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9

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 FOR THE COUNTY OF SAN BERNARDINO
12

13 CHRISTINA ROMERO, on behalf of herself
and all others similarly situated

14 Plaintiff,

15 v.

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

18 Defendants
19
20
21

Case No. CIVSB2305280

Assigned for All Purposes to the Honorable
Joseph T. Ortiz, Department S-17

**DECLARATION OF SHAUN SETAREH IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT AND
CERTIFICATION OF SETTLEMENT
CLASS**

Date: October 1, 2024

Time: 1:30 p.m.

Place: Department S-17

Complaint Filed: February 17, 2023
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I, Shaun Setareh, declare as follows:

1. I am an attorney in good standing duly admitted to the State Bar of California, the principal attorney at Setareh Law Group, counsel of record for Plaintiff Christina Romero (“Plaintiff”) in this action against Defendant MCDONALD’S RESTAURANTS OF CALIFORNIA, INC. (“Defendant”) (Plaintiff and Defendant, collectively, the “Parties”). This declaration is made in support of Plaintiff’s Motion for Preliminary Approval of the Class Action Settlement and Certification of Settlement Class.

2. Except for those matters stated on information and belief, which I am informed and believe are true and correct, I have personal knowledge of all matters set forth herein. If called as a witness, I could and would competently testify thereto.

3. I received my undergraduate degree from UCLA in 1996 and my law degree from Loyola Law School in 1999. Since being admitted to the State Bar of California in 1999, I have actively practiced civil litigation for the entirety of that time period.

4. Setareh Law Group and I, as its principal attorney, are well-experienced class action attorneys. I, along with the senior attorney assigned to this case, Thomas Segal, have considerable experience in class action litigation. I, and the attorneys at Setareh Law Group, have been involved as lead class counsel, co-lead class counsel, and other levels of involvement in over 100 wage-and-hour, consumer, and antitrust class action cases. Because of this, Setareh Law Group has more than 250 Westlaw citable opinions, including the following noteworthy appellate decisions:

State Appellate Decisions

a. *Troester v. Starbucks Corporation, et al.*, 5 Cal.5th 829 (2018) (reversed summary judgment in favor of Defendants, issuing a landmark published decision that clarified and rejected the application of the widely adopted federal *de minimis* doctrine to California’s wage-and-hour laws). Due to the significance and importance of this seminal victory before the California Supreme Court, I received the California Lawyer of the Year or “CLAY” award from the Daily Journal for my work on the case.

b. *Allen v. Labor Ready Southwest, Inc.* (Cal.App. 2 Dist., 2013) 2013 WL 1910293 (reversing an

1 Order from the Superior Court of Los Angeles County compelling Plaintiff's claims to
2 arbitration, finding that Defendant waived the right to compel arbitration by litigating the merits
3 of Plaintiff's arbitrable federal and state claims).

4 Setareh Law Group has prevailed in its six most recent Ninth Circuit appeals. Five of the seven cases
5 resulted in reversals of the trial court decision, with the remaining two cases (*Harris* and *Parsittie*)
6 affirming a decision favorable to the Plaintiff. These six cases are listed below:

7 *Ninth Circuit Decisions*

- 8 c. *Troester v. Starbucks Corp.*, 738 Fed. Appx. 562 (9th Cir. 2018) (Ninth Circuit opinion following
9 the California Supreme Court answering the Ninth Circuit's certified question).
- 10 d. *Gilberg v. California Check Cashing Stores, LLC*, 913 F.3d 1169 (9th Cir. 2019) (vacated district
11 court's summary judgment in favor of Defendants and remanded for further proceedings, holding
12 that Defendants' Fair Credit Reporting Act disclosure form lacked sufficient clarity in a
13 published opinion).
- 14 e. *Rodriguez v. U.S. Healthworks*, 813 Fed.Appx. 315 (9th Cir. 2020) (reversed district court's
15 summary judgement in favor of Defendants with instructions to remand the action to state court).
- 16 f. *Harris v. KM Industrial, Inc.*, 980 F.3d 694 (9th Cir. November 13, 2020) (affirmed the district
17 court's granting of Plaintiff's motion to remand, holding in a published opinion that Defendants
18 had failed to establish by a preponderance of the evidence that the amount in controversy
19 exceeded \$5 million as required under the Class Action Fairness Act for removal).
- 20 g. *Parsittie v. Schneider Logistics, Inc. et al.*, Case No. 20-55470 (9th Cir. June 9, 2021) (reversed
21 the district court's dismissal of Plaintiff's meal and rest break claims, holding that Plaintiff's
22 security check allegations were sufficient to state a claim for break-time violations and
23 remanding for further proceedings).
- 24 h. *Ahlstrom v. DHI Mortg. Co., Ltd., L.P.*, 21 F.4th 631 (9th Cir. December 29, 2021) (reversed the
25 district court's ruling compelling claims to arbitration, holding that parties cannot delegate issues
26 of formation of an arbitration agreement to the arbitrator for determination).
- 27 i. *Allen v. Bedolla*, 787 F.3d 1218 (9th Cir. June 2, 2015) (affirming the district court's Order
28 denying objector's motion to intervene and remanding to the district court where settlement was

1 granted final approval. Final approval was upheld on a subsequent appeal in the 9th Cir. [see
2 *Bedolla v. Allen*, 736 Fed.Appx. 614 (9th Cir. May 18, 2018)].

3 **Class Counsel Appointments.** The following is a sampling of class actions in which the Setareh
4 Law Group and I have been appointed as class counsel:

5 *Federal Cases*

- 6 j. *Cerdenia v. USA Truck, Inc.*, U.S. District Court, Central District of California, Case No. 10-CV-
7 1489-JVS (granted final approval in an action on behalf of truck drivers for meal and rest period
8 violations, off-the-clock pre- and post-shift work, and unauthorized wage deductions).
- 9 k. *Fronza v. Staffmark*, U.S. District Court, Northern District of California, Case No. 15-CV-
10 02315-MEJ (granted final approval in a case involving alleged uncompensated security checks
11 for warehouse workers).
- 12 l. *Garcia v. Am. Gen. Fin. Mgmt. Corp.*, U.S. District Court, Central District of California, Case
13 No. 09-CV-1916 (granted final approval in a case filed on behalf of account managers in case
14 involving, among other things, alleged overtime miscalculations and meal and rest period
15 violations).
- 16 m. *Jones v. Shred-It USA, Inc.*, U.S. District Court, Central District of California, Case No. 11-CV-
17 00526 (granted final approval in a case brought on behalf of customer service representatives and
18 balers for alleged off-the-clock work and meal and rest period violations).
- 19 n. *O'Neill v. Genesis Logistics, Inc.*, U.S. District Court, Northern District of California, Case No.
20 08-CV-4707 (granted final approval in a case involving claims for failure to provide meal
21 periods to employees who worked as drivers delivering goods to 7-11 stores throughout
22 California and failure to pay final wages in a timely manner to terminated employees).
- 23 o. *Padilla v. UPS*, U.S. District Court, Central District of California, Case No. 08-CV-1590
24 (granted final approval in a case involving claims for failure to provide meal periods to part time
25 employees engaged in sort operations and failure to pay final wages in a timely manner to
26 terminated employees).
- 27 p. *Pitre v. Wal-Mart Stores, Inc.*, U.S. District Court, Central District of California, Case No. 17-cv-
28 01281-DOC (granting class certification in a highly contested Action against Wal-Mart for a

1 class of almost 5,000,000 in a Fair Credit Reporting Act action).

- 2 q. *Utne v. Home Depot U.S.A., Inc.*, U.S. District Court, Northern District of California, Case No.
3 16-cv-01854-RS (granting class certification in a highly contested Action against Home Depot in
4 connection with uncompensated off-the-clock work occurring at the start of all employee shifts
5 and at the end of closing shifts).
- 6 r. *Vang v. Burlington Coat Factory Warehouse Corp.*, U.S. District Court, Central District of
7 California Case No. 09-CV-8061 (granted final approval in a case involving, among other things,
8 vacation pay forfeitures, failures to provide meal and rest periods, and failures to pay overtime
9 wages based on employee misclassification).
- 10 s. *Wilson v. TE Connectivity*, Northern District of California Case No. 3:14-cv-04872-EDL
11 (granted class certification through contested motion in case on behalf of manufacturing facility
12 employees subject to auto-deduction of meal breaks).

13 State Cases

- 14 t. *Sandoval v. Rite Aid Corp.*, Los Angeles County Superior Court, Case No. BC431249 (granted
15 class certification through contested motion in case on behalf of former pharmacy employees
16 based on late final wage payments in violation of Labor Code §§ 201–203; subsequently granted
17 final approval of class action settlement).
- 18 u. *Valencia v. SCIS Air Security Corp.*, Los Angeles Superior Court, Case No. BC421485 (granted
19 class certification through contested motion in case on behalf of former security workers based
20 on late final wage payments in violation of Labor Code §§ 201–203; subsequently granted
21 preliminary approval of proposed class action settlement).

