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Attorneys for Plaintiff Salvador Ochoa,
individually, and on behalf of all other similarly situated
current and former employees of Defendants

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

SALVADOR OCHOA, individually, and on
behalf of all other similarly situated current
and former employees of Defendants,

Plaintiff,

v.

CKE RESTAURANTS HOLDINGS, INC.,
a Delaware Corporation; CARL'S JR.
RESTAURANTS, LLC, a Delaware
Corporation; CARL'S JR. FUNDING, LLC,
a Delaware Corporation; and DOES 1
through 50, inclusive,

Defendants.

And Consolidated Case.

Case No.: BC623041
Consolidated Case No. BC686601

*Assigned for all purposes to the
Honorable Amy D. Hogue, Dept. 7*

**FIRST AMENDED STIPULATION AND
SETTLEMENT OF CLASS ACTION AND
PAGA CLAIMS**

Complaint Filed: 6-8-2016
Trial Date: None

1 This binding First Amended Stipulation and Settlement of Class Action and PAGA
2 Claims is made by and between Salvador Ochoa and Hermelinda Aguilar, individually
3 and on behalf of the State of California and all employees similarly situated (hereafter
4 collectively referred to as “Named Plaintiffs”), and CKE Restaurants Holdings, Inc.
5 (“CKE”), Carl Karcher Restaurants LLC, and Carl’s Jr. Funding, LLC (hereafter
6 collectively referred to as “CKE Entities”), on the other hand (all collectively referred to
7 as “the Parties”). In exchange for the promises detailed below, Named Plaintiffs and CKE
8 Entities have agreed to settle the consolidated class action matter *Salvador Ochoa and*
9 *Hermelinda Aguilar v. CKE Restaurants Holdings, Inc., Carl’s Jr. Restaurants LLC,*
10 *Carl’s Jr. Funding LLC, and Does 1 through 50*, Case Nos. BC623041 & BC686601,
11 Superior Court of the State of California, County of Los Angeles.

12 I. DEFINITIONS

13 As used herein, the following terms are defined as:

14 1. “Administration Costs” means the portion of the Gross Settlement Amount
15 authorized by the Court to be paid to the Settlement Administrator. “Administration
16 Costs” includes all actual and direct costs reasonably incurred by the Settlement
17 Administrator in administering the Settlement. The Settlement Administrator will charge
18 no more than one hundred ten thousand dollars (\$110,000.00) in Administration Costs for
19 its services.

20 2. “Agreement,” “Settlement,” or “Stipulation” mean this First Amended
21 Stipulation and Settlement of Class Action and PAGA Claims.

22 3. “Attorney Cost Award” means the portion of the Gross Settlement Amount
23 authorized by the Court to be paid to Class Counsel for costs expended in prosecuting the
24 Lawsuit.

25 4. “Attorney Fee Award” means the portion of the Gross Settlement Amount
26 authorized by the Court to be paid to Class Counsel for the services rendered in
27 prosecuting the Lawsuit.

28 5. “CKE Counsel” means Luanne Sacks of Sacks Law Office, Robert Bader of

1 Ricketts Case, LLP, and Tyler Woods of Fisher & Phillips LLP.

2 6. "Class" means all hourly paid non-exempt persons (regardless of job title or
3 role) employed by CKE Entities at a Carl's Jr. corporate owned restaurant location in
4 California at any time beginning June 8, 2012 through and including July 17, 2021. The
5 Class excludes those persons who have previously entered into a settlement with, and
6 previously released, CKE Entities with regard to the Released Claims.

7 7. "Class Claims" means all Released Claims, except for the PAGA Claims.

8 8. "Class Counsel" and "Plaintiffs' Counsel" mean and refer to Rastegar Law
9 Group, A.P.C and Farzad Rastegar and Douglas W. Perlman, of Rastegar Law Group,
10 A.P.C.; and Mahoney Law Group, A.P.C., and Kevin Mahoney and Katherine Odenbreit
11 of Mahoney Law Group, A.P.C.

12 9. "Class Member" means each member of the Class and their agents, assigns,
13 beneficiaries, heirs, guardians, and legal representatives.

14 10. "Class Member List" means a list including the names of all Class Members
15 along with:

- 16 a. The number of workweeks during which each Class Member recorded time
17 worked for any CKE Entity during the Class Period, excluding any
18 workweeks worked by any member of the settlement class and subclasses in
19 the cases captioned *Cubias v. Carl Karcher Enterprises, Inc.* (Judicial
20 Council Coordination Proceeding 4537 pending in the Santa Barbara
21 Superior Court); and *Duarte v. Carl Karcher Enterprises, Inc. / Patel, et al.,*
22 *v. Carl Karcher Enterprises, Inc.* (Judicial Coordination Proceeding 4949
23 pending in the Los Angeles Superior Court) during the Class Period.;
24 b. The last-known address, all phone number(s) and all email addresses that
25 the relevant CKE Entities have for each Class Member; and
26 c. The Social Security number associated with each Class Member.

27 11. "Class Period" means the time beginning June 8, 2012 through and
28 including the date Preliminary Approval of the Settlement is granted or July 17, 2021,

1 whichever is first.

2 12. “Complaint” means the operative consolidated complaint filed by the
3 Named Plaintiffs in the Lawsuit.

4 13. “Court” means the Superior Court of the State of California for the County
5 of Los Angeles to which the Lawsuit is currently assigned.

6 14. “Effective Date” means the following: If there are no objections to the
7 Settlement at the time that the Court grants Final Approval, or if any objections are made
8 and then withdrawn by the time that the Court grants Final Approval, the Effective Date
9 will be the date on which the Court enters Judgment and Final Approval of the Settlement.
10 If there are any objections which are made and not withdrawn by the time the Court grants
11 Final Approval, the Effective Date will be the date upon which the time to appeal the
12 Judgment has expired and no appeal has been filed; or, in the event of an appeal, the date
13 on which the Judgment of the Court is affirmed and all further appeal opportunities have
14 expired or been exhausted.

15 15. “Employer Taxes” means CKE’s share of corporate federal, state, and/or
16 local payroll taxes that is owed on the portion of any Settlement Class Member’s
17 Individual Settlement Payment that is attributed to claims for unpaid wages. “Employer
18 Taxes” will be paid separately from and in addition to the Gross Settlement Amount.

19 16. “Final Approval Hearing” means the hearing at which the Court considers
20 whether to approve the Settlement and to enter the Final Approval Order.

21 17. “Final Approval Order” or “Final Approval” means the Court’s Order
22 granting Final Approval of the Settlement. As set forth herein, when filing the motion for
23 Final Approval (“Final Approval Motion”), Plaintiffs shall submit to the Court a proposed
24 order substantially in the form of **Exhibit 4** hereto.

25 18. “Gross Settlement Amount” means the total amount that CKE Entities will
26 be required to pay by this Settlement as set forth in paragraph 49 herein.

27 19. “Incentive Award” means the portion of the Gross Settlement Amount
28 authorized by the Court to be paid to the Named Plaintiffs, in recognition of their efforts

1 in assisting with the prosecution of the Lawsuit on behalf of the Class Members and in
2 return for executing a General Release of all Claims against Released Parties in the form
3 of **Exhibit 1** hereto concurrently with the Final Approval Motion.

4 20. “Individual Settlement Payment” means the amount to be paid to an
5 individual Settlement Class Member from the Net Distribution Amount as set forth in this
6 Agreement.

7 21. “Judgment” means the final judgment approving the Settlement consistent
8 with California Rule of Court 3.769(h).

9 22. “Lawsuit” means the consolidated case captioned *Salvador Ochoa and*
10 *Hermelinda Aguilar v. CKE Restaurants Holdings, Inc., Carl’s Jr. Restaurants LLC,*
11 *Carl’s Jr. Funding LLC, and Does 1 through 50*, Case Nos. BC623041 & BC686601,
12 Superior Court of the State of California, County of Los Angeles.

13 23. “LWDA Payment” means seventy-five (75%) of the PAGA Payment to be
14 paid by the Settlement Administrator to the California Labor and Workforce Development
15 Agency (“LWDA”) from the Gross Settlement Amount fifteen (15) calendar days after
16 CKE Entities fund the Gross Settlement Amount consistent with the terms of this
17 Agreement.

18 24. “Net Distribution Amount” means the Gross Settlement Amount, as set
19 forth in paragraph 49 herein, less 1) the PAGA Payment; 2) any Attorney Fee Award; 3)
20 any Attorney Cost Award; 4) any Incentive Awards; and 5) Administration Costs.

21 25. “Notice” or “Notice Packet” means the “Notice of Class Action Settlement”
22 to be distributed to Class Members pursuant to the terms of this Agreement.

23 26. “PAGA Claims” means Named Plaintiffs’ representative claims seeking
24 penalties, attorneys’ fees and costs pursuant to Labor Code Private Attorneys General Act
25 of 2004, Labor Code section 2698, et seq. (“PAGA”) as set forth in Plaintiff Ochoa’s
26 notice to the LWDA dated February 24, 2016 and in Plaintiff Aguilar’s notice to the
27 LWDA dated October 4, 2017 and incorporated by reference into the Complaint,
28 including for alleged violations of Labor Code sections 201-203, 226, 226.7, 510, 512

1 1174, 1174.5, 1194, 1197, and 2802 alleged to have occurred during the PAGA Period.

2 27. “PAGA Individual Payment” means the amount to be paid to PAGA
3 Settlement Group Member from the PAGA Payment as set forth in this Agreement.

4 28. “PAGA Payment” means the portion of the Gross Settlement Amount
5 allocated to settle the PAGA Claims.

6 29. “PAGA Period” means the time period between June 8, 2015 through and
7 including July 17, 2021.

8 30. “PAGA Settlement Group Members” means all Class Members who worked
9 for CKE Entities during the PAGA Period. There are an estimated 14,800 PAGA
10 Settlement Group Members.

11 31. “Preliminary Approval Date” means the date that the Court enters the
12 Preliminary Approval Order.

13 32. “Preliminary Approval Hearing” means the hearing on Plaintiffs’
14 Preliminary Approval motion (“Preliminary Approval Motion”).

15 33. “Preliminary Approval Order” or “Preliminary Approval” means the Order
16 issued by the Court preliminarily approving the terms of the Settlement set forth in this
17 Agreement. As set forth herein, when filing the Preliminary Approval Motion, Named
18 Plaintiffs shall submit to the Court a proposed order substantially in the form of **Exhibit 3**
19 hereto.

20 34. “Released Claims” is defined as follows: all claims, injuries, demands,
21 losses, damages, liquidated damages, punitive damages, exemplary damages, statutory
22 damages, costs, expenses, restitution, compensation, equitable relief, wages, interest,
23 penalties, suits, causes of action, attorneys’ fees, obligations, rights, and liabilities of any
24 nature, type, or description, whether known or unknown, contingent or vested, in law or in
25 equity, in tort, contract, or for violation of any state or federal constitution, statute, rule, or
26 regulation, based on direct or vicarious liability, and regardless of legal theory, that relate
27 to, are based on, concern, or arise out of any of the allegations that were asserted or could
28 have been asserted based on the facts alleged in the Lawsuit individually and on a class-

1 wide basis against the Released Parties. The Released Claims include all causes of action
2 that were delineated in the Lawsuit as well as all causes of action arising out of or that
3 could have been pled based on the facts pleaded in the Lawsuit but which were not
4 specifically delineated as a cause of action in the Lawsuit. The Released Claims include
5 claims covered by: the California Labor Code, and in particular § 200 *et seq.*, including §§
6 201 through 204, 210, 212, 218, 218.5, 218.6, 223, 226, 226.7, and 227.3, §§ 245-250, §
7 300 *et seq.*, § 400 *et seq.*, including §452, § 500 *et seq.*, including §§ 510 and 512, §§
8 1174 and 1174.5, §§ 1194, 1194.1, 1197, 1198, and 1198.5, § 2802, and § 2810.3; the
9 California Unfair Practices Act, codified at California Business & Professions Code §§
10 17000 *et seq.*; California Business & Professions Code §§ 17200 *et seq.*; California Code
11 of Civil Procedure § 1021.5; and any other applicable provision of the California Labor
12 Code or any applicable California Industrial Welfare Commission Wage Orders, in all of
13 their iterations to the fullest extent permitted by law.

14 35. “Released Parties” means CKE Entities and each of their respective current,
15 former, and future parent companies, subsidiaries, divisions, and current and former
16 affiliated individuals and entities, legal successors, predecessors (including companies
17 they have acquired, purchased, or absorbed), assigns, joint ventures, and each and all of
18 their respective officers, partners, directors, owners, stockholders, servants, agents,
19 shareholders, members, managers, principals, investment advisors, consultants,
20 employees, representatives, attorneys, accountants, lenders, underwriters, benefits
21 administrators, investors, funds, and insurers, past, present and future, and all persons
22 acting under, by, through, or in concert with any of them (collectively, the “Released
23 Parties”). However, “Released Parties” does not include any Carl’s Jr. franchisee
24 regarding claims arising during such franchisee’s ownership of said franchise.
25 Additionally, this release will not apply to any claim arising as a result of employment
26 with a Hardee’s, either corporate owned or franchise.

27 36. “Response Deadline” means the date no later than sixty (60) calendar days
28 after the date the Notice Packets are mailed to Class Members by the Settlement

1 Administrator, on or before which a Class Member may: (1) validly submit a notice of
2 objection to the Settlement; (2) validly submit a request for exclusion from the Class
3 Claims; or (3) challenge with documentary evidence his or her Individual Settlement
4 Amount.

5 37. "Settlement Administrator" means Phoenix Class Action Administration
6 Solutions, the independent third party chosen jointly by the Parties to administer the
7 Settlement notification and payment process. The Parties, Class Counsel, and CKE
8 Counsel each represent they do not have any financial interest in the Settlement
9 Administrator or otherwise have a relationship with the Settlement Administrator that
10 could create a conflict of interest.

11 38. "Settlement Class" means Class Members excepting persons who properly
12 exclude themselves from the Settlement pursuant to the terms of this Agreement and the
13 Preliminary Approval Order.

14 39. "Settlement Class Member" means each member of the Settlement Class.

15 40. "Settlement Fund" means and refers to the Qualified Settlement Fund to be
16 established by the Settlement Administrator pursuant to Section 468B(g) of the Internal
17 Revenue Code and regulations promulgated thereunder into which CKE Entities will
18 deposit the Gross Settlement Amount.

