the estimated Net Settlement Amount of \$2,475,834.00, provides on
6 average each Settlement Class Member with approximately \$344 per Class Member. The highest
7 amount a Settlement Class Member will receive is approximately \$2,037.00. To the extent any
8 amount for Attorneys' Fees, Costs, Claims Administration Costs or Enhancements are not
9 awarded, the difference in those amounts will be added to the NSA. This is a guaranteed amount
10 of money paid to Settlement Class Members now, rather than the continued risk of further
11 litigation and receiving no money sometime in the far future and after trial and appeals.

12 27. The Class Representative has provided extensive supporting documents and
13 assisted Class Counsel in developing information necessary to litigate and settle this case.
14 Plaintiff also conducted record review and consultation with counsel in preparation for discovery
15 and eventual mediation, and to assist in evaluating and proving the claims. The settlement
16 provides for a Payment to be paid to the Class Representative in the amount of \$7,500 subject to
17 Court approval. The purpose is to compensate the Class Representatives an additional enhanced
18 payment, taking into consideration the risks, time, effort and expenses incurred in coming forward
19 to provide invaluable information and negotiate and litigate this matter on behalf of all Settlement
20 Class Members who otherwise, would probably not file their own individual claims to recover
21 what may be relatively low damages. Further, the Payment of \$7,500.00 as a Service Payment to
22 the Class Representative is a very fair and justified as part of the Settlement based on the risks
23 Plaintiff has taken and benefits conferred upon the Settlement Class.

24 28. Class certification, as requested by the Parties for the purposes of the settlement
25 only, should be granted because Plaintiff allege that the proposed Settlement Class Members'
26 claims all stem from the same alleged conduct, i.e., that Defendant violated California law because
27 they: (1) it failed to pay wages including overtime; (2) failed to provide rest periods and meal
28 periods; (3) failed to timely pay wages; (4) engaged in unfair competition; and (5) derivative

1 penalties. In addition to compensatory damages, Plaintiffs and the Settlement Class seek
2 attorneys' fees, costs, and interest. Under these specific circumstances, the commonality
3 requirement for class certification is satisfied. The typicality requirement for certification is also
4 met as it is alleged that the Class Representatives and the proposed Settlement Class were
5 subjected to similar violations based upon similar conduct, policies and practices.

6 29. The adequacy requirement for certification is also met. The Class Representative
7 and Class Counsel have prosecuted this action vigorously on behalf of the Settlement Class. The
8 Class Representative will receive a reasonable award for the time and effort spent assisting Class
9 counsel with factual issues surrounding the case. Other than this specific payment to the Class
10 Representative, all of the Settlement Class Members will receive a proportionate share of the
11 NSA, as detailed above provided they do not exclude themselves. Further, all PAGA Members
12 during the PAGA Period will receive their pro rata share of PAGA Penalties. As a result, there is
13 no conflict of interest between the Class Representative and the Settlement Class Members.
14 Further, the NSA will be fairly distributed among Participating Class Members, and no
15 "settlement allocation" questions will be raised.

16 30. Common questions of law and fact predominate over individual questions and
17 class-wide treatment of this dispute is superior to individual litigation. Plaintiff alleges that the
18 proposed Settlement Class in this case is sufficiently cohesive, since all Settlement Class Members
19 share a common nucleus of facts and potential legal remedies, and since all of the Settlement Class
20 Members and the Class Representatives seek compensation for unpaid wages and other civil and
21 statutory penalties from Defendants for the allegations described in the Complaints. Common
22 questions about compensation or lack thereof for work performed by Settlement Class Members
23 and the Settlement Class Members' potential legal remedies are identical. The alternative method
24 of resolution is individual claims for relatively small amounts of damages, but individual cases
25 would be uneconomical for potential plaintiffs because the cost of litigation dwarfs potential
26 recovery. Therefore, a class action is the preferred method of resolution.

27 31. The class notice plan here calls for the Settlement ILYM Group, Inc.. to mail a
28 Notice of Proposed Class Action Settlement and Opt Out Form to all known and reasonably

1 ascertainable Settlement Class Members based on Defendants' records. Further, the Settlement
2 Administrator will conduct a skip-trace and use all reasonable efforts to locate Settlement Class
3 Members and will re-mail all returned envelopes with forwarding addresses. The notice is
4 consistent with the class certification notices approved by numerous state and federal courts, and
5 is the best notice practicable under circumstances of this case. The proposed Settlement Class
6 Members are ascertainable because all of the Settlement Class Members have worked for
7 Defendant during the Class Period and can be identified through Defendants' records.