22 5. I am the owner and managing attorney of Setareh Law Group. All strategic decisions
23 regarding the selection of clients to represent and the major strategic decisions for each client fall to me
24 to make or approve. I bear all of the risk associated with the operation of a law firm. As a result, my
25 scope of responsibility is substantially greater than an attorney of equal years of experience who does not
26 bear these additional obligations.

27 6. As the above shows, the Setareh Law Group and I have substantial experience in wage-
28 and-hour class action litigation, including actions alleging failure to provide meal and/or rest periods,

1 failure to pay wages, failure to provide accurate wage statements, failure to provide timely final wage
2 payments, and other related claims. We are knowledgeable about the applicable law and have worked
3 diligently to investigate and identify the potential claims in this action. I will continue to commit my
4 firm's resources to further the interests of the Class. Setareh Law Group and I have no known conflicts
5 of interest with Plaintiffs or with absent Class Members.

6 *Parties*

7 7. Defendant is a McDonald's subsidiary that operates McDonald's corporate owned
8 restaurants in California. Plaintiff Christina Romero worked for Defendant as an hourly non-exempt
9 employee in Upland California as a crew member from approximately December 2021 to July 2022.

10 *Complaints*

11 8. On February 17, 2023, Plaintiff filed the putative class and representative action
12 complaint against Defendant in San Bernardino Superior Court, entitled *Christina Romero v.*
13 *McDonald's Restaurants of California, Inc.*, Case No. CIVSB2305280. The Complaint alleged ten
14 causes of action for (1) failure to provide meal periods, (2) failure to provide rest periods, (3) failure
15 to pay hourly and overtime wages, (4) failure to pay sick time, (5) failure to reimburse business
16 expenses, (6) failure to provide accurate itemized wage statements, (7) failure to timely pay all final
17 wages, (8) failure to pay wages without discount, (9) statutory unfair competition, and (10) civil
18 penalties under the Labor Code Private Attorneys General Act of 2004 (PAGA).

19 9. On June 14, 2024, Plaintiff submitted an amended PAGA letter to the Labor &
20 Workforce Development Agency to clarify claims and allegations based on information learned and
21 theories developed through the course of the litigation.

22 10. The parties entered into a stipulation to file a First Amended Complaint for settlement
23 purposes, which was lodged on August 30, 2024, and entered by the Court on September 5, 2024. The
24 First Amended Complaint is Exhibit A to the Settlement. On September 6, 2024, Plaintiff filed the First
25 Amended Complaint.

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Factual Allegations

11. Plaintiff alleges that Plaintiff and putative class members meal and rest breaks were not scheduled and that they were sometimes not provided in a timely fashion. Additionally, Plaintiff alleges that Defendant did not pay employees for the off-the-clock work performed, including time spent undergoing Covid-19 screenings, time spent clocking in, time spent maintaining uniforms and time spent responding to cell phone communications. Plaintiff further asserts she was not reimbursed for business expenses of cell phones, vehicle and laundry services. Plaintiff additionally alleges that Plaintiff and the putative class members were not provided with sick time that they were legally entitled to. Moreover, Plaintiff alleges that individuals who were paid with pay cards sometimes incurred fees when using the pay cards. Plaintiff asserts that Defendant failed to properly factor in shift differential pay when calculating the regular rate of pay. Finally, Plaintiff alleges that because of these discrepancies in hours worked as reported, Defendant failed to provide accurate wage statements and also failed to timely pay all wages owed to her and other former employees all wages owed upon separation of employment.

12. Defendant denies all of Plaintiff's allegations and contends it has fully complied with all applicable laws and regulations in connection with its employment of Plaintiff and the employees she seeks to represent. Defendant further contends that Plaintiff cannot establish the requirements to certify a class. Defendant also contends that Plaintiff's claims are incapable of being manageably tried as a class or PAGA representative action. Defendant asserts that it provides meal periods to employees and authorizes and permits them to take rest periods, and pays meal and rest period premiums, in accordance with applicable law. Defendant asserts that to prove whether any particular employee was not provided the opportunity to take a meal or rest periods on any given day would require an individualized inquiry that would prevent this issue from being resolved on a class and/or representative basis. Defendant asserts that it paid employees for time spent undergoing Covid-19-related wellness checks, and that checks only took a few seconds and varied over time and by location. Defendant states the uniform did not require special maintenance. Defendant asserts that the uniforms were wash-and-wear and did not require drycleaning. Defendant has contended that it did not have a purported policy of not paying required compensation, but rather a policy of paying compensation and of requiring employees to report any unpaid compensable time, and that

1 any failures to report by employees cannot be legally charged to Defendant and, in any event,
2 involve such highly individualized circumstances as to prevent class certification and representative
3 action treatment should this case be litigated. Defendant asserts that employees are only paid by pay
4 card if they expressly elect that option, which most employees do not choose to do. Defendant states
5 that Plaintiff and class members were not required to use her cell phone or car for business reasons,
6 that they should not have had to incur any business-related expenses at all, and that if any expenses
7 were incurred, Defendant's policy is to reimburse them

8 *Discovery and Mediation*

9 13. Plaintiff and Defendant engaged in formal and informal discovery prior to resolving the
10 Action. Leading up to the mediation, the Parties engaged in formal and informal discovery and
11 exchange of information and documents. Defendant propounded a set of document requests, to
12 which Plaintiff responded and produced documents. Plaintiff propounded written discovery as well,
13 to which Defendant responded and produced hundreds of documents and other information,
14 including, but not limited to, policy documents and records relating to Plaintiff's employment. In
15 preparation for mediation, Plaintiff requested and Defendant provided substantial informal
16 discovery, including production of additional policy documents, putative class members' time and
17 pay records, employee headcounts and pay period counts, and other information requested by
18 Plaintiff.

19 14. From the data and other documents obtained from Defendant pertaining to the Class and
20 Defendant's policies, Plaintiff's expert was able to analyze the data sampling, and Plaintiff was then able
21 to thoroughly assess the merits of each claim.

22 15. The Parties agreed to mediate Plaintiff's alleged wage and hour and PAGA claims
23 and selected Stephanie Chow to serve as mediator. The case settled following acceptance of a
24 mediator's proposal at the end of the full-day mediation on December 28, 2023.

25 16. A true and correct copy of the Class and PAGA Settlement Agreement and Release (the
26 "Settlement") executed by the Parties is attached hereto as **Exhibit 1**. A true and correct copy of the
27 Notice of Class Action Settlement is attached as **Exhibit B** to the Settlement.
28

1 17. I believe that the Settlement is in the best interest of the class members based on our
2 investigation and discovery, our detailed understanding of the issues raised, and the outcome of extensive
3 settlement negotiations.

4 18. Each of the Parties, represented by its respective counsel, recognized the risk of an
5 adverse result in the Action. The parties agreed to settle the case and resolve all claims against
6 Defendant. I believe the proposed settlement is fair, reasonable, and adequate in light of the complexities
7 of the case, the uncertainties of further litigation, and that it represents a fair and reasonable recovery for
8 the Settlement Class. The Parties have not engaged in any collusion or improper negotiations. The
9 Parties do not have any agreements regarding the proposed Settlement that are not reflected in the
10 Settlement.

11 At the time of mediation, Defendant provided certain data points that included payroll data for
12 the putative class during the relevant class period. This enabled Plaintiff's damages expert to review the
13 data and to prepare a comprehensive damage analysis for the purposes of mediation.