19 II. RECITALS

20 41. This Stipulation is made by the Named Plaintiffs on behalf of themselves
21 and each of the other Class Members and the State of California on the one hand, and
22 CKE Entities on the other hand, and is subject to the approval of the Court.

23 42. Named Plaintiffs warrant and represent that, except for the interest of Class
24 Counsel with regard to attorney fees and costs, they are the sole and lawful owner of all
25 rights, title, and interest in and to all of their individual Released Claims and that they
26 have not heretofore voluntarily, by operation of law or otherwise, sold, assigned, or
27 transferred or purported to sell, assign, or transfer to any other person or entity any of their
28 Released Claims or any part or portion thereof.

1 43. The Parties stipulate that, for purposes of certification of a settlement class
2 only, Named Plaintiffs are typical of other Class Members and can represent the Class.

3 44. The Parties stipulate that, for purposes of certification of a settlement class
4 only, common issues predominate in this matter such that certification of a settlement
5 class is appropriate.

6 45. The Parties will stipulate to the certification of class claims in the Lawsuit
7 for settlement purposes only. Nothing in this Agreement shall be taken as an admission
8 by CKE Entities that a class could appropriately be certified for any other purpose. If the
9 Settlement does not become effective or is cancelled or terminated for any reason, then
10 the Parties' agreement to class certification shall become null and void *ab initio* and shall
11 have no bearing on, and shall not be admissible in connection with, the issue of whether
12 certification would be appropriate in a non-settlement context.

13 46. The Parties have conducted significant investigation of the facts and law
14 during the prosecution of the Lawsuit. Discovery and investigation included: the
15 propounding of written discovery by both sides; the production of documents by both
16 sides; the depositions of Named Plaintiffs' and CKE Entities' witnesses; numerous
17 depositions of putative class members; numerous conferences between representatives of
18 the Parties; and three (3) mediation sessions with neutral third-party mediators.

19 47. Named Plaintiffs have entered into this Agreement based on a careful
20 evaluation of the extensive data, documents and discovery exchanged by the Parties as
21 well as independent investigation of the facts and research of the law relevant to this
22 matter. Named Plaintiffs continue to contend that the claims in the Lawsuit have merit,
23 but believe that this compromise of disputed claims is in the best interest interests of the
24 Class based on a careful analysis of the potential risks and benefits of continued litigation.
25 Nothing in this Agreement shall constitute an admission of the accuracy of any allegation
26 made by Named Plaintiffs or Class Counsel, or an admission of any liability, fault, or
27 wrongdoing by CKE Entities or any Released Party. This Agreement and the Settlement
28 may not be used by Named Plaintiffs or Class Counsel for any purpose other than to

1 obtain approval and enforce the terms of the Settlement and any order thereon. CKE
2 Entities deny all of the claims, contentions, and each and every allegation made by Named
3 Plaintiffs in the Lawsuit, and expressly deny any liability.

4 **III. SETTLEMENT AMOUNT AND ALLOCATION**

5 **A. Gross Settlement Amount**

6 48. The Parties agree to settle all claims included in the Lawsuit for a Gross
7 Settlement Amount of nine million eight hundred seventy-two thousand dollars
8 (\$9,872,000.00) (the “Gross Settlement Amount”). The Gross Settlement Amount is
9 based on the assumption that there are approximately 31,822 class members who worked
10 approximately one million four hundred eighty-six thousand seventy-nine (1,486,079)
11 workweeks. The Gross Settlement Amount will not be increased if it is determined that
12 there are more than 31,822 Class Members unless the total Settlement Class is ultimately
13 determined to include 33,143 or more individuals, or the number of workweeks worked
14 by Class members exceed one million five hundred sixty thousand three hundred twenty-
15 eight (1,560,328). In that event, the Gross Settlement Amount will increase by the
16 percentage increase in Class size above thirty-one thousand eight hundred twenty-two
17 (31,822), or by the percentage increase in workweeks above one million four hundred
18 eighty-six seventy-nine (1,486,079), whichever is greater.

19 49. In no event shall the Gross Settlement Amount be more than nine million
20 eight hundred seventy-two thousand dollars (\$9,872,000.00) other than as provided in
21 Paragraphs 48 and 50, if applicable.

22 50. Other than the Employer Taxes (as defined in this Agreement), the Gross
23 Settlement Amount represents the total amount that CKE Entities will be required to pay
24 under this Agreement. All payments, other than the Employer Taxes, required by this
25 Agreement shall be paid out of the Gross Settlement Amount.

26 51. The entire Gross Settlement Amount shall be paid out and there will be no
27 reversion to any of CKE Entities.
28

1 **B. Calculation of Individual Settlement Payments and PAGA Individual Payments**

2 52. Each Class Member who has not submitted a valid request to be excluded
3 from the Class will receive an Individual Settlement Payment from the Net Distribution
4 Amount. There is no requirement to file or submit a claim form to receive an Individual
5 Settlement Payment. To determine the amount each Settlement Class Member will
6 receive, the Net Distribution Amount will be divided by the total number of workweeks
7 (“Individual Settlement Workweek Amount”) for all Settlement Class Members during
8 the Class Period, excluding any workweeks worked by any member of the settlement class
9 and subclasses in the cases captioned *Cubias v. Carl Karcher Enterprises, Inc.* (Judicial
10 Council Coordination Proceeding 4537 pending in the Santa Barbara Superior Court); and
11 *Duarte v. Carl Karcher Enterprises, Inc. / Patel, et al., v. Carl Karcher Enterprises, Inc.*
12 (Judicial Coordination Proceeding 4949 pending in the Los Angeles Superior Court)
13 during the Class Period. Each Settlement Class Member will be paid a benefit amount
14 equal to the Individual Settlement Workweek Amount multiplied by that Settlement Class
15 Member’s total number of workweeks actually worked during the Class Period and
16 excluding periods of employment when no work was performed, such as absences due to
17 vacation, illness, leaves of absence or jury duty.

18 53. Each PAGA Settlement Group Member will receive a PAGA Individual
19 Payment. To determine the amount of the PAGA Individual Payment each PAGA
20 Settlement Group Member will receive, 25% of the PAGA Payment will be divided by the
21 total number of workweeks (“PAGA Settlement Workweek Amount”) for all PAGA
22 Settlement Group Members during the PAGA Period, excluding any workweeks worked
23 by any member of the PAGA Settlement Group Member in the cases captioned *Cubias v.*
24 *Carl Karcher Enterprises, Inc.* (Judicial Council Coordination Proceeding 4537 pending
25 in the Santa Barbara Superior Court); and *Duarte v. Carl Karcher Enterprises, Inc. /*
26 *Patel, et al., v. Carl Karcher Enterprises, Inc.* (Judicial Coordination Proceeding 4949
27 pending in the Los Angeles Superior Court) during the PAGA Period. Each PAGA
28 Settlement Group Member will be paid a benefit amount equal to the PAGA Settlement

1 Workweek Amount multiplied by that PAGA Settlement Group Member's total number
2 of workweeks actually worked during the PAGA Period and excluding periods of
3 employment when no work was performed, such as absences due to vacation, illness,
4 leaves of absence or jury duty.

5 54. The Settlement Administrator shall mail all Individual Settlement Payments
6 to Settlement Class Members and PAGA Individual Payments to PAGA Settlement Group
7 Members no later than forty-five (45) calendar days after CKE Entities fund the
8 Settlement Fund.

9 55. Individual Settlement Payments and PAGA Individual Payments will go
10 stale one hundred eighty (180) calendar days after issuance. Any funds remaining after
11 Individual Settlement Payments and PAGA Individual Payments go stale will be used as a
12 reserve fund to make payments, and/or cover any additional necessary administration
13 expenses, resulting from any errors or disputes in the payments process ("Reserve Fund
14 Payments"). Within fourteen (14) calendar days following the expiration of uncashed
15 checks representing Individual Settlement Payments and PAGA Individual Payments, the
16 Settlement Administrator shall prepare a report ("Report") to be filed with the Court
17 stating the total sum of uncashed Individual Settlement Payment and PAGA Individual
18 Payment checks (less any Reserve Fund Payments) (the "Residual"). The Parties shall file
19 the Report with the Court within three (3) business days of receipt from the Settlement
20 Administrator. Consistent with California Code of Civil Procedure § 384, the Parties shall
21 prepare an Amended Judgment, directing that the Residual, together with interest thereon,
22 be divided evenly between, and paid to, the Legal Aid Foundation of Los Angeles and
23 Restaurants Care (California Restaurant Foundation). The Parties and their counsel
24 represent they do not have any interest in or connection to either of the charities
25 designated in this paragraph. The Parties shall lodge the Amended Judgment with the
26 Court within fourteen (14) calendar days of receipt of the foregoing Report from the
27 Settlement Administrator. The Settlement Administrator shall pay the Residual to the two
28 foregoing charities within seven (7) calendar days of entry of the Amended Judgment.

1 **C. Tax Allocation of Individual Settlement Payments**

2 56. The Individual Settlement Payment for each Settlement Class Member shall
3 be allocated as follows: (a) Eighty percent (80%) as alleged non-wage payments
4 (including claims for unreimbursed expenses, and penalties) and interest, on which there
5 will be no tax withholding; and (b) twenty percent (20%) as alleged unpaid wage
6 payments and subject to normal tax withholding.

7 57. All Individual Settlement Payments to Settlement Class Members will be
8 reported to the appropriate taxing authorities by the Settlement Administrator. The
9 Settlement Administrator shall report the portion allocated to wages (“Wage Component”) on an IRS Form W-2, and shall report the portions allocated to unreimbursed expenses, interest and penalties (the “Non-Wage Component”) on an IRS Form-1099 if the payment exceeds the statutory minimum. Separately from and in addition to the Gross Settlement Amount, CKE Entities shall be responsible for paying Employer Taxes on the Wage Component of the Individual Settlement Payments. With the sole exception of Employer Taxes, all taxes will be paid from the Gross Settlement Amount. The Settlement Administrator shall pay all taxes withheld from Settlement Class Members’ Individual Settlement Payments to the appropriate taxing authority out of the Gross Settlement Amount.

19 **D. PAGA Payment**

20 58. One hundred thousand dollars (\$100,000) of the Gross Settlement Amount
21 (the PAGA Payment) will be designated as payment in settlement of the PAGA Claims.
22 Of this amount, 75% (\$75,000) will be paid to the LWDA (the LWDA Payment) no later
23 than forty-five (45) calendar days after the Effective Date. The remaining 25% (\$25,000)
24 will be paid to the PAGA Settlement Group Members.

25 59. PAGA Individual Payments for each PAGA Settlement Group Member will
26 not be subject to tax withholdings and will be reported by the Settlement Administrator on
27 an IRS Form 1099-MISC.

28 60. The PAGA Payment reflects value negotiated between the Parties, each of

1 whom made an independent assessment as to the likely outcome of the PAGA Claims.
2 The Parties agree that the Court may adjust the allocation of the PAGA Payment and such
3 adjustment shall be binding on the Parties and not constitute grounds for cancellation of
4 this Settlement or the individual general releases. If the Court approves a PAGA Payment
5 of less than one hundred thousand dollars (\$100,000.00), the remainder will be retained in
6 the Net Distribution Amount.

7 61. Notwithstanding the foregoing, no modification of the amount of the PAGA
8 Payment or LWDA Payment by the Court shall constitute grounds for cancellation of this
9 Settlement or the individual general releases.

10 **E. Incentive Awards and Named Plaintiffs' General Release**

11 62. Named Plaintiffs will apply for, and CKE Entities will not oppose or object
12 to, the following Incentive Awards: ten thousand dollars (\$10,000.00) to each Named
13 Plaintiff who executes a broad general release in the form of **Exhibit 1** attached hereto,
14 which will be effective upon payment of the Incentive Award.

15 63. The total amount of any Incentive Awards awarded by the Court to Named
16 Plaintiffs shall be paid from the Gross Settlement Amount. The Parties agree to be bound
17 by any Incentive Awards to Named Plaintiffs approved by the Court at the time of Final
18 Approval. The amount of any Incentive Awards approved by the Court to Named
19 Plaintiffs shall be paid from the Gross Settlement Amount, and CKE shall have no further
20 obligation to pay any amount to Named Plaintiffs apart from their proportional payments
21 from the Net Distribution Amount. The Settlement Administrator will not distribute any
22 Incentive Awards to Named Plaintiffs before Individual Settlement Payments are mailed
23 to the Settlement Class.

24 64. Named Plaintiffs agree that any Incentive Awards they may receive shall
25 not be considered wages and the Settlement Administrator shall issue each Named
26 Plaintiff a Form 1099 reflecting any such payment. Named Plaintiffs agree that they alone
27 are responsible for the tax consequences, including any penalties or interest, relating to the
28 payment of any Incentive Awards.

1 65. Notwithstanding the foregoing, neither the denial of, an appeal of, a
2 modification of, nor a reversal on appeal of any Incentive Award shall constitute grounds
3 for cancellation of this Settlement, or the individual general releases.

4 66. If the Court awards less than the requested Incentive Awards to Named
5 Plaintiffs, the remainder will be added back into the Gross Settlement Amount for
6 distribution to Settlement Class Members.

7 **F. Attorneys' Fees and Costs**

8 67. Class Counsel will apply to the Court for an Order approving the payment
9 of an Attorney Fee Award to Class Counsel, which amount may not collectively exceed
10 three million four hundred fifty-five thousand two hundred dollars (\$3,455,200.00), which
11 is 35% of the Gross Settlement Amount. CKE Entities agree not to object to any request
12 for Attorneys' Fees by Plaintiffs' Counsel that does not exceed 35% of the Gross
13 Settlement Amount.

14 68. Class Counsel will apply to the Court for an Order approving the payment
15 of an Attorney Cost Award of up to one hundred fifty thousand dollars (\$150,000.00) in
16 costs ("Attorneys' Costs") incurred by Class Counsel throughout the course of the
17 Lawsuit.

18 69. The total amount of any Attorney Fee Award awarded by the Court to Class
19 Counsel shall be paid from the Gross Settlement Amount, and CKE Entities shall have no
20 obligation to pay Class Counsel any additional amount for Attorneys' Fees. Named
21 Plaintiffs and Class Counsel agree to be bound by any Attorney Fee Award issued by the
22 Court at the time of Final Approval. The Settlement Administrator will not distribute any
23 Attorney Fee Award to Class Counsel before Individual Settlement Payments are mailed
24 to the Settlement Class.