8 32. The Notice also fulfills the neutrality requirement. It summarizes the proceedings
9 to date and the terms and conditions of the Settlement in an informative and coherent manner, and
10 is accurate, objective, and understandable to Settlement Class Members, as is required under
11 prevailing precedent. The Notice clearly states the Settlement does not constitute an admission of
12 liability by Defendant and recognizes the Court has not ruled on the merits. It also states the final
13 settlement approval decision has yet to be made. The Notice also clearly instructs the Settlement
14 Class Members on how to object or exclude themselves from the Settlement. Therefore,
15 Settlement Class Members will have the option to participate or exclude themselves simply by
16 mailing the Opt Out Form. The Settlement Class consists of non-exempt employees who speak
17 English. Thus, the Notice of Class Action and Exclusion Form are drafted in a manner that is
18 likely to be readily understood by the Settlement Class. Accordingly, the Notice complies with
19 the standards of fairness, completeness and neutrality required of a Notice of Class Action
20 Settlement. The Notice therefore is neutral, objective and understandable.

21 33. I have a great deal of experience in wage and hour class action litigation. I have
22 obtained certification of several classes, I have been approved as class counsel in many other
23 wage/hour class actions, and I am currently litigating numerous others. Although not an all
24 inclusive list, over the years I have prosecuted the following class action matters as lead and/or co-
25 lead counsel, all of which implicated similar law and facts to those associated with this action:

- 26 a. *Aguilar v. 7-Eleven, Inc., et. al.*, Orange County Superior Court- Case No.: 30-
27 2009-00268714-CU-OE-CXC. Certified Wage and Hour Class action seeking premium
28 wages for meal period and rest periods and resultant penalties. Class

1 Notice pending.

2 b. *Carey, et. al. v. Arthur J. Gallagher, et. al.*, USDC, SOUTHERN DISTRICT- Case
3 No.: 09-cv-0168. Wage and Hour Class action seeking past wages of overtime for mis-
4 classification of insurance claims adjusters employed by Gallagher Bassett, a third
5 party administrator (TPA) in the State of California. Certification granted. Plaintiffs'
6 counsel co-lead counsel. Case settled, Final Approval granted, no objections and funds
7 fully distributed.

8 c. *Dao v. 3M Company, et al.* USDC, CENTRAL DISTRICT, Case No. CV-08-
9 04554. Wage and Hour Class Action case seeking past wages for "off the clock",
10 overtime and meal and rest break violations for production workers in the State of
11 California. Plaintiffs' Counsel appointed as Lead Counsel. Case settled, Final
12 Approval granted, no objections and funds fully distributed.

13 d. *Ortiz v. Kmart*, USDC, CENTRAL DISTRICT, Case No. SACV 06-638 ODW.
14 Wage and Hour Class Action case seeking past wages for meal and rest period
15 violations for retail employees in the State of California. Plaintiffs' counsel appointed
16 co-lead counsel. Case settled, Final Approval granted, no objections and funds fully
17 distributed.

18 e. *Morgan v. Aramark Campus, LLC*, USDC, CENTRAL DISTRICT, Case No.
19 SACV08-00412. Wage and Hour Class Action case seeking past wages for meal and
20 rest period violations for retail employees in the State of California. Plaintiffs'
21 Counsel appointed as Lead Counsel. Case settled, Final Approval granted, no
22 objections and funds fully distributed.

23 f. *West v Iron Mountain Information Management, Inc, et. al.*; Los Angeles County
24 Superior Court, Case No. BC393709. Wage and Hour Class Action seeking past
25 wages for overtime, meal and rest break violations for driver employees in the State of
26 California. Settlement for "binding arbitration." Arbitration Award for Plaintiff Class.
27 Arbitration Award confirmed. Plaintiffs' counsel, lead trial counsel and class counsel.

28 g. *Gonzalez v. Superior Industries Inter, Inc., et al.*, Los Angeles County Superior

1 Court, Case No. BC 357912. Wage and Hour Class Action seeking past wages for
2 overtime, meal and rest breaks violations for production employees in the State of
3 California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval
4 granted, no objections and funds fully distributed.

5 h. *Acosta v. Fleetwood Travel Trailers of California, Inc.*, et al., Riverside County
6 Superior Court, Case No. RIC 440630. Wage and Hour Class Action seeking past
7 wages for overtime, meal and rest break violations for production employees in the
8 State of California. Plaintiffs' counsel appointed as co-lead counsel. Case settled,
9 Final Approval granted, no objections and funds fully distributed.

10 i. *Walker v. Sharkeez, et al.*, Orange County Superior Court, Case No. 05CC00293.
11 Wage and Hour Class Action seeking past wages for unlawful deductions, meal and
12 rest break violations for restaurant employees in the State of California. Plaintiffs'
13 counsel appointed as lead counsel. Case settled, Final Approval granted and funds
14 fully distributed.