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The following chart provides the estimated potential recovery on a class basis that Plaintiff believes she could reasonably achieve *if she were to prevail on all their causes of action*:

Plaintiff's Estimated Potential Recovery		
Assumptions During Class Period (based on time/payroll data provided by Defendant) Shift Count: 3,489,346 ; Average Regular Rate of Pay: \$17.07/hour		
Cause of Action	Estimated Potential Recovery	Calculations for Estimated Potential Recovery
Off-the-Clock Work	\$4,765,050.89	3,489,346 Shifts x 5 minutes Off-the-Clock Work Per Shift x \$17.07 Avg. Rate
Meal Period Premiums	\$1,965,583.18	2,302,968 Shifts Where Meal Periods Required using Meal Period violation rate of 5% found in data x \$17.07 Avg. Reg. Rate
Rest Period Premiums	\$8,629,641.61	3,342,793 Shifts where Rest Periods Required using Rest Period violation rate in data of 19.75% x \$17.07 Avg. Reg. Rate, and factoring in rest break premium payments of \$2,640,000.00
Sick Time	\$2,658,823.20	19,470 putative class members assuming each entitled to 8 hours of unprovided sick pay x \$17.07 Avg. Reg. Rate
Pay Card	\$1,540.00	Defendant represents that only 308 putative class members received pay cards. 308 putative class members received pay cards and assuming each individual incurred card fees of \$5.00
Failure to Reimburse Business Expenses	\$194,700.00	19,470 putative class members assuming each incurred business expenses of \$10 a month
Sub-Total Potential (Excluding Wage Statement Violations, Waiting Time Penalties and PAGA)¹	\$18,215,338.88	

¹ Civil penalties are estimated and interest is not included in this analysis. This is proper because, first, PAGA penalties are discretionary (see Lab. Code § 2699(e)(2) (the court in its discretion “may award a lesser amount than the maximum civil penalty amount specified by this part...”), and courts evaluate the strength of a proposed settlement without taking potential penalties or interest into consideration. (See *Rodriguez v. West Publishing Corp.* (9th Cir. 2000) 563 F.3d 948, 955; see also *Miller v. CEVA Logistics U.S.A., Inc.* (E.D. Cal. Feb. 19, 2015) 2015 WL 729638, at *7(court

Wage Statement Violations	\$14,250,000.00	285,000 pay periods times \$50 penalty amount
Waiting Time Penalties	\$58,502,304.00	14,280 terminated employees x 240 hours x \$17.07 Avg. Reg. Rate
Sub-Total Potential (Excluding PAGA)	\$90,967,642.88	
PAGA Penalties	\$191,472,300.00	
TOTAL	\$282,439,942.88	

Consequently, the settlement of \$6,500,000.00 represents about **35.6%** of the estimated \$18,215,338.88 exposure, assuming these amounts could be proven at trial. Given the amount of the settlement as compared to the potential value of the claims in this case, the settlement is fair and reasonable. Clearly, the goals of this litigation have been met. Courts regularly approve settlements where the recovery is less than one quarter of the maximum potential realistic recovery. (*E.g., Bravo v. Gale Triangle*, 2017 WL 708766 at *9 (C.D. Cal. 2017) (approving settlement where recovery was 7.5% of projected maximum recovery amount); *Officers for Justice v. Civil Service Com’n of City & County of S.F.*, 688 F.2d 615, 628 (9th Cir. 1982).)

Despite a total potential recovery of a little more than 18 million on their class claims, Plaintiff recognizes the challenges she faces in certifying a class action and establishing liability on the underlying wage and hour claims. Plaintiff estimates that their likelihood of prevailing on all their causes of action (on the derivative Labor Code section 203 and 226 claims, in particular) are extremely low and thus their

utilized calculation of a defendant’s exposure exclusive of interest and penalties to determine whether the settlement fell within the range of possible approval).

1 likelihood of recovering 18 million or anything close to that amount on behalf of a class is very unlikely.

2 For those claims, if any, that are certified for class treatment, Plaintiff must prevail at a trial on
3 the merits. In addition to having to prove that Plaintiff and other workers were not paid for all hours
4 worked, Plaintiffs must establish willfulness with respect to their waiting time penalties claim under
5 Labor Code Section 203 as well as a knowing and intentional violation under Labor Code Section 226
6 for wage statement penalties.

7 With respect to the claims asserted on behalf of the Settlement Class in this case, there are
8 significant risks that support the reduced compromise amount. These risks include, but are not limited to,
9 the following:

10 (i) The risk that Plaintiff would be unable to establish liability for allegedly unpaid straight
11 time and overtime wages. *See Duran v. U.S. Bank Nat'l Ass'n* (2014) 59 Cal.4th 1, 39 & fn. 33
12 (“*Duran*”), citing *Dilts v. Penske Logistics, LLC* (S.D. Cal. 2014) 2014 WL 205039 (dismissing certified
13 off-the-clock claims based on proof at trial).

14 (ii) The risk that Plaintiff would not be able to prove liability for alleged failure to provide
15 compliant meal periods and rest breaks; or that to establish liability for the failure to provide compliant
16 meal periods and rest breaks would require an individualized inquiry that would prevent these issues
17 from being resolved on a class and/or collective basis. For example, Plaintiff alleged that that some meal
18 and rest breaks were not timely provided due to work constraints. Defendant alleges that many
19 employees took their meal periods and rest breaks in a timely fashion and that in order to prove whether
20 each employee took their meal periods and/or rest breaks would require an individualized inquiry that
21 would prevent this issue from being resolved on a class and/or collective basis.

22 (iv) The risk that Defendant’s challenged employment policies might not ultimately support
23 class certification or a class-wide liability finding, *see, Duran*, 59 Cal.4th at 14 & fn. 28 (citing Court of
24 Appeal decisions favorable on class certification issue without expressing opinion as to ultimate viability
25 of proposition). Defendant has contended, for example, that it did not have a purported policy of not
26 paying required compensation, but rather a policy of paying compensation and of requiring employees to
27 report any unpaid compensable time, and that any failures to report by employees cannot be legally
28 charged to Defendant and, in any event, involve such highly individualized circumstances as to prevent

1 class and collective certification should this case be litigated. *See, e.g., Morillion v. Royal Packing Co.*
2 (2000) 22 Cal.4th 575, 585 (employer not required to pay employees for time spent performing work of
3 which the employer had no knowledge).

4 (v) For the same reasons, liability, damages recovery, and certification risks are heightened
5 given: (1) the risk that uncertainties pertaining to the ultimate legality of Defendant's policies and
6 practices could preclude class-wide awards of statutory penalties under Labor Code section 226(e); (2)
7 the risk that individual differences between settlement Class Members could be construed as pertaining
8 to liability, and not solely to damages, *see, Duran*, 59 Cal.4th at 19; and (3) the risk that class or
9 collective treatment could be deemed improper as to one or more claims except for settlement purposes.

10 (vi) The risk that any civil penalties award under PAGA could be reduced by the Court in its
11 discretion, which would materially impact the recovery by the Class. *See* Labor Code section 2699(e)(1).

12 (vii) The risk that lengthy appellate litigation could ensue as to both liability and certification
13 issues, with associated litigation risk and costs, further enhances the value of a confirmed settlement as
14 opposed to unpredictable litigation.

15 (viii) Although the PAGA penalties calculated by Plaintiff's expert amounts to an extravagant
16 \$191,472,300.00, that amount is not likely to bear fruit in this case. Most significantly, the ultimate
17 decision as to the amount of penalties is always up to the discretion of the Court. Labor Code §
18 2699(e)(2) states: "In any action by an aggrieved employee seeking recovery of a civil penalty available
19 under subdivision (a) or (f), a court may award a lesser amount than the maximum civil penalty amount
20 specified by this part if, based on the facts and circumstances of the particular case, to do otherwise
21 would result in an award that is unjust, arbitrary and oppressive, or confiscatory." Subdivision (a) states,
22 "Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty
23 to be assessed and collected by the Labor and Workforce Development Agency or any of its
24 departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may,
25 as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of
26 himself or herself and other current or former employees pursuant to the procedures specified in Section
27 2699.3." Subdivision (f) specifies the penalties in instances where the underlying statute does not
28 specify any civil penalty. In other words, where the facts and circumstances of the particular case

1 demonstrate that an unreduced award would be “unjust, arbitrary and oppressive, or confiscatory,” the
2 court (or arbitrator) may reduce the award so as to ameliorate any such finding.

3 (ix) The risk that the Court would find that Covid-19 screenings occurred while employees were
4 clocked in. This is further compounded by the individualized inquiry that could be necessary to make this
5 determination for each employee based on his or her particular circumstances, including but not limited to co-
6 workers, employees, site, and working conditions.

7 (x) The risk that the Court would find that the Covid-19 screening claim is not certifiable as
8 Defendant claims it’s Covid-19 screenings only took a few seconds and varied by location.

9 (xii) The risk that the Court would find that Defendant’s reimbursement policies were compliant.

10 In these respects, Defendant strongly denies any liability and the propriety of class certification
11 for any reason other than settlement. Continued litigation of this lawsuit presented Plaintiff and
12 Defendant with substantial legal risks that were (and continue to be) very difficult to assess.

13 In light of the uncertainties of protracted litigation, the Settlement amount reflects a fair and
14 reasonable recovery for the Class Members. The Settlement amount is, of course, a compromise figure.
15 By necessity, it took into account risks related to liability, damages, class action certification, and all the
16 defenses asserted by Defendant as to all such matters. Moreover, each settlement Class Member will be
17 given the opportunity to opt out of the Settlement, allowing those who feel they have claims that are
18 greater than the benefits they can receive under this Settlement to pursue their own claims.