25 70. The total amount of any Attorney Cost Award awarded by the Court to
26 Class Counsel shall be paid from the Gross Settlement Amount, and CKE Entities shall
27 have no obligation to pay Class Counsel any additional amount for Attorneys' Costs.
28 Plaintiffs' Counsel agree to be bound by any Attorney Cost Award issued by the Court at

1 the time of Final Approval. The Settlement Administrator will not distribute any
2 Attorney's Cost Award to Class Counsel before Individual Settlement Payments are
3 mailed to the Settlement Class.

4 71. If the Court awards less than 35% of the Gross Settlement Amount for
5 Attorneys' Fees, the remainder will be added back into the Gross Settlement Amount for
6 distribution to Settlement Class Members

7 72. If the Court awards less than the amount requested by Class Counsel for
8 Attorneys' Costs, the remainder will be added back into the Gross Settlement Amount for
9 distribution to Settlement Class Members.

10 73. Notwithstanding the foregoing, neither the denial of, an appeal of, a
11 modification of, nor a reversal on appeal of any Attorney Cost Award or Attorney Fee
12 Award shall constitute grounds for cancellation or termination of this Agreement or the
13 Settlement.

14 **IV. PRELIMINARY APPROVAL**

15 74. Named Plaintiffs shall be responsible for filing the Preliminary Approval
16 Motion with the Court, and shall request that the Court enter an order substantially in the
17 form of **Exhibit 3** hereto. Named Plaintiffs will file this Agreement concurrently with the
18 Preliminary Approval Motion. Named Plaintiffs shall submit a copy of the Preliminary
19 Approval Motion and this Agreement to the LWDA concurrently with their filing to
20 comply with Cal. Lab. Code § 2699(1)(2 & 4).

21 75. Named Plaintiffs will provide a draft copy of the Preliminary Approval
22 Motion and supporting declarations to CKE Counsel no less than five (5) business days
23 prior to filing and will work with CKE Counsel in good faith to make the Preliminary
24 Approval Motion acceptable to CKE Entities.

25 **V. CLASS NOTICE PROCESS**

26 **A. Settlement Administrator**

27 76. The notice and payment process will be handled by the Settlement
28 Administrator. The duties of the Settlement Administrator will include compiling the list

of Class Members from the Class Member List, handling all mailings to the Class Members, tracing undeliverable mailings, recording and tracking responses to the mailing to the Class Members, responding to inquiries made by Class Members, calculating Individual Settlement Payments and PAGA Individual Payments, resolving any issues that may arise concerning whether an individual is a Class Member and/or the number of workweeks worked by each Class Member, issuance and mailing of Individual Settlement Payments and PAGA Individual Payments and all appropriate tax documentation as described in this Agreement, reporting payment of the Individual Settlement Payments to all required taxing and other authorities, taking appropriate tax withholding from the Individual Settlement Payments as described in this Agreement, and other related tasks as mutually agreed to by the Parties. It is also understood that the Settlement Administrator will establish the Settlement Fund for the purpose of administering this Settlement. The Parties agree to ask that the Court authorize payment to the Settlement Administrator from the Gross Settlement Amount for the reasonable costs, fees, expenses and liabilities incurred by the Settlement Administrator in providing the services described by this Agreement in an amount not to exceed one hundred ten thousand dollars (\$110,000). CKE Entities shall have no obligation to pay any amount for Administration Costs beyond the payment of the Gross Settlement Amount.

77. If a Class Member requests that the Settlement Administrator and/or its agent or employee refer him/her to Class Counsel, or if a Class Member requests advice beyond merely ministerial information regarding applicable deadlines or procedures for an objection, or for requesting exclusion from the Settlement or other Settlement-related forms or documents for which the Settlement Administrator does not have an approved response, then the Settlement Administrator and/or its agent or employee shall promptly refer the inquiry to Class Counsel.

B. Class Member List

78. Within forty-five (45) calendar days after Preliminary Approval, CKE Entities shall use commercially reasonable efforts to provide the Settlement Administrator

1 with the Class Member List. This information shall be provided to Plaintiffs or Class
2 Counsel with personal identifiable information redacted.

3 **C. Notice to Class, Website, and Telephone Access**

4 79. Within thirty (30) calendar days after receiving the Class Member List, the
5 Settlement Administrator will provide to each Class Member, via First Class U.S. Mail,
6 Notice of the Settlement. The Notice will be mailed in English and in Spanish. Plaintiffs
7 shall submit to the Court for approval a Notice and envelope enclosing the Notice in the
8 form attached hereto as **Exhibit 2**. Each Notice shall include a unique ID number for the
9 Class Member to whom it is sent and provide an estimated Individual Settlement Payment
10 amount for that Class Member. The Notice shall also explain that PAGA Settlement
11 Group Members cannot exclude themselves from the PAGA Claims portion of the
12 Settlement. Notwithstanding the submission of a request for exclusion by a PAGA
13 Settlement Group Members, the PAGA Settlement Group Member will still be bound by
14 the settlement and release of the PAGA Claims. Notwithstanding the foregoing, the
15 Parties agree that the Court may modify the Notice and such modification will not
16 constitute grounds for cancellation of this Settlement or the individual general releases.

17 80. The Settlement Administrator shall perform a single skip trace using
18 information identifying the Class Member, as necessary, to conduct an address update on
19 any Notices returned to the Settlement Administrator as undeliverable. The Settlement
20 Administrator shall re-mail all Notices to new addresses (if applicable) within three (3)
21 business days of obtaining such new addresses.

22 81. The Settlement Administrator shall also maintain a toll-free telephone line
23 that shall be staffed by live operators during business hours and provide automated
24 Interactive Voice Response with the ability for Class Members to leave messages during
25 non-business hours. The Settlement Administrator shall maintain the toll-free telephone
26 line for sixty (60) calendar days after the Individual Settlement Payments are distributed
27 to the Class Members.

1 82. Within thirty (30) calendar days after receiving the Class Member List, the
2 Settlement Administrator shall establish and make public an internet website (the
3 “Settlement Website”), with a domain name approved by Named Plaintiffs and CKE
4 Entities. The Settlement Website will be in a form approved by the Parties. The
5 Settlement Administrator shall publish on the Settlement Website the Complaint, this
6 Agreement, the Preliminary Approval Motion, the Order Granting Preliminary Approval,
7 the Notice to Class Members, and instructions for Class Members to submit objections or
8 exclusion requests.

9 83. The Settlement Administrator shall maintain, and not take down, the
10 Settlement Website until two hundred (200) calendar days after the Effective Date, at
11 which time the Settlement Administrator will deactivate the Settlement Website so that it
12 can no longer be accessed.

13 **D. Objections and Opt-Outs**

14 84. Any Class Member who wishes to object to any term of the Settlement must
15 submit a written objection to the Settlement Administrator via mail, facsimile, or email.
16 In order to be valid, the objection must be postmarked (if by mail) or sent (if by facsimile
17 or email) by the Response Deadline. The written objection must include the Class
18 Member’s ID number as indicated on the Notice and state the grounds for the objection.
19 In lieu of a written objection, Class Members may also appear at the Final Approval
20 Hearing to make an objection. Class Members who do not submit a written objection
21 substantially in the manner required by this paragraph and by the Response Deadline or
22 make an objection at the Final Approval Hearing shall be deemed to have waived any
23 objections to the Settlement. Any Class Member whose Notice is re-mailed will have until
24 the Response Deadline or an additional fifteen (15) calendar days, whichever is later to
25 submit a written objection or opt-out request.

26 85. Any Class Member who wishes to exclude himself or herself from the
27 Settlement must submit a written request for exclusion from the Class Claims to the
28 Settlement Administrator via mail, facsimile, email, or email through the Settlement

1 Website. In order to be valid, the request for exclusion must be postmarked (if by mail) or
2 sent (if by facsimile or email) no later than the Response Deadline. A Class Member's
3 request for exclusion must 1) set forth the Class Member's name, address and last four
4 digits of their Social Security number, 2) include the Class Member's ID number as
5 indicated on the Notice, 3) provide a clear and unequivocal statement that the Class
6 Member wishes to be excluded from the Settlement Class and 4) be signed by the Class
7 Member him or herself. Requests for exclusion signed by purported counsel, agents or
8 representatives of Class Members are invalid. If a question is raised about the authenticity
9 of a request for exclusion, the Settlement Administrator will have the right to require
10 additional proof of the Class Member's identity. A Class Member who does not complete
11 and submit a valid and timely request for exclusion as specified in this paragraph by the
12 Response Deadline will be bound by all terms and conditions of the Settlement as
13 approved by the Court. PAGA Settlement Group Members will still be bound by the
14 settlement and release of the PAGA Claims, even if they submit a request for exclusion.

15 86. Any Class Members who wish to contest the number of workweeks
16 recorded must submit a written dispute (contained in the Class Member's Settlement
17 Allocation form) together with any supporting documentation to the Settlement
18 Administrator via mail, facsimile, email, or email through the Settlement Website. In
19 order to be valid, the dispute must be postmarked (if by mail) or sent (if by facsimile or
20 email) by the Response Deadline. The form must state the number of workweeks that the
21 Class Member believes he or she is entitled to receive. The Settlement Administrator
22 shall inform counsel for the Parties of each dispute received. The Settlement
23 Administrator will consider input from both Parties and their counsel as well as the
24 contents of the dispute and any documentation received and make a decision as to whether
25 the Class Member's payment should be modified by increasing or decreasing the number
26 of credits awarded to the Class Member. The decision of the Settlement Administrator
27 will be final and binding upon all Parties and the Class Member.

28 87. At no time shall any of the Parties or their counsel or agents seek to solicit

1 or otherwise take any action to encourage Class Members or any other persons to submit
2 written objections to or requests for exclusion from the Class Claims; nor shall any of the
3 Parties or their counsel take any action to encourage Class Members or any other persons
4 to appeal from any order(s) or judgment approving this Settlement.

5 88. The Named Plaintiffs will not object to the Settlement or request exclusion
6 from the Class Claims; nor will they take any action to encourage other Class Members to
7 do so.

8 89. The Settlement Administrator shall provide a weekly status report to Class
9 Counsel and CKE Counsel reflecting the number of returned and undelivered Notices and
10 the number of skip-traced and re-mailed Notices, and any objections, requests for
11 exclusion or disputes received.

12 90. No later than seventy-five (75) calendar days after the initial mailing of the
13 Notice to Class Members, the Settlement Administrator will provide to the Parties a
14 declaration attaching all objections, requests for exclusion, and challenges to estimated
15 Individual Settlement Payments and reporting on the results of the Notice mailing.

16 91. If two percent (2%) or more of the total number of the Class Members to
17 whom a Class Notice is sent, or if Class Members to whom a Class Notice is sent who
18 represent more than three percent (3%) of workweeks attributable to Class Members
19 request to exclude themselves from the settlement, CKE Entities will have the option, at
20 their sole discretion, of canceling the settlement in its entirety; provided, however, that
21 CKE Entities must notify Class Counsel and the Court in writing that they are exercising
22 such option within fourteen (14) calendar days after being notified by the Settlement
23 Administrator of the number of Settlement Class Members who have timely requested
24 exclusion, and CKE Entities will pay all costs and fees incurred by the Settlement
25 Administrator. Named Plaintiffs agree that they will not seek to exclude themselves from,
26 opt-out of, or object to the settlement.

27 VI. RELEASE OF CLAIMS

28 92. As of the date of the mailing of Individual Settlement Payments, except with

1 respect to the obligations arising out of the Settlement Agreement and in consideration of
2 the payments and terms set forth herein, Named Plaintiffs and the Settlement Class
3 expressly, to the fullest extent permitted by law, fully and forever compromise, release,
4 resolve, relinquish, and discharge the Released Parties, individually and on a class-wide
5 basis, the Released Claims as defined in Paragraph 34.

6 93. As of the date of the mailing of PAGA Individual Payments, except with
7 respect to the obligations arising out of the Settlement, all PAGA Claims of Named
8 Plaintiffs and the PAGA Settlement Group Members against the Released Parties are fully
9 and forever compromised, released, resolved, relinquished, and discharged through the
10 PAGA Period. For the avoidance of doubt, as of the date of mailing of PAGA Individual
11 Payments, the PAGA Settlement Group Members are bound by the settlement of the
12 PAGA Claims, regardless of whether they exclude themselves from the Class.

13 **VII. PAYMENT OF SETTLEMENT FUNDS**

14 94. CKE Entities will transfer to the Settlement Administrator the Gross
15 Settlement Amount and the amount of Employer Taxes via wire transfer within thirty (30)
16 calendar days of the Effective Date.

17 95. Within fifteen (15) calendar days after receiving the Gross Settlement
18 Amount, the Settlement Administrator will (a) pay to Settlement Class Members the
19 Individual Settlement Amounts by check (which shall state the void date); (b) pay to the
20 LWDA the LWDA Payment; (c) pay any Incentive Awards approved by the Court to the
21 Named Plaintiffs who have executed general releases as provided in paragraphs 63-67 to
22 this Agreement; (d) pay to Class Counsel any Attorney Fee Award and Attorney Cost
23 Award approved by the Court; and (e) pay to the Settlement Administrator its reasonable
24 fees and expenses as approved by the Court. Named Plaintiffs shall submit to the Court
25 for approval an envelope enclosing the Individual Settlement Amount checks in the form
26 attached hereto as **Exhibit 5**. Incentive Awards will be paid by check to Named Plaintiffs
27 to be delivered via overnight mail to the office of Class Counsel. Attorney Fee Award
28 and Attorney Cost Award will be paid to Class Counsel via wire transfer.

96. The Parties understand that Named Plaintiffs and the Class Members who receive any payment pursuant to this Agreement shall be solely responsible for any and all other individual tax obligations and consequences associated with this Settlement.

97. No person shall have any claim against any of CKE Entities, CKE Counsel, Named Plaintiffs, Class Counsel, the Settlement Class, the PAGA Settlement Group Members, or the Settlement Administrator based on the mailings, distributions, Individual Settlement Payment, or PAGA Individual Payment made in accordance with this Agreement or any order of the Court.

98. If a Settlement check for an Individual Settlement Amount or PAGA Individual Payment is returned by the postal service, the Settlement Administrator shall use appropriate methods, including but not limited to, skip-trace and telephone follow-up, to obtain the current address of the Settlement Class Member or PAGA Settlement Group Member. The Settlement Administrator will re-mail all returned checks within five (5) calendar days.