15 j. *Padron v. Universal Protection Service, et al*, Orange County Superior Court, Case
16 No. 05CC00013. Wage and Hour Class Action seeking past wages for overtime, meal
17 and rest break violations for security officers in the State of California. Plaintiffs'
18 counsel appointed as co-lead counsel. Case settled, Final Approval granted, no
19 objections and funds fully distributed.

20 k. *Martinez v. Securitas Security Services USA*, et al., Santa Clara Superior Court,
21 Case No. 105-CV047499, et al. J.C.C.P. No. 4460. Wage and Hour Class Action
22 seeking past wages for meal and rest break violations for security officers employed by
23 defendant in the State of California. Plaintiffs' counsel and co-counsel. Case settled,
24 Final Approval granted and funds fully distributed.

25 l. *Velasquez-Lopez v. Hotel Cleaning Services, Inc.* et al., Riverside Superior Court,
26 Case No. RIC 420909. Wage and Hour Class Action seeking past wages for overtime,
27 meal and rest break violations for housekeepers employed by defendant in the State of
28 California. Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval

1 granted, no objections and funds fully distributed.

2 m. *Ruiz, et al. v. Unisource Worldwide, Inc., et al.*, USDC, CENTRAL DISTRICT,
3 Case No. CV09-05848. Wage and Hour Class Action seeking past wages for meal and
4 rest period violations for non-exempt employees employed by defendant in the state of
5 California. Case settled. Awaiting Preliminary Approval hearing. Plaintiff has
6 petitioned the Court for Lead Counsel.

7 n. *Herrador v. Culligan International Company, et al.*, USDC, CENTRAL
8 DISTRICT, Case No. SACV 08-680. Wage and Hour Class Action seeking past wages
9 for field and branch employees of defendant in the State of California. Plaintiffs'
10 counsel appointed as lead counsel. Case settled and awaiting Final Approval.

11 o. *Defries v. Domain Restaurants, et al.*, Orange County Superior Court, Case No.
12 05CC00128. Wage and Hour Class Action seeking past wages for restaurant
13 employees of defendant in the State of California. Plaintiffs' counsel appointed as lead
14 counsel. Case settled, Final Approval granted, no objections and funds fully
15 distributed.

16 p. *Denton v. BLB Enterprises, Inc., et al.*, Orange County Superior Court, Case No.
17 07CC01292. Wage and Hour Class Action seeking unpaid overtime, meal and rest
18 break violations for security guards employed by defendant in the State of California.
19 Plaintiffs' counsel appointed as lead counsel. Case settled, Final Approval granted, no
20 objections and funds fully distributed.

21 q. *Rios v. Sandberg Furniture Manufacturing Co., Inc, et al.*, Los Angeles Superior
22 Court, Case No. BC411477. Wage and Hour Class Action seeking unpaid meal and
23 rest break violations for production employees employed by defendant in the State of
24 California. Plaintiff counsel appointed as lead counsel. Case settled, Final Approval
25 granted, no objections and funds fully distributed.

26 r. *McMurray v. Dave and Busters, Inc., et al.*, Orange County Superior Court, Case
27 No. 06CC00099. Wage and Hour Class Action seeking past wages for meal and rest
28 break violations for restaurant employees employed by defendant in the State of

1 California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final
2 Approval granted, no objections and funds fully distributed.

3 s. *Osuna v. DFG Restaurants, Inc.*, et al., Los Angeles Superior Court, Case No. BC
4 330145. Wage and Hour Class Action seeking past wages of overtime for mis-
5 classification of managers employed by Defendant, DBA Carl's Jrs. in the State of
6 California. Plaintiffs' counsel appointed as co-lead counsel. Case settled, Final
7 Approval granted, no objections and funds fully distributed.

8 t. *Burns v. Gymboree Operations, Inc.*, et al., San Francisco Superior Court, Case No.
9 CGC-07-461612. Wage and Hour Class Action seeking past wages for meal and rest
10 break violations for retail employees employed by defendant in the State of California.
11 Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted, no
12 objections and funds fully distributed.

13 u. *Willems v. Diedrich Coffee, Inc.*, et al., Orange County Superior Court, Case No.
14 07CC00015. Wage and Hour Class Action seeking past wages of overtime for mis-
15 classification of managers employed by Defendant in the State of California.
16 Plaintiffs' counsel appointed lead counsel. Case settled, Final Approval granted, no
17 objections and funds fully distributed.

18 v. *Davila, et al. v. Beckman Coulter, Inc.*, et al., Orange County Superior Court, Case
19 No. 07CC01347. Wage and Hour Class Action seeking past wages for overtime, meal
20 and rest break violations for production workers employed by defendant in the State of
21 California. Plaintiffs' counsel appointed lead counsel. Case settled; final approval
22 granted; no objections and funds fully distributed.