19 19. Under these standards, Plaintiff’s claims are typical of those of the class members. Like
20 Class Members, Plaintiff was an hourly non-exempt employees of Defendant in California. Plaintiff
21 alleges she was not paid for all hours worked, was not provided with compliant meal periods and rest
22 breaks, was not reimbursed for business expenses, and did not receive accurate wage statements. (*Id.*)
23 *See Classen, supra*, 145 Cal. App. 3d at 46 (representative plaintiffs need not have all claims or identical
24 interests with class members; they need only have claims that are “typical of the class”); *see also B.W.I.*
25 *Custom Kitchen v. Owens-Illinois, Inc.* (1987) 191 Cal. App. 3d 1341, 1347 (representative plaintiffs
26 need not suffer all of the exact same damages as every class member). Accordingly, Plaintiff pursues
27 claims typical of the class she seeks to represent. Plaintiff has no conflict of interest with the Settlement
28 Class Members and has agreed to place the Classes interests above her own. Setareh Law Group also

1 has no conflicts of interest with the Settlement Class Members.

2 *Service Award*

3 20. The requested service award of \$10,000 to Plaintiff Christina Romero is warranted.
4 Plaintiff spent considerable time speaking with her counsel, gathering documents, responding to
5 discovery requests, participating in discussions regarding settlement, and reviewing the Settlement.
6 Plaintiff also took on the risk of facing intrusive discovery, facing a potential costs award, and the risk
7 that being involved in litigation would be viewed unfavorably by potential employers.

8 *Attorneys' Fees*

9 21. The amount of Class Counsel's fee request (33¹/₃% of the Gross Settlement Amount) is
10 reasonable as a percentage of the settlement fund. I have been awarded attorneys' fees equaling
11 approximately one-third of the fund in several recent wage and hour class actions, including, but not
12 limited to: *O'Brien v. Optima Network Services, Inc.*, San Bernardino County Superior Court, Case No.
13 CIVRS1107056 (one-third of settlement fund); *Noyd v. The Cristcat Group, et al.*, Los Angeles County
14 Superior Court, Case No. BC439558 (one-third of settlement fund); *Perez v. Southwest Dealer Services,*
15 *Inc.*, Los Angeles County Superior Court, Case No. BC439253 (one-third of settlement fund); *Alvarez v.*
16 *Gary Grace Enterprises, LP*, Marin County Superior Court, Case No. CIV1002553 (one-third of
17 settlement fund); *Calderon v. Greatcall, Inc.*, San Diego Superior Court, Case No. 37-2010-00093743-
18 CU-OE-CTL (one-third of settlement fund); *Butler v. Lexxiom, Inc.*, San Bernardino County Superior
19 Court, Case No. CIVRS1001579 (one-third of settlement fund); *Huynh v. Carefusion Resources, LLC, et*
20 *al*, San Diego County Superior Court, Case No. 37-2009-00103277-CU-OE-CTL (one-third of
21 settlement fund); *Stucker v. L'Oreal USA S/D, Inc.*, Los Angeles County Superior Court, Case No.
22 BC456080 (one-third of settlement fund); *Sandoval v. Thrifty Payless, Inc.*, Los Angeles County
23 Superior Court, Case No. BC431249 (one-third of settlement fund); *Tucker v. Maly's West, Inc.*, Los
24 Angeles County Superior Court, Case No. BC483920 (one-third of settlement fund); *Tiwari v. Merrill's*
25 *Packaging*, San Mateo Superior Court, Case No. 519070 (one-third of settlement fund); *Montgomery v.*
26 *Del Monte Corp., et al*, Kings County Case No. 13C0204 (one-third of settlement fund); *Adams v.*
27 *Medical Staffing Network, et al*, Sacramento County Case No. 34-2012-00137491-CU-OE-GDS (33% of
28 gross settlement fund).

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EXHIBIT 1

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Attorneys for Defendant
MCDONALD'S RESTAURANTS OF
CALIFORNIA, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

CHRISTINA ROMERO, on behalf of herself
and all others similarly situated

Plaintiff,

v.

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

Defendants.

Case No. CIVSB2305280

**CLASS AND PAGA SETTLEMENT
AGREEMENT AND RELEASE**

(Assigned for All Purposes to the
Hon. Joseph T. Ortiz, Dept. S-17)

Date Action Filed: February 17, 2023

This Class and PAGA Settlement Agreement and Release ("Agreement") is entered into by and between plaintiff Christina Romero ("Plaintiff"), on the one hand, individually and on behalf of all persons who are members of the class to be certified for settlement purposes only as provided for herein, and on behalf of the PAGA Group and the State of California, and defendant McDonald's Restaurants of California, Inc. ("Defendant"), on the other hand, subject to the approval of the Court. In consideration of the promises and mutual covenants and agreements herein contained, Plaintiff and Defendant (collectively, the "Parties") hereby covenant and agree as follows:

1 **1. RECITALS**

2 1.1 On February 17, 2023, Plaintiff filed a putative class and representative action
3 complaint (the “Complaint”) against Defendant in the Superior Court of the State of California,
4 County of San Bernardino, entitled *Christina Romero v. McDonald’s Restaurants of California,*
5 *Inc.*, Case No. CIVSB2305280 (the “Action”). The Complaint alleged ten causes of action for
6 (1) failure to provide meal periods, (2) failure to provide rest periods, (3) failure to pay hourly and
7 overtime wages, (4) failure to pay sick time, (5) failure to reimburse business expenses, (6) failure
8 to provide accurate itemized wage statements, (7) failure to timely pay all final wages, (8) failure
9 to pay wages without discount due to fees allegedly incurred through the use of pay cards,
10 (9) statutory unfair competition, and (10) civil penalties under the Labor Code Private Attorneys
11 General Act of 2004 (PAGA).

12 1.2 On June 16, 2023, Defendant filed an answer to the Complaint, generally denying
13 all of the allegations contained in it and asserting a number of separate and additional defenses.

14 1.3 On June 14, 2024, Plaintiff submitted an amended PAGA letter to the Labor &
15 Workforce Development Agency to clarify claims and allegations based on information learned
16 and theories developed through the course of the litigation.

17 1.4 The Parties decided to explore the possibility of an early settlement through
18 private mediation, to see if they could reach a reasonable resolution before they invested further
19 time and expense in litigation.

20 1.5 Leading up to the mediation, the Parties engaged in formal and informal discovery
21 and exchange of information and documents. Defendant propounded a set of document requests,
22 to which Plaintiff responded and produced documents. Plaintiff propounded written discovery as
23 well, to which Defendant responded and produced hundreds of documents and other information,
24 including, but not limited to, policy documents and records relating to Plaintiff’s employment. In
25 preparation for mediation, Plaintiff requested and Defendant provided substantial informal
26 discovery, including production of additional policy documents, putative class members’ time and
27 pay records, employee headcounts and pay period counts, and other information requested by
28 Plaintiff.

1.6 In these and other ways, the Parties investigated the facts and analyzed the relevant legal issues regarding the claims and defenses in the Action. Based on this investigation and analysis, Plaintiff believes the Action has merit, while Defendant believes the Action lacks merit.

1.7 On December 28, 2023, the Parties participated in a mediation of the Action with mediator Stephanie Chow of Mediated Negotiations. The Parties, through their counsel, engaged in a full day of vigorous, arm's-length, adversarial negotiations facilitated by Ms. Chow. The Action settled following acceptance of a mediator's proposal at the end of the full-day mediation on December 28, in connection with which the Parties executed a binding term sheet setting forth the material terms associated with resolution of the Action in its entirety.

1.8 The Parties have each considered the uncertainties of continued litigation and the benefits to be obtained under the proposed settlement, and have considered the costs, risks, and delays associated with the continued prosecution of the Action and the likely appeals of any rulings in favor of either Plaintiff or Defendant. At all times, the Parties' settlement negotiations have been non-collusive, adversarial, and at arm's length.

1.9 It is the Parties' intention and the objective of this Agreement to avoid the costs of further litigation and trial, and to settle and dispose of, fully and completely and forever, the claims released herein and described below, on the terms set forth herein.

2. DEFINITIONS

As used in this Agreement, the terms set forth in this Section 2 shall have the meanings ascribed to them below.

2.1 **Action.** "Action" means the above-captioned action entitled *Christina Romero v. McDonald's Restaurants of California, Inc.*, Case No. CIVSB2305280, currently pending in the Superior Court of the State of California, County of San Bernardino.

2.2 **Agreement.** "Agreement" means this Class and PAGA Settlement Agreement and Release, including all Exhibits referred to herein and attached hereto.

2.3 **Allocations.** "Allocations" means the amounts to be paid from the Net Settlement Sum to the Settlement Class Members and from the PAGA Fund to the PAGA Group Members, as provided in Section 4.6 of this Agreement.

2.4 **Amended Complaint.** “Amended Complaint” means the complaint attached hereto as **Exhibit A**, which Plaintiff will file in this Action, for purposes of settlement only, the week of August 19, 2024, pursuant to the Parties’ stipulation and subject to the Court’s approval.