99. Settlement checks for Individual Settlement Payments or PAGA Individual Payments that are returned a second time and Settlement checks not cashed within one hundred eighty (180) calendar days of issuance will be automatically canceled and not be re-issued.

100. No later than two hundred and fifty (250) calendar days after the Effective Date, the Settlement Administrator must provide a written summary report accounting for all dispositions of funds from the Gross Settlement Amount. Within (90) calendar days following the tax filing deadline in the year following the funding of the Settlement or such other date as the Court may order, the Settlement Administrator shall destroy all Class Members' personal identifying information received from CKE Entities and otherwise in connection with the implementation and administration of this Settlement.

VIII. FINAL APPROVAL

101. After the Response Deadline, with the Court's permission, a Final Approval Hearing shall be conducted to determine final approval of the Settlement along with the

1 amount properly payable for (i) the Attorney Fee Award, (ii) the Attorney Cost Award,
2 (ii) any Incentive Awards, (iii) Administration Costs, and (iv) the PAGA Payment and
3 LWDA Payment. The Final Approval Hearing shall not be held earlier than thirty (30)
4 calendar days after the Response Deadline. Plaintiffs' Counsel will prepare the Final
5 Approval Motion, and shall request that the Court enter an order substantially in the form
6 of **Exhibit 4** hereto. Plaintiffs will make the Final Approval Motion and supporting
7 declarations available to CKE at least five (5) business days prior to the filing of the Final
8 Approval Motion and will work with CKE in good faith to make the Final Approval
9 Motion acceptable to CKE. Plaintiffs shall lodge with their Final Approval Motion a
10 Proposed Final Approval Order and a Judgment.

11 102. The Proposed Final Approval Order shall include a date for a final
12 accounting hearing at which the Court will review a final report on all payments made
13 from the Settlement Fund and authorize distribution of any remaining funds to the Legal
14 Aid Foundation of Los Angeles and Restaurants Care (California Restaurant Foundation).

15 103. After entry of the Final Approval Order and Judgment, the Court shall have
16 continuing jurisdiction to enforce the terms of this Agreement, the Final Approval Order,
17 and the Judgment.

18 104. Named Plaintiffs shall submit a copy of the Judgment and Final Approval
19 order(s) to the LWDA to comply with Cal. Lab. Code § 2699(1)(3-4).

20 **IX. TERMINATION OF AGREEMENT**

21 105. If the Court does not grant Preliminary Approval or Final Approval of the
22 Settlement and all efforts at reconsideration or reversal of that denial of approval are
23 exhausted, or if the Agreement is cancelled or terminated consistent with the terms of this
24 Agreement, the Settlement will be void *ab initio*. If the Settlement is not approved and
25 all efforts at reconsideration or reversal of that denial of approval are exhausted, or if the
26 Agreement is cancelled or terminated consistent with the terms herein, the Agreement and
27 the Settlement will not be admissible in evidence or usable for any purposes whatsoever in
28 the Lawsuit or any proceedings between the Parties to this Agreement.

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1 disparaging statements (whether anonymously or for ascription) on the web, in blogs, in
2 chat rooms, in emails, social media, or in any other electronic means of transmitting
3 information.

4 110. The Parties agree and will instruct their respective counsel not to contact the
5 press, issue any press releases, give any interviews, identify the Lawsuit on any website or
6 in any marketing or promotional materials, or comment upon this settlement, including the
7 Agreement, to any person other than as specifically provided in this Agreement. This
8 section does not in any way prevent Plaintiffs' Counsel from carrying out their duties as
9 class counsel.

10 111. This Agreement may be amended or modified only by a written instrument
11 signed by counsel for all Parties or their successors-in-interest. Nonmaterial amendments
12 or modifications to this Agreement may be made in writing between Class Counsel and
13 CKE Counsel without the need to seek the Court's approval. In the event that any
14 provision of this Agreement is rejected by the Court or a material modification of the
15 Settlement is ordered on appeal, the Parties will work in good faith to negotiate alteration
16 of the rejected term or otherwise conform the Agreement to the order. The Parties agree
17 to use the services of a mediator if informal efforts to negotiate alteration have been
18 exhausted. However, if no such agreement can be reached within thirty (30) calendar days
19 after the matter has been submitted to a mediator, absent a written agreement among the
20 Parties to continue discussions, then Named Plaintiffs or CKE Entities may terminate and
21 withdraw from this Agreement consistent with the terms of this Agreement.

22 112. This Agreement constitutes the entire agreement among these Parties with
23 respect to the matters discussed herein and supersedes all prior or contemporaneous oral
24 or written understandings, negotiations, agreements, statements, or promises. In executing
25 this Agreement, the Parties acknowledge that they have not relied upon any oral or written
26 understandings, negotiations, agreements, statements, or promises that are not set forth in
27 this Agreement other than documents and data produced in litigation and for mediation.
28 The Parties also acknowledge and agree that each has been represented by its own counsel

1 with respect to the negotiation and drafting of this Settlement and this Agreement.

2 113. The Parties and their counsel will cooperate with each other and use
3 reasonable efforts to effect the implementation of the Settlement. In the event the Parties
4 are unable to reach agreement on the form or content of any document needed to
5 implement the Settlement, or on any supplemental provisions that may become necessary
6 to effectuate the terms of this Settlement, the Parties may seek the assistance of a mediator
7 or the Court to resolve such disagreement.

8 114. Each person signing this Agreement on behalf of each of CKE Entities
9 represents and warrants that he or she authorized to sign this Agreement on behalf of each
10 such entity.

11 115. Any failure by any Party to insist upon the strict performance by any other
12 Party of any provisions of this Agreement shall not be deemed a waiver of any provision
13 of this Agreement and such Party, notwithstanding such failure, shall have the right
14 thereafter to insist upon the specific performance of any and all of the provisions of this
15 Agreement.

16 116. All terms of this Agreement and the exhibits hereto shall be governed by
17 and interpreted according to the laws of the State of California.

18 117. Neither Class Counsel nor CKE Counsel intend anything contained herein to
19 constitute legal advice regarding the tax consequences of any amount paid hereunder, nor
20 shall it be relied upon as such.

21 118. The headings and captions contained in this Agreement are inserted only as
22 a matter of convenience and in no way define, limit, extend, or describe the scope of this
23 Agreement or the intent of any provision thereof.

24 119. The terms of this Agreement shall inure to the benefit of, and be binding
25 upon, the Parties and their respective heirs, legal representatives, executors,
26 administrators, successors, and assigns.

27 120. This Agreement may be executed in one or more counterparts. All executed
28 counterparts and each of them shall be deemed to be one and the same instrument

provided that counsel for the Parties to this Agreement shall exchange among themselves original signed counterparts.

121. Each of the Parties has cooperated in the drafting and preparation of this Agreement. Hence, in any construction made to this Agreement, the same shall not be construed against any of the Parties.

CKE RESTAURANTS HOLDINGS, INC.; PLAINTIFF HERMELINDA AGUILAR
CARL'S JR. RESTAURANTS, LLC;
AND CARL'S JR. FUNDING, LLC

Hermelinda Aguilar

PLAINTIFF SALVADOR OCHOA

By: 

Salvador Ochoa

On behalf of Defendants CKE
Restaurants Holdings, Inc.;
Carl's Jr. Restaurants, LLC; and Carl's Jr.
Funding, LLC

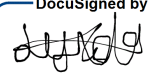
On behalf of Salvador Ochoa,
Hermelinda Aguilar, and the Class

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8 CKE RESTAURANTS HOLDINGS, INC.;
9 CARL'S JR. RESTAURANTS, LLC;
AND CARL'S JR. FUNDING, LLC

PLAINTIFF HERMELINDA AGUILAR

DocuSigned by:

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Hermelinda Aguilar

PLAINTIFF SALVADOR OCHOA

14 By: _____

Salvador Ochoa

15
16 On behalf of Defendants CKE
17 Restaurants Holdings, Inc.;
Carl's Jr. Restaurants, LLC; and Carl's Jr.
Funding, LLC

On behalf of Salvador Ochoa,
Hermelinda Aguilar, and the Class

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8 CKE RESTAURANTS HOLDINGS, INC.; PLAINTIFF HERMELINDA AGUILAR
9 CARL'S JR. RESTAURANTS, LLC;
10 AND CARL'S JR. FUNDING, LLC

11 _____
Hermelinda Aguilar

12 PLAINTIFF SALVADOR OCHOA

13
14 By: _____

15 _____
Salvador Ochoa

16 On behalf of Defendants CKE
17 Restaurants Holdings, Inc.;
18 Carl's Jr. Restaurants, LLC; and Carl's Jr.
19 Funding, LLC

20 On behalf of Salvador Ochoa,
21 Hermelinda Aguilar, and the Class

**EXHIBIT 1 to EXHIBIT B-SETTLEMENT
AGREEMENT**

Exhibit 1: Release of All Claims

Release of Claims By [Plaintiff [REDACTED]]

1. In connection with a comprehensive settlement of *Salvador Ochoa and Hermelinda Aguilar v. CKE Restaurants Holdings, Inc., Carl's Jr. Restaurants LLC, Carl's Jr. Funding LLC, and Does 1 through 50*, Case Nos. BC623041 & BC686601, Superior Court of the State of California, County of Los Angeles (the "Lawsuit"), and in consideration of the agreement of Defendants in the Lawsuit not to object to a request for an Incentive Award (as defined in the operative settlement agreement) by [Plaintiff [REDACTED]] ("PLAINTIFF NAME"), as part of that settlement, and payment of such Incentive Award if approved by the Court, PLAINTIFF NAME executes the following general release of claims ("General Release").

2. Upon approval of the settlement of the Lawsuit and payment of all sums ordered to PLAINTIFF NAME from that settlement, PLAINTIFF NAME, on behalf of **himself and his** administrators, representatives, and assigns, hereby completely releases and forever discharges CKE Restaurants Holdings, Inc., Carl Karcher Restaurants LLC, and Carl's Jr. Funding, LLC (hereafter collectively referred to as "CKE Entities"), and each of their respective current and former parent companies, subsidiaries, divisions, and current and former affiliated individuals and entities, legal successors, predecessors (including companies they have acquired, purchased, or absorbed), assigns, joint ventures, and each and all of their respective officers, partners, directors, owners, stockholders, servants, agents, shareholders, members, managers, principals, investment advisors, consultants, employees, representatives, attorneys, accountants, lenders, underwriters, benefits administrators, investors, funds, and insurers, past, present and future, and all persons acting under, by, through, or in concert with any of them (collectively, the "Released Parties"), from any and all injuries, demands, losses, damages, costs, loss of service, expenses, compensation, claims, suits, causes of action, attorneys' fees, obligations, rights, and liabilities of any nature, type, or description, whether known or unknown, contingent or vested, in law or in equity, based on direct or vicarious liability, and regardless of legal theory, which PLAINTIFF NAME has, may now have, or has ever had, against any of the Released Parties, or any of them, as of the date of PLAINTIFF NAME's execution of this General Release. This General Release covers all statutory, common law, constitutional, and other claims, including, but not limited to:

- (a) any and all claims for unpaid wages, benefits or other compensation, and related civil and statutory penalties;
- (b) any and all claims for wrongful discharge, constructive discharge, harassment, discrimination or retaliation in connection with employment;
- (c) any and all claims relating to any contracts of employment, written or oral, express or implied, or breach of the covenant of good faith and fair dealing, express or implied;
- (d) any and all tort claims of any nature, including but not limited to claims for negligence, defamation, misrepresentation, false imprisonment, violation of public policy, fraud, or negligent or intentional infliction of emotional distress;
- (e) any and all claims under federal, state, or local statute or ordinance, including any

claims under the federal Fair Labor Standards Act; the California Labor Code (including but not limited to Labor Code section 132a and the Labor Code Private Attorneys General Act); the California Fair Employment and Housing Act; Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991, 42 U.S.C. Section 1981; the Americans With Disabilities Act; the Employee Retirement Income Security Act; the Family and Medical Leave Act; the California Family Rights Act; the California Unfair Practices Act, codified at California Business & Professions Code §§ 17000 *et seq.*, California Business & Professions Code §§ 17200 *et seq.*, California Code of Civil Procedure § 1021.5; the California Code of Regulations; any applicable California Industrial Welfare Commission Wage Orders; and any and all other laws and regulations relating to employment, in all of their iterations;

(f) any and all claims for interest, costs, compensatory damages, punitive damages, liquidated damages, penalties, or other relief; and

(g) any and all claims for attorneys' fees or costs, under federal, state and local law other than those provided for in the settlement of the Lawsuit.

3. Waiver of Unknown Claims. PLAINTIFF NAME acknowledges that **he** may hereafter discover claims or facts in addition to or different from those that he now knows or believes to exist with respect to the subject matter of this General Release, and with that knowledge intends to fully, finally, and forever settle and release both known and unknown claims against the Released Parties. PLAINTIFF NAME has read Section 1542 of the Civil Code of the State of California ("Section 1542"), which provides as follows:

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

PLAINTIFF NAME hereby voluntarily waives any right or benefit that **he** has or may have under Section 1542, any similar law of any other jurisdiction, or any common law principles of similar effect, to the full extent that **he** may lawfully waive all such rights and benefits pertaining to the subject matter of this General Release, and elects to assume all risks for claims that now exist in **his** favor, whether known or unknown. Accordingly, this General Release includes within its effect claims and causes of action which PLAINTIFF NAME does not know or suspect to exist in **his** favor at the time of his execution hereof and, if the facts are hereafter found to be other than or different from the facts now believed to be true, this General Release shall remain effective.

4. PLAINTIFF NAME warrants and represents that **he** is the sole and lawful owner of all rights, title, and interest in and to all of the individual claims described above and that **he** has not heretofore voluntarily, by operation of law or otherwise, sold, assigned, or transferred or purported to sell, assign, or transfer to any other person or entity such claims or any part or

portion thereof.

5. This General Release is not intended to bar any claims that cannot be waived by law or the right to file a charge with or participate in or provide information in connection with any investigation or proceeding conducted by the California Department of Fair Employment and Housing, the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission, or other government agency or self-regulatory body.

6. PLAINTIFF NAME'S Incentive Award shall not be considered wages and PLAINTIFF NAME will receive a Form 1099 reflecting such payment. PLAINTIFF NAME agrees that **he** alone is responsible for the tax consequences, including any penalties or interest, relating to the payment of PLAINTIFF NAME'S Incentive Award.