23 w. *Perez v. Naked Juice Company of Glendora, Inc.*, Los Angeles Superior Court,
24 Case No. BC387088. Wage and Hour Class Action seeking past wages for overtime,
25 meal and rest period violations for production employees employed by defendant in the
26 State of California. Plaintiff counsel appointed as lead counsel. Case settled, Final
27 Approval granted, no objections and funds fully distributed.

28 34. Here, the Parties' agreement to pay Class Counsel Fees of 33.333% of the GSA is

1 reasonable. My firm and I have been the only counsel to represent Plaintiff and the Settlement
2 Class in this matter, and we have borne the entire risk and cost of this litigation on a pure
3 contingency fee basis. The legal issues raised drew significantly upon my experience and the
4 extensive review and analysis of documents and information by me and others at my firm and our
5 co counsel. In a complex action such as this, the proposed attorneys' fees are, at the very least, on
6 the low side of the market rate for contingency fees.

7 35. At this juncture, with the addition of more hours due to the administration of the
8 Settlement by Class Counsel, administration of the Settlement, and preparation for final approval,
9 the attorneys' fees exceed the requested amounts. To the extent the Court would like to receive
10 detail regarding the hours our firm has invested in this matter as Class Counsel, we will provide
11 this information to the Court in advance of the final approval hearing. Plaintiffs' counsel will file
12 a motion for attorneys' fees and costs to be heard concurrently with the motion for final approval
13 in accordance with the terms of the settlement agreement.

14 36. Despite the complexity of the case, Class Counsel has, through the investment of
15 substantial effort and the resources of my law firm been able to secure an outstanding settlement
16 on behalf of the Settlement Class. Plaintiff would have faced substantial legal and factual
17 obstacles in demonstrating that class certification was appropriate. Plaintiff would also have been
18 required to establish a significant amount of witness testimony, pattern and practice evidence,
19 statistical evidence, sampling evidence, expert testimony, and other evidence in order to present
20 their case both at the class certification stage and trial. Defendants vigorously contested liability,
21 the amount of claimed damages, and the propriety of class certification, and would have continued
22 to do so through trial. Accordingly, I believe the Settlement to be fair, reasonable, and adequate
23 and in the best interests of the Settlement Class. The fairness and adequacy of the Settlement is
24 confirmed by all known facts and circumstances, including the risk of significant delay and //

25 //

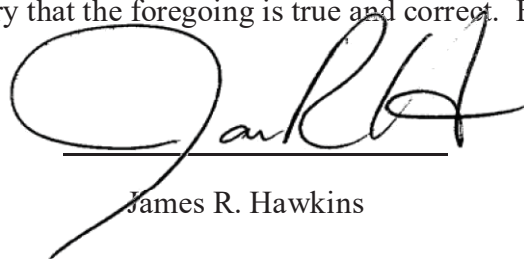
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1 uncertainty associated with litigation, the various defenses asserted by Defendant, and numerous
2 potential appellate issues.

3 I declare under penalty of perjury that the foregoing is true and correct. Executed on May
4 12, 2021 at Irvine, California.

A handwritten signature in black ink, appearing to read "James R. Hawkins", is written over a horizontal line. The signature is stylized with a large, looping initial "J" and a distinct "H".

James R. Hawkins

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Exhibit 1

1 **LEWIS BRISBOIS BISGAARD & SMITH LLP**

KATHERINE C. DEN BLEYKER, SB# 257187

2 E-Mail: Katherine.DenBleyker@lewisbrisbois.com

RAINA SINGER, SB# 323116

3 E-Mail: Raina.Singer@lewisbrisbois.com

633 West 5th Street, Suite 4000

4 Los Angeles, California 90071

Telephone: 213.250.1800

5 Facsimile: 213.250.7900

6 Attorneys for Defendant R L M K, INC. dba

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

1 JAMES HAWKINS APLC
2 James R. Hawkins, Esq. (#192925)
3 Gregory Mauro, Esq. (#222239)
4 Michael Calvo, Esq. (#314986)
5 9880 Research Drive, Suite 200
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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

16
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:

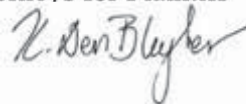


Name: Kevin Delon
Its: Manager of KAD91, Inc.

APPROVED AS TO FORM

DATED: , 2021 By:

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

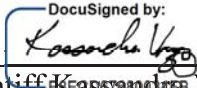


DATED: April 2 , 2021 By:

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
Michael Calvo
James Hawkins, APLC
Attorneys for Plaintiff

DATED: _____, 2021 By: _____
Katherine C. Den Bleyker
Raina Singer
Lewis Brisbois Bisgaard & Smith LLP
Attorneys for Defendants

EXHIBIT A

(Proposed Notice of Class Action Settlement)

Notice of Class Action Settlement

Kassandra Vasquez, individually and on behalf of the putative class,

Plaintiff,

v.