2.5 **Class Counsel.** “Class Counsel” means Shaun Setareh, Thomas Segal, and Farrah Grant of the law firm of Setareh Law Group.

2.6 **Class Members or Class.** “Class Members” or “Class” means all individuals employed by Defendant as non-exempt employees in California at any time during the Class Period.

2.7 **Class Notice.** “Class Notice” means the Notice of Settlement of Class Action to be mailed to Class Members. The Class Notice shall be substantially in the form of **Exhibit B** hereto.

2.8 **Class Period.** “Class Period” means from June 2, 2020 to and including the Preliminary Approval Date, or such earlier date as Defendant may elect pursuant to Section 6.4.

2.9 **Class Settlement Award.** “Class Settlement Award” means the amount that the Settlement Administrator determines is owed to a Settlement Class Member pursuant to the Plan of Allocation described in Section 4.6, below.

2.10 **Class Work Weeks.** “Class Work Weeks” means the number of weeks in the Class Period during which Defendant’s records reflect a Class Member performed work for Defendant in California for at least one day. Class Work Weeks shall be calculated by Defendant according to Defendant’s records. For any Class Members for whom Defendant’s records do not reflect at least one day worked by the Class Member during Class Period, that Class Member shall be awarded one Class Work Week. Settlement Class Members may dispute the number of Class Work Weeks attributed to them for the Class Period by completing and returning the Notice of Eligible Work Weeks form included in the Notice Packet, which shall be substantially in the form of **Exhibit C** hereto.

2.11 **Complaint.** “Complaint” means the complaint filed by Plaintiff in the Action on February 17, 2023.

2.12 **Court.** “Court” means the Superior Court of the State of California, County of San Bernardino.

2.13 **Defendant.** “Defendant” means McDonald’s Restaurants of California, Inc.

2.14 **Defendant’s Counsel.** “Defendant’s Counsel” means Tritia M. Murata and Monica A. Rodriguez of the law firm of Davis Wright Tremaine LLP.

2.15 **Effective Date.** “Effective Date” means either (a) the date sixty (60) calendar days after entry of the Final Judgment and Order Approving Settlement, if no motions for reconsideration and no appeals or other efforts to obtain review have been filed, or (b) in the event that a motion for reconsideration, an appeal or other effort to obtain review of the Final Judgment and Order Approving Settlement is filed, the date sixty (60) calendar days after such reconsideration, appeal, or review has been finally concluded and is no longer subject to review, whether by appeal, petition for rehearing, petition for review, or otherwise.

2.16 **Fee and Expense Award.** “Fee and Expense Award” means such award of attorneys’ fees and costs/expenses as the Court may authorize to be paid to Class Counsel for the services they have rendered to Plaintiff, the Settlement Class, and the PAGA Group.

2.17 **Fairness Hearing or Final Approval Hearing.** “Fairness Hearing” or “Final Approval Hearing” means the hearing at or after which the Court will make a final decision on whether to grant Final Approval of the Settlement as fair, reasonable, and adequate, implement the terms of the Agreement, and enter Judgment. The Final Approval Hearing shall be scheduled for a date approximately ninety (90) calendar days after the Preliminary Approval Date, or as soon as thereafter as the Court is available.

2.18 **Final Approval or Judgment.** “Final Approval” or “Judgment” means the Final Judgment and Order Approving Settlement finally certifying the Settlement Class and approving the Settlement and this Agreement, as contemplated in Section 4.8 of this Agreement.

2.19 **Service Award.** “Service Award” means the payment authorized by the Court to Plaintiff in consideration for her general release of her individual claims as set forth in Section 5.6, below, and in recognition of her effort and work in prosecuting the Action on behalf of the Class Members and negotiating the Settlement, separate and apart from the Class

1 Settlement Award and PAGA Settlement Award she will receive, to be paid to her from the Gross
2 Settlement Amount.

3 **2.20 Gross Settlement Amount.** “Gross Settlement Amount” means Six Million Five
4 Hundred Thousand Dollars and No Cents (\$6,500,000.00), which is the maximum total amount
5 that Defendant shall be required to pay, exclusive of Defendant’s share of Withholdings and
6 Taxes (as defined herein), for any and all purposes under this Agreement unless Defendant elects
7 the terms set forth in the Escalator Clause in section 6.4. The following shall be paid from the
8 Gross Settlement Amount pursuant to the Plan of Allocation set forth in Section 4.6, below:

9 (a) all Class Settlement Awards, (b) the PAGA Settlement Amount, (c) the Fee and Expense
10 Award, (d) the Service Award, and (e) the Settlement Administration Costs. Under no
11 circumstances shall Defendant pay any sum in excess of the Gross Settlement Amount in
12 connection with the Settlement, except for Defendant’s share of Withholdings and Taxes arising
13 from the Class Settlement Awards or if the Escalator Clause in section 6.4 is triggered and
14 Defendant elects the later Class Period.

15 **2.21 LWDA.** “LWDA” means the California Labor & Workforce Development
16 Agency.

17 **2.22 Net Settlement Sum.** “Net Settlement Sum” means the Gross Settlement Amount
18 less the following: (a) the PAGA Settlement Amount, (b) the Fee and Expense Award, (c) the
19 Service Award, and (d) the Settlement Administration Costs.

20 **2.23 Notice of Eligible Work Weeks.** “Notice of Eligible Work Weeks” means the
21 form to be mailed to Class Members as an enclosure with the Class Notice notifying each Class
22 Member of the number of Class Work Weeks attributed to him or her, and giving each Class
23 Member the opportunity to dispute the number of Class Work Weeks attributed to him or her.
24 The Notice of Eligible Work Weeks shall be substantially in the form of **Exhibit C** hereto.

25 **2.24 Notice Packet.** “Notice Packet” means the Class Notice and the Notice of Eligible
26 Work Weeks, both of which will be mailed to Class Members at the same time.

27 **2.25 Notice Response Deadline.** “Notice Response Deadline” means forty-five (45)
28 calendar days from the date of initial mailing of the Notice Packet, or such other date set by the

1 Court in the Preliminary Approval Order, and is the date by which any and all Requests for
2 Exclusion, Objections, and/or disputes of the number of Class Work Weeks must be submitted in
3 order to be deemed timely.

4 **2.26 Objection.** “Objection” means a written statement submitted to the Settlement
5 Administrator by a Settlement Class Member objecting to the Settlement. An Objection must be
6 submitted in the manner and form described in Section 4.5, below.

7 **2.27 PAGA.** “PAGA” means the Labor Code Private Attorneys General Act of 2004
8 (Lab. Code, § 2698, et seq.).

9 **2.28 PAGA Fund.** “PAGA Fund” means 25% of the PAGA Settlement Amount,
10 which is the portion to be paid to PAGA Group Members.

11 **2.29 PAGA Group Members or PAGA Group.** “PAGA Group Members” or “PAGA
12 Group” means all individuals employed by Defendant as non-exempt employees in California at
13 any time during the PAGA Period.

14 **2.30 PAGA Notices.** “PAGA Notices” means the notices filed by Plaintiff with the
15 LWDA regarding Defendant on or about December 13, 2022 and June 14, 2024.

16 **2.31 PAGA Pay Periods.** “PAGA Pay Periods” means the number of pay periods in
17 the PAGA Period during which Defendant’s records reflect a PAGA Group Member performed
18 work for Defendant in California for at least one day. PAGA Pay Periods shall be calculated by
19 Defendant according to Defendant’s records. For any PAGA Group Members for whom
20 Defendant’s records do not reflect at least one day worked by the PAGA Group Member during
21 PAGA Period, that PAGA Group Member shall be awarded one PAGA Pay Period.

22 **2.32 PAGA Period.** “PAGA Period” means the period from December 13, 2021 to and
23 including the close of the Class Period.

24 **2.33 PAGA Settlement Amount.** “PAGA Settlement Amount” means Two hundred
25 thousand dollars(\$200,000) or such other amount approved by the Court, 75% of which
26 (\$150,000) is to be paid to the LWDA and 25% of which (\$50,000) is to form the PAGA Fund to
27 be paid to PAGA Group Members. The PAGA Settlement Amount is to be paid for resolution of
28 the PAGA claims alleged in the Action.

1 2.34 **PAGA Settlement Award.** “PAGA Settlement Award” means the amount that
2 the Settlement Administrator determines is owed to a PAGA Group Member pursuant to the Plan
3 of Allocation described in Section 4.6, below.

4 2.35 **Parties.** “Parties” means plaintiff Christina Romero, on the one hand, individually
5 and on behalf of all Settlement Class Members, the PAGA Group, and the State of California, and
6 defendant McDonald’s Restaurants of California, Inc., on the other hand.