7. In the event the Court does not grant final approval of the settlement of the Lawsuit, then this General Release shall be null and void and PLAINTIFF NAME shall not receive any Incentive Award.

PLAINTIFF NAME ACKNOWLEDGES THAT **HE** HAS FULLY READ AND UNDERSTANDS THIS GENERAL RELEASE AND THAT **HE** IS SIGNING THIS GENERAL RELEASE KNOWINGLY, WILLINGLY, AND VOLUNTARILY ON THE DATE SET FORTH BELOW, AFTER HAVING ADEQUATE TIME TO REVIEW THIS GENERAL RELEASE AND AFTER HAVING THE OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL OF **HIS** CHOICE.

Dated: _____

Plaintiff _____

**EXHIBIT 2 to EXHIBIT B-SETTLEMENT
AGREEMENT (Notice)**

AMENDED NOTICE
[TO BE SENT IN ENGLISH AND SPANISH]

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL**

*Salvador Ochoa and Hermelinda Aguilar v. CKE Restaurants Holdings, Inc., Carl's Jr. Restaurants LLC,
Carl's Jr. Funding LLC, Case Nos. BC623041 & BC686601 (Los Angeles Superior Court)*

This is a court approved Notice. Read it carefully!
It is not a solicitation by a lawyer and you are not being sued.

You are eligible to receive money from an employee lawsuit ("Lawsuit") against CKE Restaurants Holdings, Inc., Carl's Jr. Restaurants, LLC, Carl's Jr. Funding, LLC ("CKE"). The Lawsuit was filed by former employees Salvador Ochoa and Hermelinda Aguilar ("Plaintiffs") and seeks payment of (1) back wages, meal and rest period premium wages, and unreimbursed business expenses for a class of hourly paid non-exempt employees who worked at a corporate-owned Carl's Jr. Restaurant in California between June 8, 2012 and July 17, 2021 ("Class Members") and (2) penalties under the California Private Attorneys General Act ("PAGA") for all hourly paid non-exempt employees who worked at a corporate-owned Carl's Jr. Restaurant in California between June 8, 2015 and July 17, 2021 ("PAGA Settlement Group Members"). The proposed Settlement has two main parts: a Class Settlement requiring CKE to make Individual Settlement Payments and a PAGA Settlement requiring CKE to make PAGA Individual Payments and pay penalties to the California Labor and Workforce Development Agency ("LWDA").

According to CKE's records, you worked for CKE at a corporate-owned Carl's Jr. Restaurant in California for _____ workweeks during the Class Period (June 8, 2012 to July 17, 2021) and _____ workweeks during the PAGA Period (June 8, 2015 to July 17, 2021). Based on the number of workweeks you worked for CKE at a corporate-owned CKE restaurant in California at least one day ("Workweeks"), **YOUR ESTIMATED TOTAL INDIVIDUAL SETTLEMENT PAYMENT IS \$ _____**, calculated as the sum of your Individual Class Payment (\$[amount]) (less withholding taxes) and your PAGA Individual Payment, if any, (\$[amount]). The Court has already preliminarily approved the proposed Settlement and approved this Notice. Because you received this Notice, the Court will presume you read it carefully and understood it.

At the [date] Final Approval Hearing the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Named Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). It will also decide whether to enter a judgment that requires CKE to make payments under the Settlement and requires Class Members and PAGA Settlement Group Members to give up their rights to assert certain future claims against CKE.

If you worked as an hourly-paid non-exempt employee for CKE at a corporate-owned restaurant in California between June 8, 2012 and July 17, 2021, you have two basic options:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Settlement Payment and/or PAGA Individual Payment. As a Settlement Class Member, you will give up your right to personally assert Class Claims and PAGA Claims (if applicable) against CKE.
- (2) **Opt Out of the Class Settlement:** You can exclude yourself from the Class Settlement (opt out) by submitting a written request for exclusion to the Settlement Administrator via mail, facsimile, email or email through the case Settlement Website. Your request for exclusion must: 1) include your name, address and last four digits of your Social Security number, 2) include your

CLASS MEMBER NAME:
CLASS MEMBER ID NUMBER:

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Class Member ID number as indicated on this Notice, 3) provide a clear and unequivocal statement that you wish to be excluded from the Settlement Class, and 4) include your signature. Requests for exclusion signed by purported counsel, agents or representatives of Class Members are invalid. If a question is raised about the authenticity of a request for exclusion, the Settlement Administrator will have the right to require additional proof of the Class Member's identity. A Class Member who does not submit a valid and timely request for exclusion as specified in this Notice and Settlement Agreement by the Response Deadline will be bound by all terms and conditions of the Settlement as approved by the Court. PAGA Settlement Group Members who opt out will still receive a PAGA Individual Payment and will still be bound by the settlement and release of the PAGA Claims, even if they submit a request for exclusion. You cannot opt out of the PAGA Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTION IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement.	If you do nothing, you will be a Settlement Class Member, eligible for an Individual Settlement Payment and if applicable, a PAGA Individual Payment. In exchange, you will give up your right to assert future wage and hour or, if applicable, PAGA penalty claims against CKE based on the Class Period and PAGA Period facts alleged in the Lawsuit, or that could have been alleged based on the facts in the Lawsuit.
You Can Opt Out of the Class Settlement but not the PAGA Settlement The Opt Out Deadline is [date].	If you don't want an Individual Settlement Payment, you can opt out of the Class Settlement by sending the Settlement Administrator a written request that includes: 1) your name, address and last four digits of their Social Security number, 2) your Class Member ID number as indicated on this Notice, 3) a clear and unequivocal statement that you wish to be excluded from the Settlement Class, and 4) your signature. The request for exclusion can be sent to the Settlement Administrator by mail, facsimile, email or through the case Settlement Website at [website address]. Once excluded, you will not be a Settlement Class Member and will no longer be eligible for an Individual Settlement Payment. All Class Members who worked during the PAGA Period remain eligible to receive a PAGA Individual Payment and will give up their rights to pursue PAGA Claims against CKE during the PAGA Period based on the PAGA Claim facts alleged in the Lawsuit. Class Members who request to be excluded from the Settlement can't object to the Class Settlement.
Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement.	Settlement Class Members who do not request exclusion from the Settlement can object to any aspect of the proposed Class Settlement, including the payment requested by Class Counsel and Named Plaintiffs, but not to the PAGA portion of the Settlement. The Court's decision whether to finally approve the proposed Settlement will include a determination of how much of the Gross Settlement Amount will be paid to Class Counsel for attorneys' fees and litigation costs and to the Class Representatives (Named Plaintiffs) who pursued the Lawsuit on behalf of the Class. Because every dollar

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	paid to Class Counsel and the Class Representatives reduces the amount paid to Settlement Class Members, you can object to the amounts requested by Class Counsel or the Class Representatives if you think they are unreasonable. See Section 7.F of this Notice.
You Can Participate in the [date] Final Approval Hearing.	The Court's Final Approval Hearing is scheduled for [time] on [date] at the Los Angeles Superior Court, 312 N. Spring Street, Los Angeles, CA 90012, Department 7. You can also appear remotely through L.A. Court Connect at https://my.lacourt.org .
You Can Challenge the Calculation of Your Workweeks	Your Individual Settlement Payment and PAGA Individual Payment (if applicable) will depend on how many Workweeks you worked at least one day during the Class Period and PAGA Period (if applicable) . According to CKE's records, you have _____ Class Period Workweeks and _____ PAGA Period Workweeks. If you disagree with this calculation, you must challenge it by [date]. See Section 6 below.

- Capitalized terms not defined in this Notice are defined in the First Amended Stipulation and Settlement of Class Action and PAGA Claims ("Agreement") filed with the Court. You can review a copy of the Agreement on the Settlement Website for this case at [website address].
- The Settlement will resolve the claims against CKE. CKE denies all allegations. The Court has not decided who is right in the Lawsuit.
- If you were employed as an hourly paid non-exempt employee during the Class Period only at a Carl's Jr. franchised location, you are not a Class Member.
- If you were employed as an hourly paid non-exempt employee during the Class Period at both a CKE-owned Carl's Jr. location in California and a Carl's Jr. franchised location, you may be a Class Member and be eligible for a Settlement payment, but only for the time you worked at a CKE-owned Carl's Jr. location.
- Your legal rights are affected *whether or not you act*. Read this Notice carefully.

1. WHAT IS THIS NOTICE ABOUT?

The Court has preliminarily approved the Settlement and has directed the Parties to notify the Class of the Settlement.

You have received this Notice because CKE's records indicate that you may be a Class Member. This Notice is designed to inform you that you may be receiving a share of the Settlement payment, and to inform you of how you can elect not to participate in, or object to, the Settlement. The Superior Court of California, County of Los Angeles is in charge of the Lawsuit.

The Parties agreed to the Settlement to avoid the costs, uncertainty, and delay of further proceedings and the people affected will get the benefits of the Settlement. Named Plaintiffs and their attorneys think the Settlement is in the best interest of all Class Members.

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2. WHAT IS THIS LAWSUIT ABOUT?

The Named Plaintiffs in the Lawsuit claim, on behalf of themselves and other hourly paid non-exempt persons (regardless of job title or role) employed by CKE at a Carl's Jr. corporate owned restaurant location in California during the time June 8, 2012 through and including July 17, 2021, that CKE failed to provide their hourly, non-exempt employees with timely and compliant meal periods by systematically understaffing restaurants, and prohibiting employees from leaving the restaurant grounds for rest breaks as a matter of company policy. Additionally, Named Plaintiffs allege that CKE did not pay the one-hour wage penalty premium payment for meal period and rest period violations mandated by the California Labor Code. Named Plaintiffs also allege that CKE's policy of paying employees their wages through a pay card amounted to unlawful wage discounting because the fees that employees must pay at ATMs to withdraw their wages result in the forfeiture of earned wages. Named Plaintiffs also allege that CKE failed to reimburse employees for their required uniform maintenance and cleaning and did not compensate employees for time spent donning and doffing these uniforms. ("Class Claims")

The Lawsuit seeks relief under various California Labor Code provisions and section 17200 of the California Business and Professions Code. The Named Plaintiffs also seek penalties on behalf of the State of California under California's Private Attorneys General Act ("PAGA"). "PAGA Claims" means civil penalties, attorney's fees and costs sought by the Named Plaintiffs pursuant to Labor Code section 2698, the California Private Attorneys General Act of 2004 for alleged violations of Labor Code sections 201-203, 226, 226.7, 510, 512, 1174, 1174.5, 1194, 1197 and 2802 that occurred during the PAGA Period. The PAGA Period is any time from June 8, 2015 through and including July 17, 2021.

CKE expressly denies all the Named Plaintiffs' allegations and instead contends that CKE committed no unlawful employment acts with respect to Class Members. The Court has not ruled whether either party is correct.

The Settlement represents a compromise and settlement of disputed claims. Nothing in the Settlement is an admission by CKE that the claims have merit, or that CKE has any liability to Named Plaintiffs or the proposed Class on the claims in the Lawsuit.

3. WHAT IS A CLASS ACTION AND WHO IS INCLUDED IN THE SETTLEMENT?

In a class action lawsuit, the class representatives (in this case, Salvador Ochoa and Hermelinda Aguilar) sue on behalf of themselves and other people with similar claims who are called Class Members. One court resolves the issues for all Class Members except those who exclude themselves from the Class.

You have received this Notice because CKE's records show that you fall within the following definition (the "Class"):

All hourly paid non-exempt persons (regardless of job title or role)

CLASS MEMBER NAME:
CLASS MEMBER ID NUMBER:

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employed by CKE Entities at a Carl's Jr. corporate owned restaurant location in California at any time beginning June 8, 2012 through and including July 17, 2021.

"Class Members" include each member of the Class and their agents, assigns, beneficiaries, heirs, guardians, and legal representatives.

In addition, Settlement resolves the PAGA Claims of PAGA Settlement Group Members, which includes:

All hourly paid non-exempt persons (regardless of job title or role) employed by CKE Entities at a Carl's Jr. corporate owned restaurant location in California at any time beginning June 8, 2015 through and including July 17, 2021.

Excluded from the Settlement are those persons who have previously entered into a settlement with, and previously released, CKE Entities with regard to the Released Claims (defined in Section 4.G below).

4. WHAT ARE THE IMPORTANT TERMS OF THE SETTLEMENT?

- A. The Settlement Fund is at least \$9,872,000. If the Class has more than 33,143 people in it, or if the number of workweeks worked by Class Members exceed one million five hundred sixty thousand three hundred twenty-eight (1,560,328), then the total Settlement Fund will increase by the percentage increase in Class size above thirty-one thousand eight hundred twenty-two (31,822), or by the percentage increase in workweeks above one million four hundred eighty-six thousand seventy-nine (1,486,079), whichever is greater. The Settlement Fund will fund payments to Settlement Class Members, as well as all other required payments under the Settlement, except the employer's portion of payroll taxes, which will be paid separately by CKE.
- B. From this Settlement Fund, subject to the Court's approval at the Final Approval Hearing, amounts will be deducted for (a) attorneys' fees in the amount the Court approves, up to 35% of the total Settlement Fund (up to \$3,455,200); (b) costs incurred by Plaintiffs' attorneys and others in the amount the Court approves, up to \$150,000; (c) incentive payments for the Named Plaintiffs, in the amount the Court approves (not to exceed \$10,000 for each Named Plaintiff); (d) a payment to the Settlement Administrator for the costs of administering the Settlement not to exceed \$110,000.00; and (e) a payment to the State of California for PAGA penalties, in the amount of \$75,000. The Settlement Administrator will not make any payments for attorneys' fees, costs or incentive awards until after payments are mailed to Settlement Class Members.
- C. Any funds remaining after making all of these payments will be distributed to Settlement Class Members depending on the period of time worked during the Class Period.
- D. If there are any further remaining funds (for example, uncashed checks) 180 days after distribution of the last Settlement payment to Class Members, these funds will be used

CLASS MEMBER NAME:
CLASS MEMBER ID NUMBER:

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as a reserve fund to make payments and/or cover any additional necessary administration expenses resulting from any errors or disputes in the payments process. Thereafter, these funds will be donated equally to the Legal Aid Foundation of Los Angeles and Restaurants Care (California Restaurant Foundation). No funds will revert to CKE.