RLMK, Inc. dba McDonald's Restaurant; and DOES 1-50, Inclusive,

Defendants.

Superior Court of the State of California, for the County of Tulare

Case No. 280653

ELIGIBLE CLASS MEMBERS ARE HEREBY NOTIFIED AS FOLLOWS:

A proposed settlement (the "Settlement") has been reached in the above-referenced class action lawsuit currently pending in the Superior Court of the State of California, County of Tulare (the "Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice carefully.

As explained in more detail below, you do not need to take any action to participate in the Settlement and receive a check as your settlement payment, but you do have the option of requesting to be excluded from the Settlement, which is referred to as "opting out." If you do not timely opt-out, you will receive settlement funds and be bound by the release of any claims described in this Notice.

A. PURPOSE OF THIS NOTICE

The Court has certified for settlement purposes only the following class (the "Class"): All non-exempt, hourly employees in California employed by R L M K, Inc. dba McDonald's Restaurant; Leapday Enterprise, Inc.; KAD Enterprises, LLC; Delph Enterprises, LLC; and KAD91, Inc. at any time during the time period of October 2, 2015 through [date] (the "Class Period").

You are getting this notice because R L M K, Inc. dba McDonald's Restaurant; Leapday Enterprise, Inc.; KAD Enterprises, LLC; Delph Enterprises, LLC; and KAD91, Inc.'s (collectively referred to as "Defendants") records indicate that you are a Class Member—i.e., you were employed by one or more Defendants in California during the Class Period and or you were employed by one or more Defendants from October 5, 2015 through [date] and are considered a PAGA Member. This Notice is intended to inform you of the class action settlement and your options (i.e., participating or opting out). Individuals who do not opt out are referred to herein as a "Settlement Member." However, PAGA Members cannot opt-out of the PAGA allocation and PAGA release described below.

B. DESCRIPTION OF THE ACTION

Plaintiff alleges that Defendants did not provide Class Members with compliant meal and rest periods, did not pay all regular time and overtime wages due, did not pay wages timely during employment, did not pay all wages timely to discharged or quitting employees, failed to maintain accurate records, failed to furnish accurate wage statements, failed to reimburse employees for necessary business expenditures, and violated California's Unfair Competition Law. Plaintiff also pursues these claims under the Labor Code Private Attorney General Act ("PAGA"). Plaintiff's claim that Defendants owe the Class Members wages, penalties, restitution, liquidated damages, interest, plus attorneys' fees and court costs. Defendants dispute these allegations and believe they complied with the law. This dispute is referred to as the "Action."

The Parties engaged in significant efforts to obtain the facts regarding the claims asserted, including the production and review of hundreds of pages of documents, the provision of data points for the class during the relevant period including the total number of current and former employee class members, workweeks worked, and average rate of pay, the provision and analysis of time and payroll records of Class Members, and the exchange of detailed briefing regarding Plaintiff's claims. The Parties also engaged in a full day mediation session. The Parties disagree as to the probable outcome of the Action with respect to liability and damages if the Action were not settled. Each side recognizes that litigating is a risky and costly proposition and that each may not prevail on any or all of the claims.

This Settlement is the result of good-faith and arm's-length negotiations between Plaintiff and Defendants. Each side agrees that given the risks and expense associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and is in the best interests of the Class Members.

Please be advised that the Court has not ruled on the merits of the Plaintiff's claims or Defendant's defenses (which means the Court has not made a determination of who is right or wrong). Rather, the Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, and that any final determination of those issues will be made at the final hearing.

The attorneys for Class Members ("Class Counsel") are:

James Hawkins
Greg Mauro
Michael Calvo
James Hawkins APLC
9880 Research Drive
Irvine, California 92618

The attorneys for Defendants are:

Katherine C. Den Bleyker
Raina Singer
Lewis Brisbois Bisgaard & Smith LLP
633 West 5th Street, Suite 4000
Los Angeles California 90071

On [date of preliminary approval] the Court granted preliminary approval of this proposed Settlement of the Action. The Court will decide whether to give final approval to the proposed Settlement at a hearing scheduled for [INSERT DATE] ("Final Approval Hearing"). See below for details.