7 2.36 **Plaintiff or Romero.** “Plaintiff” or “Romero” means plaintiff Christina Romero.

8 2.37 **Plan of Allocation.** “Plan of Allocation” means the manner in which the Net
9 Settlement Sum shall be allocated to Settlement Class Members and the PAGA Fund shall be
10 allocated to PAGA Group Members as set forth in Section 4.6, below.

11 2.38 **Preliminary Approval or Preliminary Approval Order.** “Preliminary
12 Approval” or “Preliminary Approval Order” means the order preliminarily approving this
13 Settlement, which shall, among other things, provisionally certify the Settlement Class for
14 purposes of this Settlement only; determine that Plaintiff adequately represents the Settlement
15 Class and shall be its class representative; appoint Class Counsel as counsel for the Settlement
16 Class; approve Simpluris as the Settlement Administrator; approve the content and distribution of
17 the Class Notice to the Class Members; set the Notice Response Deadline; and set the date for the
18 Fairness Hearing, all as contemplated in Section 4.1, below.

19 2.39 **Preliminary Approval Date.** “Preliminary Approval Date” means the date upon
20 which the Court enters the Preliminary Approval Order.

21 2.40 **Released Claims.** “Released Claims” means that Settlement Class Members, on
22 behalf of themselves and their respective former and present representatives, agents, attorneys,
23 heirs, administrators, successors, and assigns, release Released Parties of all claims, debts,
24 liabilities, demands, obligations, damages, and actions or causes of action of any kind arising
25 before or during the Class Period and that were alleged in the Complaint, Amended Complaint, or
26 the PAGA Notices or could have been alleged against any of the Released Parties based on the
27 facts alleged in the Complaint, Amended Complaint, or PAGA Notices or based on any facts
28 discovered in the course of the litigation and including claims under California Labor Code

sections 201, 202, 203, 204, 212, 215, 216, 218.6, 223, 225, 226, 226.3, 226.6, 226.7, 245 et seq., 256, 510, 512, 553, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 et seq. (PAGA), and 2802; the Industrial Welfare Commission (“IWC”) Wage Orders, including IWC Wage Order No. 5-2001; Business and Professions Code section 17200 et seq; and Code of Civil Procedure sections 382 and 1021.5. For the avoidance of doubt, expressly excluded from the Released Claims are claims in FEHA and related common law cases, in Workers’ Compensation and Unemployment Insurance benefit cases and claims for benefits under the Employee Retirement Income Security Act of 1974 (ERISA).

2.41 **Released PAGA Claims.** “Released PAGA Claims” means all claims that were or could have been asserted pursuant to PAGA arising out of or related to the Released Claims arising before or during the PAGA Period. The Released PAGA Claims are released by both the State of California and the PAGA Group Members as part of this Settlement.

2.42 **Released Parties.** “Released Parties” means McDonald’s Restaurants of California, Inc.; each of its respective present, former, or future parents, subsidiaries, affiliates, divisions, corporations in common control, predecessors, successors and assigns; each of their respective present, past, or future officers, directors, employees, partners (both general and limited), shareholders, agents, attorneys, insurers, and any other successors, assigns, or legal representatives; and any other individual or entity which could be liable for any of the Released Claims or Released PAGA Claims.

2.43 **Request for Exclusion.** “Request for Exclusion” means a written request made by a Class Member to the Settlement Administrator seeking to be excluded from the Settlement Class.

2.44 **Settlement.** “Settlement” means this Agreement and all actions taken pursuant to and in furtherance of this Agreement.

2.45 **Settlement Administration Costs.** “Settlement Administration Costs” means the amount approved by the Court to be paid for the services of the Settlement Administrator to perform the Settlement Administrator Duties, as specified in Section 4.3.2, below, estimated not to exceed seventy-six thousand five hundred dollars (\$76,500).

1 2.46 **Settlement Administrator.** “Settlement Administrator” means Simpluris or such
2 professional, third-party administrator as may be approved by the Court, which shall be
3 responsible for administering the Settlement pursuant to the terms of the Agreement, the Class
4 Notice, the Preliminary Approval Order, and the Final Judgment and Order. The Settlement
5 Administrator shall agree to confidentiality terms as may be required by Defendant regarding
6 personnel, payroll, and any other data provided to the Settlement Administrator and shall work
7 with Class Counsel and Defendant’s Counsel to implement and administer appropriate fraud-
8 prevention policies. The Settlement Administration Costs shall be paid out of the Settlement
9 Fund Amount.

10 2.47 **Settlement Class.** “Settlement Class” means Plaintiff and all Settlement Class
11 Members.

12 2.48 **Settlement Class Members.** “Settlement Class Members” means and includes
13 each Class Member who does not submit a valid and timely Request for Exclusion.

14 2.49 **Settlement Fund.** “Settlement Fund” means the fund established and
15 administered by the Settlement Administrator for the purpose of receiving and disbursing
16 amounts to be paid to Settlement Class Members, PAGA Group Members, the LWDA, Plaintiff,
17 Class Counsel, and the Settlement Administrator pursuant to this Agreement. The Settlement
18 Fund shall be funded by Defendant following the Effective Date in accordance with
19 Section 4.10.1, below.

20 2.50 **Settlement Fund Amount.** “Settlement Fund Amount” means the total amount
21 that Defendant shall remit to the Settlement Administrator in accordance with Section 4.10.1,
22 below, which shall consist of the following amounts, the aggregate of which shall not exceed the
23 Gross Settlement Amount: (a) the Net Settlement Sum, (b) the Fee and Expense Award, (c) the
24 PAGA Settlement Amount, (d) the Service Award, and (e) Settlement Administration Costs.

25 2.51 **Withholdings and Taxes.** “Withholdings and Taxes” means all withholdings
26 from the Class Settlement Awards required by law plus all federal, state, and local employment
27 payroll taxes due in regard to the wages portion of Class Settlement Awards, owed by a
28 Settlement Class Member or by Defendant. Defendant shall provide the Settlement Administrator

with an amount sufficient to cover Defendant's share of Withholdings and Taxes arising from the Class Settlement Awards, as computed by the Settlement Administrator in accordance with Section 4.7, below.

3. SETTLEMENT TERMS

3.1 Certification of the Class for Settlement Purposes Only. For purposes of settlement and the proceedings contemplated by this Agreement only, the Settlement Class shall be provisionally certified and consist of Plaintiff and all Settlement Class Members.

3.2 Decertification of the Class if Settlement Not Approved. Defendant does not consent to certification of the Settlement Class or any class for any purpose other than to effectuate the Settlement of the Action. If, for any reason, the Settlement does not become final, any certification of the Class, the Settlement Class, or any class contemplated by this Agreement will be vacated and the Parties will be returned to their positions with respect to the Action as if the Agreement had not been entered into. In the event that Final Approval is not achieved: (a) any Court order preliminarily approving the certification of any class contemplated by this Agreement shall be null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the fact of the Settlement reflected in this Agreement, that Defendant did not oppose the certification of the Settlement Class under this Agreement, or that the Court preliminarily approved the certification of the Settlement Class, shall not be used or cited thereafter by any person or entity in any manner whatsoever, including, without limitation, any contested proceeding relating to the certification of any class. In the event the terms and conditions of this Agreement are substantially modified by the Court, Defendant and Plaintiff reserve the right to declare this Agreement null and void, in their sole discretion, within fourteen (14) calendar days thereafter; provided, however, the Party exercising this right shall be solely responsible for the Settlement Administrator's expenses incurred through the date of that Party's exercise, not to exceed the amount approved by the Court in the Preliminary Approval Order.

3.3 Settlement Payment by Defendant. In full settlement of the Released Claims and Released PAGA Claims, as provided herein, and following the Effective Date, Defendant shall deliver the Settlement Fund Amount to the Settlement Administrator for establishment of

1 the Settlement Fund, in accordance with Section 4.10.1, below. Concurrently with delivery of the
2 Settlement Fund Amount, Defendant shall also deliver to the Settlement Administrator its share
3 of the Withholdings and Taxes, as calculated by the Settlement Administrator based on the wage
4 portion of the Class Settlement Awards.