- E. **You will be bound by this Settlement** unless you submit a written Request for Exclusion to the Settlement Administrator, postmarked (if by mail) or sent (if by fax or email) by the deadline of [date]. If you do submit a Request for Exclusion by the deadline in accordance with the instructions for submitting a Request for Exclusion, you will be excluded from the Settlement and will not receive a Settlement payment, but you will retain your existing right, if any, to pursue a claim against CKE on your own behalf.
- F. If the Court does not grant final approval, or if final approval is reversed in whole or in part on appeal, the Parties have no obligations under the Settlement, and Class Members will not receive payments.
- G. The Settlement includes a release. The Released Claims are all claims, injuries, demands, losses, damages, liquidated damages, punitive damages, exemplary damages, statutory damages, costs, expenses, restitution, compensation, equitable relief, wages, interest, penalties, suits, causes of action, attorneys' fees, obligations, rights, and liabilities of any nature, type, or description, whether known or unknown, contingent or vested, in law or in equity, in tort, contract, or for violation of any state or federal constitution, statute, rule, or regulation, based on direct or vicarious liability, and regardless of legal theory, that relate to, are based on, concern, or arise out of any of the allegations that were asserted or could have been asserted based on the facts alleged in the Lawsuit individually and on a class-wide basis against the Released Parties. The Released Claims include all causes of action that were delineated in the Lawsuit as well as all causes of action arising out of or that could have been pled based on the facts pleaded in the Lawsuit but which were not specifically delineated as a cause of action in the Lawsuit. The Released Claims include claims covered by: the California Labor Code, and in particular § 200 *et seq.*, including §§ 201 through 204, 210, 212, 218, 218.5, 218.6, 223, 226, 226.7, and 227.3, §§ 245-250, § 300 *et seq.*, § 400 *et seq.*, including §452, § 500 *et seq.*, including §§ 510 and 512, §§ 1174 and 1174.5, §§ 1194, 1194.1, 1197, 1198, and 1198.5, § 2802, and § 2810.3; the California Unfair Practices Act, codified at California Business & Professions Code §§ 17000 *et seq.*; California Business & Professions Code §§ 17200 *et seq.*; California Code of Civil Procedure § 1021.5; and any other applicable provision of the California Labor Code or any applicable California Industrial Welfare Commission Wage Orders, in all of their iterations to the fullest extent permitted by law. The release applies to CKE Restaurants Holdings, Inc. ("CKE"), Carl Karcher Restaurants LLC, and Carl's Jr. Funding, LLC (collectively "CKE") and each of their respective current, former, and future parent companies, subsidiaries, divisions, and current and former affiliated individuals and entities, legal successors, predecessors (including companies they have acquired, purchased, or absorbed), assigns, joint ventures, and each and all of their respective officers, partners, directors, owners, stockholders, servants, agents, shareholders, members, managers, principals,

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investment advisors, consultants, employees, representatives, attorneys, accountants, lenders, underwriters, benefits administrators, investors, funds, and insurers, past, present and future, and all persons acting under, by, through, or in concert with any of them (collectively, the “Released Parties”). However, “Released Parties” does not include any Carl’s Jr. franchisee regarding claims arising during such franchisee’s ownership of said franchise. Additionally, this release will not apply to any claim arising as a result of employment with a Hardee’s, either corporate owned or franchise. This Release will be effective as of the date of the mailing of Settlement Payments after the Court grants final approval of the Settlement.

- H. The PAGA Claims released are for civil penalties, attorney’s fees and costs included in Plaintiff Ochoa’s notice to the LWDA dated February 24, 2016 and in Plaintiff Aguilar’s notice to the LWDA dated October 4, 2017 and incorporated by reference into the Lawsuit including for alleged violations of Labor Code sections 201-203, 226, 226.7, 510, 512, 1174, 1174.5, 1194, 1197 and 2802 alleged to have occurred during the PAGA Period.
- I. Participating in this Settlement will not affect your right to assert claims against CKE that arise after July 17, 2021.

5. HOW IS MY PAYMENT CALCULATED?

Class Individual Settlement Payments: Each Class Member who does not submit a valid Request for Exclusion will receive an Individual Settlement Payment. To determine the amount each Settlement Class Member will receive, the Net Distribution Amount will be divided by the total number of workweeks (“Workweek Amount”) for all Settlement Class Members during the Class Period, excluding any workweeks worked by any member of the settlement class and subclasses included in the cases captioned *Cubias v. Carl Karcher Enterprises, Inc.* (Judicial Council Coordination Proceeding 4537 pending in the Santa Barbara Superior Court); and *Duarte v. Carl Karcher Enterprises, Inc. / Patel, et al., v. Carl Karcher Enterprises, Inc.* (Judicial Coordination Proceeding 4949 pending in the Los Angeles Superior Court) (the “*Cubias/Duarte* Settlement”) during the Class Period. Each Settlement Class Member will be paid a benefit amount equal to the Workweek Amount multiplied by that Settlement Class Member’s total number of workweeks actually worked during the Class Period and excluding periods of employment when no work was performed, such as absences due to vacation, illness, leaves of absence or jury duty.

PAGA Individual Payments: Each PAGA Group Settlement Member will receive a PAGA Individual Payment. To determine the amount of the PAGA Individual Payment each PAGA Settlement Group Member will receive, 25% of the total PAGA Payment, or \$25,000.00, will be divided by the total number of workweeks (“PAGA Settlement Workweek Amount”) for all PAGA Settlement Group Members during the PAGA Period, excluding any workweeks worked by any PAGA Settlement Group Member included in the cases captioned *Cubias v. Carl Karcher Enterprises, Inc.* (Judicial Council Coordination Proceeding 4537 pending in the Santa Barbara Superior Court); and *Duarte v. Carl Karcher Enterprises, Inc. / Patel, et al., v. Carl Karcher Enterprises, Inc.* (Judicial Coordination Proceeding 4949 pending in the Los Angeles Superior Court) (the “*Cubias/Duarte* Settlement”) during the PAGA Period. Each PAGA Settlement Group Member will be paid a benefit amount equal to the PAGA Settlement Workweek Amount multiplied by that PAGA Settlement Group Member’s total number of workweeks actually worked during the PAGA Period and excluding any periods of

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employment when no work was performed, such as absences due to vacation, illness, leaves of absence or jury duty.

6. HOW MUCH MIGHT I RECEIVE?

- A. The amount of the Individual Settlement Payment and, if applicable, PAGA Individual Payment you will receive and the workweeks on which these payments are based are on the first page of this Notice. Note that the Settlement covers a limited period and this number is NOT the same as the total time you spent working for CKE. It just counts the workweeks you worked in California for CKE at a Carl's Jr. location during the limited timeframe covered by the Settlement and excludes any workweeks you worked if you are a member of the settlement class or subclasses in the *Cubias/Duarte* Settlement.

This is just an estimate of the workweeks you worked and your actual award may be more or less. Also, any payroll taxes and required withholdings will be deducted from your Individual Settlement Payment.

- B. If you think the number of workweeks listed above is incorrect, you can contest this value by sending a statement to the Settlement Administrator at the contact information listed below. Your statement must be postmarked (if by mail) or sent (by fax or email) or through the Settlement Website for this case at [website] by the deadline of [date]. Your statement must include the number of workweeks that you believe is correct, and you must provide any supporting documentation you have, such as, by way of example, pay statements.
- C. Contesting the number of workweeks will not remove you from the Settlement. The Settlement Administrator will consider input from both Parties and their counsel as well as the contents of your dispute and any documentation received and make a decision as to whether your payment should be modified by increasing or decreasing the number of credits awarded to you. The decision of the Settlement Administrator will be final and binding upon all Parties and upon you, and you will still be bound by the Settlement regardless of the outcome. If you do not want to be bound by the Settlement, you need to submit a Request for Exclusion as described below.
- D. The Settlement Administrator will mail checks to the last known address of each Settlement Class Member for the amount of the Settlement benefit. A Settlement Class Member must cash their Settlement benefit check within 180 days after the date it is issued. If a Settlement benefit check is not cashed by the Settlement Class Member within that time, their check will be automatically canceled and will not be re-issued, and the funds represented by such check shall be used as a reserve fund to make payments and/or cover any additional necessary administration expenses resulting from any errors or disputes in the payments process. Thereafter, these funds will be donated equally and irrevocably to two non-profit organizations: the Legal Aid Foundation of Los Angeles and Restaurants Care (California Restaurant Foundation).
- E. 20% of each Settlement benefit is intended to resolve that Settlement Class Member's claims for alleged unpaid wages, on which there will be appropriate tax withholding; and 80% of each Settlement Benefit is intended to resolve that Class Member's claims

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for alleged non-wage payments (including reimbursements and penalties) and interest, on which there will be no tax withholding. The Settlement Administrator shall issue the appropriate IRS Forms W-2 and 1099 to each Settlement Class Member. But please be advised that you are responsible for all taxes, penalties and interest owed with respect to your Settlement benefit, regardless of the foregoing allocations. You should consult with an accountant or other tax professional with any questions. Neither the Parties, their lawyers nor the Court is providing you with financial or tax advice.

- F. The judge supervising the Settlement will hold a Final Approval Hearing on [DATE] to decide whether to approve the Settlement. If the judge approves the Settlement at that time and there are no appeals, Settlement benefits are expected to be provided in [dates]. It is possible there will be appeals related to Final Approval, any Attorneys Fee Award, and Attorney Cost Award, or any Incentive Award. It is always uncertain whether and how these appeals will be resolved and resolving them may take time, perhaps more than a year. In the event an appeal is filed, there may be a delay in the provision of Settlement benefits. Please be patient. You may contact the Settlement Administrator for any updates.

7. WHAT ARE MY RIGHTS AS A SETTLEMENT CLASS MEMBER?

- A. **Participating in the Settlement:** Unless you submit a written Request for Exclusion before the deadline, you will be part of the Settlement Class and you will be bound by the terms of the Settlement.
- B. **Excluding Yourself from the Settlement:** If you do not wish to participate in the Settlement, you must mail, fax or email or submit a request through the Administrator's website for this case at [website] a written Request for Exclusion to the Settlement Administrator. The Request for Exclusion must include: 1) your name, address and last four digits of your Social Security number, 2) your Class Member ID number as indicated on this Notice, 3) a clear and unequivocal statement that you wish to be excluded from the Settlement Class, and 4) your signature. The Request for Exclusion may not be signed by an agent or representative of the Class Member.
- C. The Request for Exclusion must be completed, signed, and submitted to the Settlement Administrator at the address identified below, postmarked (if by mail) or sent (if by fax or email or through the Settlement Website) no later than [date]. A Class Member who does not submit a Request for Exclusion in the manner and by the deadline specified above will be bound by all terms and conditions of the Settlement and the Court's judgment, regardless of whether he or she has objected to the Settlement.
- D. Any person who submits a complete and timely Request for Exclusion will, upon receipt, no longer be a member of the Class, and will not be eligible to receive a Individual Settlement Payment. Any such person will retain the right, if any, to pursue a claim against CKE at his or her own expense.
- E. **Please note:** PAGA Settlement Group Members cannot exclude themselves from or object to the portion of the Settlement relating to claims under PAGA. This means that all PAGA Settlement Group Members, regardless of whether they submit a Request

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for Exclusion, will be bound by the Settlement and release of PAGA claims asserted in the Lawsuit and will receive a PAGA Individual Payment if the Settlement is approved by the Court.

There will be no retaliation or adverse action taken against any Class Member because that Class Member participates in the Settlement, submits a Request for Exclusion, or objects to the Settlement.

- F. **Objecting to the Settlement:** If you think the Class Settlement should not be approved, you may mail, fax or email or submit through the Settlement Website for this case at [website] an objection to the Settlement Administrator. You can object to any aspect of the proposed Class Settlement, including the payment requested by Class Counsel and the Plaintiffs. However, as a PAGA Settlement Group Member you cannot object to the PAGA portion of the Settlement. If the Court does not approve the Settlement, no Settlement payments will be sent out and the Lawsuit will continue. Submitting a written objection is not mandatory. You may also, or alternatively, appear in person, remotely (if it is allowed by the Court) or appear through counsel of your choice, paid at your own expense, and be heard at the time of the Final Approval Hearing. You are not required to attend the hearing.
- G. **If you submit a Request for Exclusion from the Settlement, you cannot *also* object to the Settlement. If a Class Member submits both an objection and a valid and timely Request for Exclusion, the Request for Exclusion will be accepted, and the objection will be rejected.**
- H. All written objections and supporting papers must contain at least the following: (1) the objecting Class Member's full name, address, and signature; (2) the Class Member's unique assigned ID number (which can be found on this Notice form); and (3) a statement of the basis for each objection.
- I. All written objections and supporting papers must be mailed, faxed or emailed or uploaded through the Settlement Website at [website] to the Settlement Administrator at the Settlement Administrator's address below and be postmarked (if by mail) or sent (if by fax or email or uploaded) on or before [date].
- J. COVID-19 Considerations: Pursuant to General Order 2021-GEN-023-00 effective June 28, 2021, a copy of which is available at www.lacourt.org, please be aware that the Los Angeles County Superior Court has a mandatory face mask order in effect, and face masks must be worn over the nose and mouth at all times in all public courthouse spaces. The court's social distancing and/or mask requirements (or other COVID-19 related requirements) may change between the date of this Notice and the Final Approval Hearing. Thus, if you intend to appear at or attend the Final Approval Hearing, please check the Court's website at www.lacourt.org for up to date information regarding social distancing procedures, mask requirements, and other COVID-19 considerations for attendance at hearings. You may also have the option to appear remotely. You can find instructions on how to set up a remote appearance, if it is allowed by the Court, at <https://www.my.lacourt.org>.
- K. Even if you object to the Settlement and the Settlement is approved by the Court, you will receive a Settlement benefit to which you are entitled and you will be bound by all

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of the Agreement's terms.

The Difference Between Objecting and Excluding Yourself from the Settlement:

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you remain as a Class Member. Excluding yourself is telling the Court that you do not want to be a Class Member, you do not want to be a part of the Class Claims portion of the Settlement, and you do not want to receive any of the benefits under the Agreement. If you exclude yourself, you have no basis to object to the Settlement or the Agreement, any requested award of attorneys' fees and expenses by Class Counsel, or any incentive award requested by Named Plaintiffs because those provisions of the Settlement will not affect you.