C. SUMMARY OF TERMS OF THE PROPOSED SETTLEMENT

Subject to the Court's approval, the terms of the Settlement are as follows:

1. The settlement amount is seven hundred eighty thousand dollars (\$4,250,000.00) (the "Settlement Amount") from which Defendant would pay: (a) a minimum of two million five hundred and forty eight thousand three hundred and thirty four dollars (\$2,548,334.00) for payment to Settlement Members, of which 20% shall for tax purposes be deemed wages subject to Form W-2 reporting, and 80% shall for tax purposes be deemed non-wages interest and penalties; (b) a maximum of one million four hundred and sixteen thousand six hundred and six dollars (\$1,416,666.00) (33% of the Settlement Amount) for the payment of Class Counsel's Attorney Fees; (c) a maximum of twenty thousand dollars (\$20,000.00) for the payment of Class Counsel's Costs; (d) one hundred eighty seven thousand five hundred dollars (\$187,500.00) to the State of California for its share of the Settlement Amount allocated for settlement of the PAGA claims; (e) sixty two thousand five hundred dollars (\$62,500.00) to be distributed to PAGA Members; (f) a maximum of seven thousand five hundred dollars (\$7,500.00) for the payment of a Class Representative Service Payment to the named Plaintiff; and (g) a maximum of seventy thousand dollars (\$70,000.00) for Settlement Administration Costs. The Settlement Amount shall not include employer payroll taxes due upon payment of the 20% allocated to wages payable to Settlement Class Members; employer payroll taxes are to be paid in addition to the

Settlement Amount. In the event that the maximum sums stated in subsections (b)-(f) are not approved and awarded by the Court, the unapproved and awarded sums shall be added to the Class Recovery (subsection (a)). The amount set forth above in subsection (a) is referred to herein as the "Class Recovery."

2. The Class Recovery will be allocated among Class Members who do not opt-out of this Settlement (or "Settlement Members") based upon calculations made using Defendants' records. Specifically, a participating Settlement Member's share of the Net Settlement will be calculated by dividing the number of workweeks that each participating Settlement Member worked within the Class Period by the total workweeks that all participating Settlement Members worked within the Class Period, and multiplying that fraction by the Class Recovery to determine that participating Settlement Member's total personal recovery. As noted, 20% of each Individual Settlement Member's Total Recovery shall for tax purposes be designated as wages and shall be reported using a Form W-2, and 80% of each Individual Settlement Member's Total Recovery shall for tax purposes be designated as non-wages and interest and shall be reported using a Form 1099.

3. Based on the foregoing methodology, the amount recovered by a Settlement Member will vary from an estimated \$ [redacted] to \$ [redacted]. The estimated amount you will receive under this settlement is \$ [redacted]. PLEASE NOTE that your Final Individual Settlement Member Total Recovery may be more or less than the average stated above based on the number of workweeks you worked and after accounting for all sums payable from the Settlement Amount.

4. PAGA Members will receive an additional amount based on the number of individual pay periods from October 5, 2015 to _____ ("PAGA Period"). The Claims Administrator will calculate the total Workweeks for all PAGA Members by adding the number of Workweeks worked by each PAGA Member during the PAGA Period. The respective Workweeks for each PAGA Member will be divided by the total Workweeks for all PAGA Members, resulting in the Payment Ratio for each PAGA Member. Each PAGA Member's Payment Ratio will then be multiplied by the employee portion of the PAGA Penalties to calculate each PAGA Member's estimated share of the PAGA Penalties. PAGA Members shall receive this portion of their Individual Settlement Payment regardless of whether they opt out of the participation regarding the class claims. Based on the foregoing methodology, the amount recovered by a PAGA Member will vary from an estimated \$ [redacted] to \$ [redacted]. The estimated amount you will receive under this settlement is \$ [redacted].

5. Each Class Member who does not request exclusion from the Settlement in accordance with Paragraph E below consents to the following release ("Release"):

I hereby fully, forever, irrevocably, and unconditionally release and discharge for the time period of October 2, 2015 through [date], Defendants, together with their parent companies, subsidiaries, related companies, affiliates, dbas, current and former management companies, shareholders, members, agents (including any investment bankers, accountants, insurers, reinsurers, attorneys and any past, present, or future officers, directors, and employees) predecessors, successors, and assigns (collectively referred to as the "Released Parties"), all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever including without limitation statutory, constitutional, contractual or common law claims, against the Released Parties (as defined below), and any of them, for relief and penalties, that accrued during the Class Period, and as a result of my employment by Defendants in California, that arise under any law or administrative order, rule, or other precedent that, pled based on the claims, allegations or facts alleged in the operative Complaint, including claims of failure to pay wages, failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and/or associated premiums, failure to provide compliant rest periods and/or associated premiums, failure to provide accurate wage statements, failure to pay wages timely at termination, failure to reimburse for business expenses, unfair competition, PAGA penalties and violations of California Labor Code §§201, 202, 203, 204, 226(a), 226.7, 510, 512, 558, 1021.5, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2800, 2802, 2804 the applicable Wage Order of the Industrial Wage Commission, civil penalties pursuant to §2698 *et seq.* and other related penalties, and California Business & Professions Code §§ 17200 to 17208, including without limitation all related claims for restitution and other equitable relief arising from California Business and Professions Code §§ 17200, *et seq.*, interest on unpaid wages, unpaid wages, attorneys' fees or litigation costs, and any other related claims and/or penalties, including civil penalties.