5 **3.4 Attorneys' Fees and Costs.** Defendant agrees not to oppose Plaintiff's
6 application for attorneys' fees up to \$2,166,666.66 ([33 1/3]% of the Gross Settlement Amount)
7 and reimbursement of actual litigation costs and expenses up to \$25,000 subject to the Court's
8 approval. Plaintiff agrees not to petition the Court for more than \$2,166,666.66 for attorneys'
9 fees or more than \$25,000 for costs and expenses, and in no event shall Defendant be liable for
10 any attorneys' fees or costs and expenses in excess of these amounts. The Fee and Expense
11 Award shall represent payment for all claims for Class Counsel's attorneys' fees and litigation
12 costs and expenses, past and future, incurred in the Action. The Fee and Expense Award shall be
13 paid from the Settlement Fund Amount, and Defendant shall not otherwise be required to pay for
14 any portion of Plaintiff's or the Class Members' attorneys' fees, costs, or expenses. The Fee and
15 Expense Award shall be paid to Class Counsel following the Effective Date, in accordance with
16 Section 4.10.2, below. An award by the Court of attorneys' fees or costs that is less than the
17 amounts applied for will not be grounds for Plaintiff or Class Counsel to challenge or withdraw
18 from the Settlement, and any amounts not awarded in costs or fees will be included in the Net
19 Settlement Sum.

20 **3.5 Service Award.** In consideration of the general release of her individual claims as
21 set forth in Section 5.6, below and in recognition of her effort and work in prosecuting the Action
22 on behalf of the Class Members and negotiating the Settlement, Plaintiff shall receive
23 compensation in the sum of Ten Thousand Dollars(\$10,000), subject to Court approval. This
24 Service Award is to be paid from the Gross Settlement Amount and reported on IRS Form 1099-
25 MISC. The Service Award is separate from and in addition to the Class Settlement Award and
26 PAGA Settlement Award to be paid to Plaintiff as a Settlement Class Member and PAGA Group
27 Member. It will not be grounds for Plaintiff or Class Counsel to challenge or withdraw from the
28 Settlement if the Court denies Plaintiff's application for the Service Award or awards a lesser

amount than that for which Plaintiff applies, and any amounts not awarded in the Service Award will be included in the Net Settlement Sum.

3.6 PAGA Settlement Amount. Plaintiff shall seek approval from the Court for a total payment of Two hundred thousand dollars (\$200,000) for resolution of the PAGA claims alleged in the Complaint, Amended Complaint or the PAGA Notices. 75% of the PAGA Settlement Amount (equating to \$150,000) shall be paid to the LWDA, and 25% of the PAGA Settlement Amount (equating to \$50,000) shall form the PAGA Fund to be paid to PAGA Group Members in accordance with the Plan of Allocation set forth in Section 4.6, below.

3.7 Interim Stay of Proceedings. The Parties agree to the entry of a formal stay of all proceedings in the Action, except such proceedings as may be necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

4. CLASS SETTLEMENT PROCEDURES

4.1 Preliminary Approval. As soon as practicable, Plaintiff shall move for Preliminary Approval of the Settlement in the Action. Plaintiff's motion shall request the Court to:

4.1.1 Preliminarily approve this Agreement as fair, reasonable, and adequate;

4.1.2 Preliminarily approve the form, manner, and content of the Class Notice described in Section 4.3 and attached as **Exhibit B**, and the form, manner, and content of the Notice of Eligible Work Weeks described in Section 2.23 and attached as **Exhibit C**;

4.1.3 Set deadlines for the Settlement Administrator to provide the Class Notice, and for Class Members to opt out of or object to the Settlement;

4.1.4 Set the date and time for the Final Approval Hearing;

4.1.5 Provisionally certify the Settlement Class;

4.1.6 Stay all proceedings in the Action, except for such proceedings as may be necessary to implement and complete the Settlement, until Final Approval;

4.1.7 Appoint Plaintiff as the class representative for the Settlement Class for settlement purposes only;

4.1.8 Appoint Class Counsel as class counsel for settlement purposes only; and

1 4.1.9 Approve Simpluris as the Settlement Administrator.

2 The Preliminary Approval Order shall be substantially the same as the proposed order
3 attached as **Exhibit D**. Class Counsel shall draft the preliminary approval papers and give
4 Defendant's Counsel a draft of the papers to review at least three (3) court days before they are
5 filed.

6 4.2 **Notification to the LWDA.** Plaintiff shall submit a copy of this Settlement to the
7 LWDA at the same time that it is submitted to the Court, in accordance with Labor Code section
8 2699, subdivision (1)(2).

9 4.3 **Class Notice.** Subject to Court approval, the Parties agree that as soon as
10 practicable after entry of the Preliminary Approval Order, the Settlement Administrator shall
11 provide notice to the Settlement Class pursuant to the following procedures:

12 4.3.1 **Information Regarding Class Members.** Within twenty (20) business
13 days following entry of the Preliminary Approval Order, Defendant will provide the Settlement
14 Administrator the following information with respect to each Class Member: (i) name, (ii) last
15 known residence address, (iii) last known telephone number, (iv) Social Security number, and
16 (v) individual number of Class Work Weeks during the Class Period, and (vi) individual number
17 of PAGA Pay Periods during the PAGA Period (if applicable). The information Defendant
18 provides to the Settlement Administrator, along with any updated contact information identified
19 by the Settlement Administrator as set forth in Sections 4.3.2 and 4.3.3, below, shall be used
20 solely to administer the Class Notice and Plan of Allocation process described herein, shall
21 remain confidential, and shall not be disclosed to anyone, except pursuant to the express written
22 authorization of Defendant or the individual in question, by order of the Court, or to the extent
23 necessary to fulfill the Settlement Administrator's reporting obligations hereunder.

24 4.3.2 **Settlement Administrator's Duties.** The Settlement Administrator's
25 duties shall include, without limitation: (i) printing the Notice Packet (containing the Class Notice
26 and the Notice of Eligible Work Weeks) and mailing it to the Class Members as directed by the
27 Court; (ii) taking all steps reasonably necessary to ensure Class Members timely receive the
28 Notice Packet; (iii) resolving any disputes by Settlement Class Members about the number of

1 Class Work Weeks attributed to them; (iv) taking receipt of and safeguarding the Settlement Fund
2 Amount; (v) calculating and distributing Class Settlement Awards, PAGA Settlement Awards, the
3 portion of the PAGA Settlement Amount payable to the LWDA, the Service Award, and the Fee
4 and Expense Award, provided such amounts are approved by the Court; (vi) calculating and
5 remitting all Withholdings and Taxes; (vii) issuing IRS Forms W-2 and 1099-MISC, as
6 applicable; and (viii) filing such other reports with the taxing authorities as required by law,
7 together with such other tasks as the Parties may mutually agree or the Court may order the
8 Settlement Administrator to perform. The Settlement Administrator shall take all reasonable
9 steps to ensure that (a) the highest percentage of Class Members receive the Notice Packet;
10 (b) Class Members who wish to participate in the Settlement are permitted to do so consistent
11 with this Agreement; and (c) the Settlement Administrator has the most current and accurate
12 addresses for Class Members, including but not limited to performing an initial National Change
13 of Address database search on all Class Members. In addition, the Settlement Administrator shall
14 perform a standard search, also known as “batch,” “skip trace,” or “credit header” searches, on all
15 addresses returned as undeliverable. The Settlement Administrator shall immediately re-mail the
16 Class Notice to all updated addresses obtained through its efforts to locate the most current and
17 accurate addresses for Class Members. The Settlement Administrator shall also provide toll-free
18 telephone support to Class Members; include a copy of the Class Notice (approved by the Court),
19 the Preliminary Approval Order, and the Final Approval Order and Judgment available on a
20 portion of its website; maintain appropriate databases to fulfill its duties; receive, control, and
21 account for all returned Notice Packets, disputes, requests for exclusion/opt-outs, and objections;
22 calculate the Settlement Class Members’ and PAGA Group Members’ payments; and prepare and
23 deliver reports to Class Counsel and Defendant’s Counsel on a weekly basis that communicate
24 the status of the notice process, including the number of Notice Packets mailed, returned,
25 searched, and re-mailed as well as disputes, requests for exclusion, and objections. In addition to
26 the duties identified above, the Settlement Administrator shall prepare final declarations, reports,
27 and invoices that accurately describe the notice process, the level of participation, and actions
28 taken to ensure the best possible notice of the Settlement was provided to Class Members.

1 **4.3.3 Mailing of Class Notice to Class Members.** No later than ten (10)
2 business days following receipt of the information to be provided under Section 4.3.1, above, the
3 Settlement Administrator shall mail the Notice Packet to all Class Members. The Settlement
4 Administrator shall send a copy of the Class Notice and the Notice of Eligible Work Weeks in the
5 respective formats approved by the Court in its Preliminary Approval Order to Class Members,
6 via first class United States mail, using the most current mailing address. Any Notice Packets
7 returned to the Settlement Administrator with a forwarding address shall be immediately re-
8 mailed by the Settlement Administrator. The Settlement Administrator shall conduct one address
9 search for any Class Member's Class Notice that is returned without a forwarding address within
10 thirty (30) calendar days of the initial mailing of the Notice Packet, and shall, upon obtaining a
11 new or different address, immediately re-mail the Class Member's Notice Packet. Plaintiff,
12 Defendant, and their respective counsel each agree that, other than as provided in this Agreement,
13 they will not distribute or make available any documents, notices, or information regarding this
14 Action or the Settlement to any Class Member, unless a specific request is first made by the Class
15 Member.