8. THE SETTLEMENT ADMINISTRATOR

Send any Request for Exclusion, workweek dispute, or Objection to the Settlement Administrator at the following mailing address, facsimile number, or email address:

[Administrator]
[Contact information]
[Settlement Website]

9. CLASS COUNSEL

Named Plaintiffs and the Class Members are represented by the following Class Counsel. Contact information for Class Counsel is provided below:

Rastegar Law Group, A.P.C.
Farzad Rastegar
Douglas W. Perlman
22760 Hawthorne Boulevard, Suite 200
Torrance, California 90505
Tel. (310) 961-9600
Fax. (310) 961-9094
farzad@rastegarlawgroup.com
douglas@rastegarlawgroup.com

Mahoney Law Group, A.P.C.
Kevin Mahoney
Katherine Odenbreit
249 E. Ocean Blvd., Ste. 814
Long Beach, CA 90802
Telephone: (562) 590-5550
Facsimile: (562) 590-8400
kmahoney@mahoney-law.net
kodenbreit@mahoney-law.net

10. FINAL APPROVAL HEARING

The Court has scheduled the Final Approval Hearing for [time] on [date] at the Los Angeles Superior Court, 312 North Spring Street, Los Angeles, CA 90012, to determine whether the Settlement should be finally approved. The Court will also be asked to approve the requests for the Named Plaintiffs' Incentive Awards and Class Counsel's Fees and Costs.

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The hearing may be postponed without further notice to the Class. **It is not necessary for you to appear at this hearing.** If you plan to attend the Final Approval Hearing, you should check the Court website at www.lacourt.org to confirm the date and time, as the hearing may be rescheduled without further notice.

If the Court gives Final Approval to the Settlement, then it will enter a Final Approval Order and Judgment. If the Settlement is not finally approved, then the Lawsuit will proceed as if no settlement had been attempted or agreed upon. No benefits will be distributed. There can be no assurance that if the Settlement is not approved, the Class will recover more than is provided in the Settlement or even anything at all.

11. GETTING MORE INFORMATION

This Notice summarizes the proposed Settlement. For more precise terms and conditions of the Settlement, please visit the Settlement Website [\[website\]](#). You can also call [\[toll-free number\]](#) for more information. The Settlement Website provides the key documents related to this case and this Settlement.

**PLEASE DO NOT TELEPHONE THE COURT, CKE, OR CKE’S COUNSEL
FOR INFORMATION. YOU MAY CALL CLASS COUNSEL LISTED ABOVE.**

Dated: [\[date\]](#)

By order of the Court

**EXHIBIT 3 to EXHIBIT B-
SETTLEMENT AGREEMENT- Proposed
Order**

Exhibit 3: [Proposed] Preliminary Approval Order

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

SALVADOR OCHOA, individually, and on
behalf of all other similarly situated current and
former employees of Defendants,

Plaintiff,

vs.

CKE RESTAURANTS HOLDINGS, INC., a
Delaware Corporation; CARL'S JR.
RESTAURANTS, LLC, a Delaware
Corporation; CARL'S JR. FUNDING, LLC, a
Delaware Corporation; and DOES 1 through 50,
inclusive,

Defendants.

And Consolidated Case.

Case No.: BC623041
Consolidated Case No. BC686601

*Assigned for all purposes to the
Honorable Amy D. Hogue, Dept. 7*

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Complaint Filed: 6-8-2016
Trial Date: None

1 Plaintiffs Salvador Ochoa and Hermelinda Aguilar, individually and on behalf of the
2 State of California and all employees similarly situated (hereafter collectively referred to as
3 “Named Plaintiffs”) filed a Motion for Preliminary Approval of Class Action Settlement (the
4 “Motion”), which was heard on _____. In connection with the Motion, the Court
5 considered the proposed class action Settlement Agreement (“Agreement”), the submissions of
6 counsel, and all other papers filed in this Lawsuit. This Order incorporates by reference the
7 definitions in the Agreement, and terms used herein shall have the same meaning as set forth in
8 the Agreement. The Court having considered all papers, having heard oral argument on
9 _____, and otherwise being fully informed and good cause appearing:

10 **IT IS HEREBY ORDERED THAT:**

11 1. The provisions of the Agreement are hereby preliminarily approved. The Court
12 finds that the Settlement appears to be fair, adequate, and reasonable to the Class, free of
13 collusion or indicia of unfairness, and within the range of possible judicial approval. The Court
14 also finds that the Settlement resulted from arm’s length negotiations and is sufficient to warrant
15 the dissemination of Notice to the Class Members.

16 2. The Court, for Settlement purposes only, finds that each of the requirements for
17 certification of the Class set forth in Named Plaintiffs’ Motion are met pursuant to California
18 Code of Civil Procedure section 382. In support of this ruling, the Court conditionally and
19 preliminarily finds that: (a) there is an ascertainable and sufficiently numerous Class; (b) there is
20 a well-defined community of interest, including that there are predominant common questions of
21 law or fact, Named Plaintiffs’ claims are typical of the claims of the Class Members, and Class
22 Counsel and Named Plaintiffs can adequately represent the Class; and (c) the class proceeding is
23 superior.

24 3. Accordingly, pursuant to California Code of Civil Procedure section 382, and for
25 purposes of, and solely in connection with, the Settlement, the Court hereby provisionally
26 certifies the following Class:

27 **All hourly paid non-exempt persons (regardless of job title or**
28 **role) employed by CKE Entities at a Carl’s Jr. corporate**
owned restaurant location in California at any time beginning

1 **June 8, 2012 through and including [DATE]. The Class**
2 **excludes those persons who have previously entered into a**
3 **settlement with, and previously released, CKE Entities with**
4 **regard to the Released Claims.**

5 4. If the Settlement is terminated, cancelled, or fails to become effective for any
6 reason, then provisional certification of the Class shall be void. In that event, the Parties and
7 Class members shall be returned to their respective statuses as of the date immediately prior to
8 the execution of the Agreement and the Parties shall proceed in all respects as if the Agreement
9 had not been executed and this Order shall not have any bearing on, nor shall it be admissible in
10 connection with, the issue of whether or not certification would be appropriate in a non-
11 settlement context.

12 5. The Court appoints and designates Salvador Ochoa and Hermelinda Aguilar as
13 class representatives.

14 6. The Court appoints and designates the following attorneys as Class Counsel for
15 the Class:

16 **Rastegar Law Group, A.P.C**
17 Farzad Rastegar
18 Douglas W. Perlman
19 22760 Hawthorne Boulevard, Suite 200
20 Torrance, California 90505
21 Tel. (310) 961-9600
22 Fax. (310) 961-9094
23 farzad@rastegarlawgroup.com
24 douglas@rastegarlawgroup.com

25 **Mahoney Law Group, A.P.C.**
26 Kevin Mahoney
27 Katherine Odenbreit
28 249 E. Ocean Blvd., Ste. 814
 Long Beach, CA 90802
 Telephone: (562) 590-5550
 Facsimile: (562) 590-8400
 kmahoney@mahoney-law.net
 kodenbreit@mahoney-law.net

1 7. The Court appoints and designates Phoenix Settlement Administrators as the
2 Settlement Administrator.

3 8. The Court approves, as to form and content, the proposed Notice, attached as
4 **Exhibit 2** to the Agreement, including the procedures for the Class Members to object to the
5 Class Claims portion of the Settlement, and to request exclusion from the Class Claims portion
6 of the Settlement.

7 9. The Court finds that the Notice meets the requirements of California Code of
8 Civil Procedure sections 382 and 581(k), California Rules of Court 3.766(d), and due process,
9 and is the best means practicable of providing notice under the circumstances and when
10 completed shall constitute due and sufficient notice of the Lawsuit, the Settlement, and the Final
11 Approval Hearing to all persons affected by and/or authorized to participate in the Settlement.

12 10. Accordingly, the Court orders that the Settlement Administrator provide Class
13 Notice in the form and manner consistent with this Order and in accordance with the schedule
14 below and using the procedures set forth in the Agreement.

15 11. The Court directs the Settlement Administrator to comply with its duties and
16 responsibilities as set forth in the Agreement.

17 12. Administration Costs incurred by the Settlement Administrator in connection with
18 the administration and implementation of the Settlement, distribution of Class Notice pursuant to
19 the Agreement, distributing Settlement Benefits, and any other tasks assigned to the Settlement
20 Administrator by the Agreement, by the Parties or by this Court, shall be paid out of the
21 Settlement Fund.

22 13. Any Class Member may choose to object to the Class Claims portion of the
23 Settlement by submitting to the Settlement Administrator a written statement objecting to the
24 Class Claims portion of the Settlement in accordance with the instructions set forth in the
25 Agreement and the Notice, or by objecting at the Final Approval Hearing. Class Members who
26 fail to either submit timely objections or make an objection at the Final Approval Hearing shall
27 be deemed to have waived any objections and shall forever be foreclosed from making any
28 objection (whether by appeal or otherwise) to the Settlement and shall be bound by the

1 Settlement if finally approved unless the Class Member excludes themselves from the Class
2 Claims portion of the Settlement.

3 14. Any Class Member may choose to be excluded from the Class Claims portion of
4 the Settlement by submitting to the Settlement Administrator a written statement requesting
5 exclusion from the Class Claims portion of the Settlement in accordance with the instructions set
6 forth in the Agreement and the Notice.

7 15. PAGA Settlement Group Members cannot exclude themselves from the PAGA
8 Claims portion of the Settlement. Notwithstanding the submission of a request for exclusion by
9 a PAGA Settlement Group Member, the PAGA Settlement Group Member will still be bound by
10 the settlement and release of the PAGA Claims.

11 16. Class Members who have not requested exclusion from the Class Claims portion
12 of the Settlement by submitting a valid and timely written request for exclusion in accordance
13 with the instructions set forth in the Agreement and the Notice, or by objecting at the Final
14 Approval Hearing, shall be bound by all determinations of the Court, the Agreement, and any
15 Final Approval Order and Judgment entered by the Court.

16 17. Class Members who submit valid and timely written requests for exclusion in
17 accordance with instructions set forth in the Agreement and the Notice, or by objecting at the
18 Final Approval Hearing, shall not be bound by the Class Claims portion of the Settlement or any
19 order entered by the Court approving the Settlement and shall not receive any Individual
20 Settlement Payment or any other benefit under this Settlement. In addition, all PAGA Settlement
21 Group Members, regardless of whether they submit a valid and timely written request for
22 exclusion consistent with the Agreement will be bound by the settlement and release of the
23 PAGA Claims.

24 18. Class Members who submit a valid and timely written request for exclusion from
25 the Class Claims portion of the Settlement will not be permitted to object to the Settlement. Any
26 written objection submitted by a Class Member who also submits a valid and timely written
27 request for exclusion shall be deemed waived and shall not be considered by the Court at the
28 Final Approval Hearing or otherwise.

1 19. The provisions of the Agreement relating to Notice, exclusion from the
2 Settlement, objection to the Settlement, and the Final Approval Hearing are deemed incorporated
3 as if expressly set forth in this Order and have the full force and effect of an order of this Court.

4 20. The Court orders the following schedule as set forth in the Agreement:

- 5 a. Within forty-five (45) calendar days of the date of this Order, the CKE
6 Entities shall use commercially reasonable efforts to provide the
7 Settlement Administrator with the Class Member List specified in
8 Paragraphs 10 and 76 of the Agreement.
- 9 b. Within thirty (30) calendar days of receipt of the Class Member List, the
10 Settlement Administrator shall send a copy of the Notice to all persons
11 shown by CKE Entities' records to be Class Members, via First Class U.S.
12 Mail, and make public the Settlement Website.
- 13 d. All objections must be mailed by First Class U.S. Mail to the Settlement
14 Administrator and postmarked on or before the sixtieth (60th) calendar day
15 following the date Notice is mailed.
- 16 e. All requests for exclusion must be mailed by First Class U.S. Mail to the
17 Settlement Administrator and postmarked on or before the sixtieth (60th)
18 calendar day following the date Notice is mailed.
- 19 f. All challenges to the number of workweeks recorded on a Notice must be
20 postmarked on or before the sixtieth (60th) calendar day following the date
21 Notice is mailed.

22 21. A Final Approval Hearing shall be held before this Court on
23 _____, at ____ a.m./p.m. in Department 7 at 312 North Spring Street, Los
24 Angeles, CA 90012, to determine all necessary matters concerning the Agreement, including
25 whether the proposed Settlement is fair, adequate, and reasonable, whether this Court should
26 grant Final Approval and enter the Final Approval Order and Judgment, and whether there
27 should be any Attorney Fee Award, Attorney Cost Award, and/or Incentive Award, and the
28

1 amounts of any such awards. The Court may adjourn or continue the Final Approval Hearing
2 without further notice to the Settlement Class.

3 22. Named Plaintiffs will file all papers in support of the motion for Final Approval
4 no later than Sixteen (16) Court days before the Final Approval Hearing.

5 23. Any objecting Class Member may appear, in person or by counsel, at the Final
6 Approval Hearing to show cause why the Class Claims portion of the Settlement and the
7 Agreement should not be approved as fair, adequate, and reasonable, or to object to any request
8 for an Attorney Fee Award, Attorney Cost Award, or Incentive Award.

9 24. Nothing in this Order is, or may be construed as, an admission or concession on
10 any point of fact or law by or against Named Plaintiffs or CKE Entities.

11 25. Pending the final determination of whether the Settlement should be approved, all
12 proceedings in this Lawsuit, except as may be necessary to implement the Settlement or comply
13 with the terms of the Settlement, are stayed.

14 26. Pending the final determination of whether the Settlement should be approved,
15 Named Plaintiffs are hereby enjoined from commencing, pursuing, maintaining, enforcing, or
16 prosecuting, either directly or indirectly, any Released Claims in any judicial, administrative,
17 arbitral, or other forum, against any of the Released Parties, provided that this injunction shall
18 not apply to the claims of any Class Members who have timely and validly requested to be
19 excluded from the Class Claims portion of the Settlement. Such injunction shall remain in force
20 until the Effective Date or until such time as the Parties notify the Court that the Settlement has
21 been terminated. This injunction is necessary to protect and effectuate the Settlement, this Order,
22 and this Court's authority regarding the Settlement, and is ordered in aid of this Court's
23 jurisdiction and to protect its judgments.

24 27. Class Counsel, CKE Entities, and the Settlement Administrator are directed to
25 carry out their obligations under the Agreement.

IT IS SO ORDERED.