This release shall apply to all claims arising at any point between October 2, 2015 through [date] (“Released Claims”).

As for the Private Attorneys General Act claim, because the PAGA Members will not have the opportunity to opt out of, or object to, the PAGA Payment and release of the PAGA Claims, upon approval of the PAGA Payment, the PAGA Members shall be deemed to have released the PAGA Claims in accordance with the following paragraph:

I hereby fully, forever, irrevocably, and unconditionally release and discharge for the time period of October 2, 2015 through [date], Defendants, together with all Released Parties, for relief and penalties, that accrued during the Class Period, and as a result of my employment by Defendants in California, that arise under any law or administrative order, rule, or other precedent that was pled based on the claims, allegations or facts alleged in the operative Complaint under the PAGA, including civil penalties pursuant to §2698 et seq. for claims of failure to pay wages, failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant meal periods and/or associated premiums, failure to provide compliant rest periods and/or associated premiums, failure to provide accurate wage statements, failure to pay wages timely at termination, failure to reimburse for business expenses and violations of California Labor Code §§201, 202, 203, 204, 226(a), 226.7, 510, 512, 558, 1021.5, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, 2800, 2802, 2804 the applicable Wage Order of the Industrial Wage Commission, and including attorneys’ fees or litigation costs. (“PAGA Released Claims”)

D. TO PARTICIPATE IN THE SETTLEMENT

To participate in the Settlement, you do not need to take any further action. Upon final approval from the Court, you will receive a settlement check for an amount as described in paragraph C, above.

E. TO OPT-OUT OF THE SETTLEMENT

If you do not want to participate in the Settlement, you must complete and mail the enclosed Opt-Out Form to the Settlement Administrator. In order to be valid, your completed Opt-Out Form must be received by the Settlement Administrator with a postmark date on or before [INSERT DATE], at the following address: [INSERT SETTLEMENT ADMINISTRATOR ADDRESS]. If you properly submit a timely Opt-Out Form, you will not be eligible to receive any of the benefits under the Settlement. You will, however, retain whatever legal rights you may have against Defendant with regard to the claims set forth in the Release above.

If you are a PAGA Member, you will, however, receive your portion of the PAGA Member Payment and still be bound by the PAGA portion of the settlement in paragraph C.5 above.

F. TO OBJECT TO THE SETTLEMENT

If you do not request exclusion from the Settlement but believe the proposed Settlement is unfair or inadequate in any respect including but not limited to attorney fees and costs, you may object to the Settlement by completing the Objection Form that is included with this Notice and mailing a copy of his/her written objection to the Settlement Administrator at the address listed in the Notice Packet. An objecting Settlement Member must complete the Objection Form by stating the grounds of his/her objection to the settlement, signing and dating the form, printing his/her name, providing his/her full address, and mailing it to the Settlement Administrator via U.S. First Class Mail to the address found on the first page of the Notice Packet, postmarked by no later than [INSERT DATE].

You are also entitled to enter an appearance in this action through an attorney, at your own expense, if you so desire.

You cannot ask the Court to order a larger settlement; the Court can only approve or deny the settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

Any Class Member who does not object in the manner described above shall be deemed to have waived any objections, and shall forever be foreclosed from objecting to the fairness or adequacy of the proposed Settlement, the payment of attorneys' fees, litigation costs, the Class Representative Enhancement Payments, and any and all other aspects of the Settlement.

G. TAXES

For tax reporting purposes, any payments made to Settlement Members (excluding Class Representative Enhancement Payments) shall be allocated as follows: (a) 20% as wages; and (b) 80% as non-wages and interest. If you opt out of the settlement your PAGA payment will be treated as 100% non-wages and interest. All other payments made pursuant to this Agreement shall be deemed non-wages, and will be reported using an IRS Form 1099. If you have any questions regarding the tax treatment of any payments pursuant to the Settlement, you should consult your own tax advisor at your own expense. Defendants make no representation as to the tax treatment or legal effect of the payments called for hereunder, and cannot and do not provide you tax advice in this regard.

H. FINAL APPROVAL HEARING ON PROPOSED SETTLEMENT

The Court will hold a Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, the administrative costs, and the Class Representative Enhancement Payments on [INSERT DATE AND TIME] in Department 1 of the Superior Court of the State of California, County of Tulare, located at 221 S. Mooney Blvd., Visalia, CA 93291.

I. ADDITIONAL INFORMATION

It is important for the Parties to have your current address in order to be able to send you other mailings regarding the Action. You should contact the Settlement Administrator to report any change of your address after you receive this Notice.

This Notice only summarizes the Action, the Settlement, and other related matters. Please do not contact the Court or the Court Clerk about this notice. For additional information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement, which is on file with the Court and attached to the Declaration of Greg Mauro in Support of Motion for Preliminary Approval of Class Action Settlement filed on [INSERT DATE], 2021 and available to be inspected at any time during regular business hours at the Clerk's Office at the Tulare County Superior Court – Visalia County Civic Center Courthouse located at 221 S. Mooney Blvd., Visalia, California 93291. You may also review the pleadings, records, and other papers on file in this lawsuit online at <https://www.>, or at the office of the clerk of the Superior Court of California, County of Tulare, located at 221 S. Mooney Blvd., Visalia, California 93291. You may also contact the Class Administrator at:

[INSERT ADMINISTRATOR INFORMATION
TOLL-FREE PHONE NUMBER
E-MAIL ADDRESS]

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE.

THIS NOTICE IS NOT A RECOMMENDATION BY THE COURT AS TO ANY ACTION YOU SHOULD OR SHOULD NOT TAKE.

******THIS IS NOT AN ADVERTISEMENT FROM A LAWYER******

EXHIBIT B

(Objection Form)

Vasquez v. RLMK, Inc. dba McDonald's
Superior Court of the State of California, County of Tulare
Case No. 280653

OBJECTION FORM

THIS FORM IS TO BE USED ONLY IF YOU OBJECT TO THE TERMS OF THE SETTLEMENT. IF YOU OBJECT TO THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY AND IN ITS ENTIRETY, AND YOU MUST MAIL BY FIRST CLASS U.S. MAIL OR FAX TO THE SETTLEMENT ADMINISTRATOR SO THAT IT IS POSTMARKED ON OR BEFORE [RESPONSE DEADLINE].

DO NOT SUBMIT THIS FORM IF YOU WISH TO EXCLUDE YOURSELF FROM THE SETTLEMENT.

Vasquez v. RLMK, Inc. dba McDonald's
Case Number 280653
Administration Center
c/o Settlement Administrator

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. Any objection must describe the nature of and basis for the objection, and any other information that you would like the Court to consider.

I OBJECT to the *Vasquez v. RLMK, Inc. dba McDonald's* Settlement on the following grounds
(if additional space is necessary, please include additional sheets of paper):

Executed on _____, 2021

(Signature)

(Print Name)

(Address)

(City, State and Zip Code)

EXHIBIT C

(Exclusion Form)

Vasquez v. RLMK, Inc. dba McDonald's
Superior Court of the State of California, County of Tulare
Case No. 280653
CLASS MEMBER REQUEST FOR EXCLUSION FORM

As explained in the Notice of Class Action Settlement, the Court has preliminarily certified a class in the above-entitled action of which you may be a member. **If you are a member of the class described in the Notice of Class Action Settlement, and if you do not wish to participate in the class, you must submit this Request for Exclusion Form confirming your desire to exclude yourself from the class. If you submit this Request for Exclusion Form, you will not receive any settlement payment under the Settlement Agreement, however you will not have the opportunity to opt out of, or object to, the PAGA Payment and release of the PAGA Claims. Upon receipt of the PAGA Payment, you shall be deemed to have released the PAGA claims for civil and statutory penalties, and any other interest, liquidated damages, attorney's fees and costs under PAGA.**

This Request for Exclusion Form must be filled out, signed, and mailed by first class mail, with a post mark dated no later than [REDACTED], 2021 to:

Vasquez v. RLMK, Inc. dba McDonald's
Case Number 280653
Administration Center
c/o Settlement Administrator

[REDACTED]
[REDACTED]
[REDACTED]

Please type or print in ink the following information:

1. I, _____, **DO NOT** wish to participate the above lawsuit.
2. My present address is: _____
Street Number, City, State, Zip Code
3. My home phone number is: (____) _____ – _____
4. The last four digits of my social security number are: xxx – xx – _____
5. I am a member of the Settlement Class described in the Notice of Class Action Settlement. I do not wish to participate in the class and settlement and hereby opt out of (request exclusion from) the class and settlement. I understand and acknowledge that I will not be bound by judgment in the case of *Vasquez v. RLMK, Inc. dba McDonald's* with respect to any legal claims and am free to pursue an individual claim, if any, against the Defendants in the

lawsuit. I further understand and acknowledge that I will not be entitled to receive the benefits of the class action settlement.

Signature

Signed on _____, at _____, _____
Date City, State