Dated: _____

Judge of the Superior Court

**EXHIBIT 4 to EXHIBIT B-
SETTLEMENT AGREEMENT - Proposed
Order Granting Final Approval/Judgment**

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

SALVADOR OCHOA, individually, and on
behalf of all other similarly situated current and
former employees of Defendants,

Plaintiff,

vs.

CKE RESTAURANTS HOLDINGS, INC., a
Delaware Corporation; CARL'S JR.
RESTAURANTS, LLC, a Delaware
Corporation; CARL'S JR. FUNDING, LLC, a
Delaware Corporation; and DOES 1 through 50,
inclusive,

Defendants.

And Consolidated Case.

Case No.: BC623041

Consolidated Case No. BC686601

*Assigned for all purposes to the
Honorable Amy D. Hogue, Dept. 7*

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

Complaint Filed: 6-8-2016

Trial Date: None

1 On _____, this Court entered its Preliminary Approval Order preliminarily
2 approving the class action settlement set forth in the Settlement Agreement (the “Agreement”)
3 finding that the settlement appeared fair, adequate, and reasonable, free of collusion or indicia of
4 unfairness, and within the range of possible judicial approval, thereby warranting notice to the
5 Class. Pursuant to California Code of Civil Procedure section 382, the Court also provisionally
6 certified the following Class:

7 **All hourly paid non-exempt persons (regardless of job title or**
8 **role) employed by CKE Entities at a Carl’s Jr. corporate**
9 **owned restaurant location in California at any time beginning**
10 **June 8, 2012 through and including [DATE]. The Class**
11 **excludes those persons who have previously entered into a**
12 **settlement with, and previously released, CKE Entities with**
13 **regard to the Released Claims.**

14 Currently pending before the Court is the Motion for Final Approval of Class Action
15 Settlement filed by Plaintiffs Salvador Ochoa and Hermelinda Aguilar, individually and on
16 behalf of the State of California and all employees similarly situated (hereafter collectively
17 referred to as “Named Plaintiffs”). Named Plaintiffs and Defendants CKE Restaurants Holdings,
18 Inc. (“CKE”), Carl Karcher Restaurants LLC, and Carl’s Jr. Funding, LLC (hereafter collectively
19 referred to as “CKE Entities”), are collectively referred to herein as the “Parties.” Due and
20 adequate notice having been given of the Settlement, the Agreement, and of the Final Approval
21 Hearing as required by the Preliminary Approval Order, and the Court having considered all
22 papers, including all objections filed, having heard oral argument on _____, and
23 otherwise being fully informed and good cause appearing:

24 **IT IS HEREBY ORDERED THAT:**

25 1. This Final Approval Order and Judgment incorporates the Agreement, as
26 submitted to the Court with the Motion for Preliminary Approval of Class Action Settlement,
27 filed on _____. This Final Approval Order and Judgment incorporates by
28 reference the definitions in the Agreement, and terms used herein shall have the same meaning as
set forth in the Agreement.

1 2. This Court has jurisdiction over the subject matter of the Lawsuit and over all
2 Class Members and PAGA Settlement Group Members and over those persons and entities
3 undertaking affirmative obligations under the Agreement.

4 3. The Court finds that the Agreement is reasonable and in the best interests of the
5 Class as it will provide Class Members with substantial and immediate relief and allows Class
6 Members to avoid the risk, expense, complexity, and likely duration of further litigation.

7 4. Pursuant to California Code of Civil Procedure section 382, the Court hereby
8 certifies for settlement purposes only the Class which it previously provisionally certified.

9 5. The Court finds on the record before it that the Settlement Class satisfies the
10 requirements for class certification under California Code of Civil Procedure section 382, for
11 settlement purposes only, because (a) there is an ascertainable and sufficiently numerous Class;
12 (b) there is a well-defined community of interest, including that there are predominant common
13 questions of law or fact, Named Plaintiffs' claims are typical of the claims of the Class Members,
14 and Class Counsel and Named Plaintiffs can adequately represent the Class; and (c) the class
15 proceeding is superior.

16 6. The Court hereby finds that the individual direct Notice given to Class Members
17 (i) fairly and accurately described this lawsuit and the proposed Settlement; (ii) provided
18 sufficient information so that Class Members were able to decide whether to exclude themselves
19 from the Settlement or object to the Settlement; (iii) adequately described the manner in which
20 Class Members could appear at the Final Approval Hearing; and (iv) provided the date, time, and
21 place of the Final Approval Hearing. The Court hereby finds that the Notice was the best notice
22 practicable under the circumstances and complied fully with California Code of Civil Procedure
23 sections 382 and 581(k), California Rules of Court 3.766(d), due process, and all other applicable
24 laws.

25 7. The Court hereby finds there were _____ valid and timely written objections to
26 the Class Claims portion of the Settlement and _____ valid and timely requests for exclusion
27 from the Class Claims portion of the Settlement. The Parties demonstrated that none of the bases
28

1 for objection are valid and accordingly any and all objections to the Settlement and the
2 Agreement are hereby overruled.

3 8. The Court further finds that a full and fair opportunity has been afforded to the
4 Settlement Class to opt out of and to object to the Class Claims portion of the Settlement and to
5 participate in the Final Approval Hearing convened to determine whether the Settlement should
6 be given Final Approval. Accordingly, the Court hereby determines that all members of the
7 Settlement Class are bound by this Final Approval Order and Judgment. In addition, all PAGA
8 Settlement Group Members, regardless of whether they submitted a valid and timely written
9 request for exclusion consistent with the Agreement are bound by the settlement and release of
10 the PAGA Claims.

11 9. The Court hereby finds that the Settlement set forth in the Agreement is in all
12 respects fair, reasonable, and adequate and in the best interests of the Settlement Class. In
13 addition, the Court finds that there was no collusion in connection with the Settlement, that the
14 Settlement was the product of informed and arm's length negotiations among competent counsel,
15 and that the record is sufficiently developed to have enabled Named Plaintiffs and CKE Entities
16 to adequately evaluate and consider their respective positions. Accordingly, the Court hereby
17 finally and unconditionally approves the Agreement.

18 10. The Court hereby finds that Class Counsel provided notice of the Settlement to
19 the California Labor and Workforce Development Agency pursuant to Labor Code section
20 2699(1)(2).

21 11. As of the date of the mailing of Settlement Payments, Named Plaintiffs and the
22 Settlement Class will expressly fully release and forever discharge the Released Parties (as
23 defined in Paragraph 34 of the Agreement) and will be thereby permanently barred and enjoined
24 from commencing, pursuing, maintaining, enforcing, or prosecuting against the Released Parties,
25 either directly or indirectly, on their own behalf, or on behalf of any class or other person or
26 entity, in any action, regulatory action, arbitration, or Court or other proceeding of any kind, any
27 and all claims, injuries, demands, losses, damages, liquidated damages, punitive damages,
28 exemplary damages, statutory damages, costs, expenses, restitution, compensation, equitable

1 relief, wages, interest, penalties, suits, causes of action, attorneys' fees, obligations, rights, and
2 liabilities of any nature, type, or description, whether known or unknown, contingent or vested,
3 in law or in equity, in tort, contract, or for violation of any state or federal constitution, statute,
4 rule, or regulation, based on direct or vicarious liability, and regardless of legal theory, that relate
5 to, are based on, concern, or arise out of any of the allegations that were asserted or could have
6 been asserted based on the facts alleged in the Lawsuit individually and on a class-wide basis
7 against the Released Parties. The Released Claims include all causes of action that were
8 delineated in the Lawsuit as well as all causes of action arising out of or that could have been
9 pled based on the facts pleaded in the Lawsuit but which were not specifically delineated as a
10 cause of action in the Lawsuit. The Released Claims include claims covered by: the California
11 Labor Code, and in particular §§ 96 through 98.2 *et seq.*, § 200 *et seq.*, including §§ 201 through
12 204, 210, 212, 218, 218.5, 218.6, 223, 226, 226.7, and 227.3, §§ 245-250, § 300 *et seq.*, § 400 *et*
13 *seq.*, including §452, § 500 *et seq.*, including §§ 510 and 512, §§ 1174 and 1174.5, §§ 1194,
14 1194.1, 1197, 1198, and 1198.5, § 2802, and § 2810.3; the Labor Code Private Attorneys
15 General Act of 2004, codified at California Labor Code §§ 2698 *et seq.*; the California Unfair
16 Practices Act, codified at California Business & Professions Code §§ 17000 *et seq.*; California
17 Business & Professions Code §§ 17200 *et seq.*; California Code of Civil Procedure § 1021.5; and
18 any other applicable provision of the California Labor Code or any applicable California
19 Industrial Welfare Commission Wage Orders, in all of their iterations to the fullest extent
20 permitted by law. This permanent bar and injunction is necessary to protect and effectuate the
21 Settlement, this Final Approval Order and Judgment, and this Court's authority to effectuate the
22 Settlement, and is ordered in aid of this Court's jurisdiction and to protect its judgments.

23 12. As of the date of the mailing of Settlement Payments, the PAGA Claims of
24 Named Plaintiffs and the PAGA Settlement Group Members against the Released Parties will
25 thereby be fully and forever compromised, released, resolved, relinquished, and discharged
26 through the PAGA Period.

27 13. The Released Parties may file this Final Approval Order and Judgment in any
28 other action that may be brought against them in order to support a defense or counterclaim

1 based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment
2 bar or reduction, or any other theory or claim preclusion or issue preclusion or similar defense or
3 counterclaim.

4 14. In its Preliminary Approval Order, the Court appointed and designated Phoenix
5 Settlement Administrators to act as the Settlement Administrator. Phoenix Settlement
6 Administrators has acted as the Settlement Administrator and shall continue to act as the
7 Settlement Administrator to perform those duties and responsibilities that remain under the
8 Agreement and this Final Approval Order and Judgment.

9 15. Consistent with Paragraphs 92 and 15 of the Agreement, CKE Entities shall
10 transfer the Gross Settlement Amount and Employer Taxes (as defined in the Agreement) in the
11 amount of \$9,872,000.00 into the Settlement Fund. The Settlement Fund shall be established by
12 the Settlement Administrator as a Qualified Settlement Fund pursuant to Section 468B(g) of the
13 Internal Revenue Code, and all regulations promulgated thereunder for the purpose of
14 administering the Settlement.

15 16. Within fifteen (15) days after receipt of CKE Entities' payment of the Gross
16 Settlement Amount and Employer Taxes (as defined in the Agreement), the Settlement
17 Administrator shall mail a check to the last known address of each Settlement Class Member for
18 the amount of the Individual Settlement Payment.

19 17. Within fifteen (15) calendar days after receipt of CKE Entities' payment of the
20 Gross Settlement Amount and Employer Taxes, the Settlement Administrator shall make the
21 LWDA Payment in the amount of \$100,000 to the California Labor and Workforce Development
22 Agency.

23 18. Within fifteen (15) days after receipt of CKE Entities' payment of the Gross
24 Settlement Amount and Employer Taxes (as defined in the Agreement), but not before checks
25 are mailed to Settlement Class Members, the Settlement Administrator shall pay the Attorney
26 Cost Award from the Settlement Fund to Class Counsel in the amount of [_____].

27 19. Within fifteen (15) days after receipt of CKE Entities' payment of the Gross
28 Settlement Amount and Employer Taxes (as defined in the Agreement), but not before checks

are mailed to Settlement Class Members, the Settlement Administrator shall pay the Incentive Award from the Settlement Fund to Plaintiffs in the amount of [_____].

20. Within fifteen (15) days after receipt of CKE Entities' payment of the Gross Settlement Amount and Employer Taxes (as defined in the Agreement), but not before checks are mailed to Settlement Class Members, the Settlement Administrator shall pay the Attorney Fee Award from the Settlement Fund to Class Counsel in the amount of [_____].

21. Individual Settlement Payments will go stale one hundred eighty (180) calendar days after issuance. Any funds remaining after Individual Settlement Payments that go stale will be used as a Reserve Fund to make payments, and/or cover any additional necessary administration expenses, resulting from any errors or disputes in the payments process.

22. A final accounting hearing will be held on _____, at ____ a.m./p.m. in Department 7 at 312 North Spring Street, Los Angeles, CA 90012, at which the Court will review a final report on all payments made from the Settlement Fund. At that time the Court will determine the amount of any remaining funds to be distributed to the entities selected by the parties, the Legal Aid Foundation of Los Angeles and Restaurants Care (California Restaurant Foundation), as set forth in Paragraphs 54 and 100 of the Agreement.

23. In the event that the Settlement does not become effective in accordance with the terms of the Agreement, then this Final Approval Order and Judgment shall be rendered null and void and be vacated, the Agreement and all orders entered in connection therewith shall be rendered null and void *ab initio*, and this Lawsuit shall be reinstated as it existed immediately prior to the execution of the Agreement. In that case, all communications, documents, filings, negotiations, and other actions taken to negotiate and pursue settlement through the Agreement, including the Agreement itself, shall be considered confidential settlement communications that cannot be used as evidence for any purposes whatsoever in the Lawsuit or any proceedings between the Parties or in any other action related to the Released Claims or otherwise involving the Parties or any of the Released Parties.

24. Nothing in this Final Approval Order and Judgment or the Agreement shall be construed as an admission or concession by any Party. The Agreement and this resulting Final Approval Order and Judgment simply represent a compromise of disputed allegations.

25. All Parties to the Agreement, the Settlement Administrator, and Class Counsel are directed to carry out their obligations under the Agreement.

26. The Court expressly determines that there is no just reason for delay of the judgment in this matter and hereby enters final Judgment in the Lawsuit in accordance with the terms of the Settlement, Preliminary Approval Order, and this Final Approval Order and Judgment.

27. Without impacting the finality of this Final Approval Order and Judgment, pursuant to California Rule of Court 3.769(h), the Court hereby retains continuing jurisdiction to assure compliance with all terms of this Settlement in accordance with the Agreement and this Final Approval Order and Judgment.

28. Class Counsel shall provide a copy of this Final Approval Order and Judgment to the Settlement Administrator within seven (7) calendar days of receipt.

IT IS SO ORDERED.

Dated: _____

Judge of the Superior Court

**EXHIBIT 5 to EXHIBIT B-
SETTLEMENT AGREEMENT-Sample
Envelope**

Salvador Ochoa / Hermelinda Aguilar

v.

Carl's Jr. Restaurants, LLC

c/o Phoenix Settlement Administrators

PO Box 7208

Orange, CA 92863

<PSA ID>

<Contact>

<Address 1>

<City>, <State> <Zip>