16 **4.4 Requests for Exclusion/Opt Outs.** Class Members who wish to be excluded
17 from or opt out of the Settlement must submit a written, signed Request for Exclusion to the
18 Settlement Administrator, within the Notice Response Deadline.

19 **4.4.1 Contents of Request.** The Request for Exclusion must contain (i) the full
20 name, address, telephone number and last four digits of the Social Security number of the person
21 requesting to be excluded; (ii) the words "Request for Exclusion" at the top of the document; and
22 (iii) the following statement:

23 "I wish to be excluded from the Settlement of this case, *Christina*
24 *Romero v. McDonald's Restaurants of California, Inc.*, San
25 Bernardino Superior Court Case No. CIVSB2305280."

26 **4.4.2 Personal Signatures.** The Request for Exclusion must be personally
27 signed by the Class Member who seeks to opt out. No Class Member may opt out by having a
28 request to opt out submitted by an actual or purported agent or attorney acting on behalf of the

1 Class Member, unless such request to opt out includes the Class Member's personal signature.
2 No opt out request may be made on behalf of a group of Class Members.

3 **4.4.3 Timeliness.** For purposes of determining timeliness, Requests for
4 Exclusion shall be deemed to have been submitted on the date postmarked by the U.S. Postal
5 Service or other delivery service. The Settlement Administrator shall stamp the date received on
6 the original of any Request for Exclusion it receives. Not later than fifteen (15) calendar days
7 after the Notice Response Deadline set by the Court, the Settlement Administrator will inform
8 Class Counsel and Defendant's Counsel of the total number of Class Members who timely
9 submitted valid Requests for Exclusion. Not later than sixteen (16) court days before the date set
10 for the Fairness Hearing, the Settlement Administrator shall serve copies of all date-stamped
11 Requests for Exclusion on Class Counsel and Defendant's Counsel as well as a declaration
12 describing the Class Notice procedures and listing the names of the individuals who submitted
13 valid and timely Requests for Exclusion. The Settlement Administrator shall retain the originals
14 of all Requests for Exclusion in its files. Counsel for the Parties shall not use or disclose the
15 information thus received for any purpose other than the effectuation of the Settlement.

16 **4.4.4 Non-Opt Outs Bound.** Each Class Member who does not submit a
17 Request for Exclusion substantially in compliance with this Section 4.4 within the deadline set by
18 the Court shall be bound by the terms of this Agreement and any Court order approving the terms
19 of the Settlement, unless the Court deems such Class Member excluded at the time of the final
20 Fairness Hearing.

21 **4.4.5 Resolution of Disputes.** In the event of any issue over the completeness,
22 accuracy, timeliness, or validity of a Request for Exclusion, the Parties shall meet and confer in
23 good faith for the purpose of resolving the issue and, if the issue cannot be resolved, shall submit
24 the dispute to the Settlement Administrator for a final and binding determination that shall not be
25 appealable.

26 **4.4.6 Defendant's Right to Rescind.** If more than ten percent (10%) of the
27 Class Members opt out of the Settlement, then Defendant shall have the option, in its sole
28 discretion, to rescind this Agreement, in which case all of Defendant's obligations under this

1 Agreement shall cease to be of any force or effect, and this Agreement shall be null and void. If
2 Defendant exercises this option, it shall provide Plaintiff with written notice of its election within
3 thirty (30) calendar days of the Notice Response Deadline set by the Court, with a copy to the
4 Settlement Administrator, at which point the Parties shall return to their respective positions that
5 existed before the execution of this Agreement, and no term of this Agreement or any draft
6 thereof, or the negotiation, documentation, or other part or aspect of the Parties' settlement
7 discussions, shall have any effect (with the exception of this Section, Section 3.2, and
8 Section 4.13) or be admissible as evidence for any purpose in the Action, or in any other
9 proceeding. Notwithstanding the foregoing, the Parties agree that in the event this Agreement is
10 rescinded by Defendant pursuant to this Section 4.4.6, Defendant shall pay the expenses incurred
11 by the Settlement Administrator through the date of Defendant's election to rescind, not to exceed
12 the amount approved by the Court in the Preliminary Approval Order.

13 **4.4.7 No Right to Exclusion by PAGA Group Members.** Because this
14 Settlement resolves claims brought pursuant to PAGA by Plaintiff acting as a proxy and as a
15 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that
16 no PAGA Group Member has the right to exclude himself or herself from the PAGA portion of
17 the Settlement. PAGA Group Members shall be bound by the terms of the PAGA portion of the
18 Settlement, upon its approval by the Court, regardless of whether he or she requested exclusion as
19 a Class Member and thus is not a Settlement Class Member, and regardless of whether he or she
20 cashes the PAGA Settlement Award issued to him or her.

21 **4.5 Objections.** Only Settlement Class Members (i.e., those Class Members who
22 have not excluded themselves from the Settlement) may object to the Settlement.

23 **4.5.1 Manner of Objecting.** Settlement Class Members who wish to object to
24 the Settlement should submit to the Settlement Administrator a signed, written statement
25 objecting to the Settlement ("Objection"). An Objection must contain: (i) a reference to the name
26 and case number of the Action (*Christina Romero v. McDonald's Restaurants of California, Inc.*,
27 San Bernardino Superior Court Case No. CIVSB2305280); (ii) the full name, signature, address,
28 telephone number, and last four digits of the Social Security number of the objecting Settlement

1 Class Member; (iii) a written statement of the grounds for objecting to the Settlement; and (iv) a
2 written statement of whether the Settlement Class Member intends to appear at the Final
3 Approval Hearing and whether he or she is represented by counsel. Written Objections and all
4 supporting briefs or other materials must be submitted to the Settlement Administrator, by United
5 States mail, postmarked no later than the Notice Response Deadline. Settlement Class Members
6 may but are not required to appear at the Fairness Hearing.

7 **4.5.2 Response to Objections.** At the same time Plaintiff moves for Final
8 Approval pursuant to Section 4.8 of this Agreement, Plaintiff shall also file a response to any
9 objections submitted by Settlement Class Members. Class Counsel must draft the response to the
10 objections and give Defendant's Counsel a draft of the response to review at least three (3) court
11 days before it is filed or as soon as practicable under the circumstances. Defendant shall be
12 permitted, but not required, to file its own response to any objections.

13 **4.5.3 No Right to Objections by PAGA Group Members.** Because this
14 Settlement resolves claims brought pursuant to PAGA by Plaintiff acting as a proxy and as a
15 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that
16 no PAGA Group Member has the right to object to the PAGA portion of the Settlement, whether
17 or not he or she has objected thereto as a Settlement Class Member.

18 **4.6 Plan of Allocation: Calculation of All Settlement Awards.** The Settlement
19 Administrator shall be responsible for the Allocations of the Net Settlement Sum to Settlement
20 Class Members and of the PAGA Fund to PAGA Group Members and, thereby, for determining
21 the Class Settlement Awards and the PAGA Settlement Awards, all to be paid on a pro rata basis
22 as follows:

23 **4.6.1 Determining the Net Settlement Fund.** Before computing the amounts of
24 any Class Settlement Awards to be paid to Settlement Class Members, the Settlement
25 Administrator shall determine the amount of the Net Settlement Sum by determining and
26 deducting from the Gross Settlement Amount the following: (a) the PAGA Settlement Amount,
27 (b) the Fee and Expense Award, (c) the Service Award, and (d) the Settlement Administration
28 Costs.

1 **4.6.2 Calculating Class Settlement Awards.** The Class Settlement Award for
2 each Settlement Class Member shall be the Settlement Class Member's pro-rata share of the Net
3 Settlement Sum, calculated as follows: The Settlement Administrator shall calculate the total
4 number of Class Work Weeks worked by all Settlement Class Members during the Class Period
5 by adding together all the Class Work Weeks provided by Defendant for each Settlement Class
6 Member. The Settlement Administrator shall then divide the Net Settlement Sum by the total
7 number of Class Work Weeks for all Settlement Class Members, resulting in a per Class Work
8 Week value. The Settlement Administrator shall then take the per Work Week value and
9 multiply it by the number of individual Class Work Weeks worked by each Settlement Class
10 Member to yield his or her Class Settlement Award.

11 **4.6.3 Class Settlement Awards Payable Only to Settlement Class Members.**
12 The Settlement Administrator shall pay Class Settlement Awards from the Net Settlement Sum
13 and shall pay only those Class Settlement Awards payable to Settlement Class Members. It is
14 anticipated that the Settlement Class Members may be a subset of the Class Members because
15 some number of Class Members may opt out of the Class Settlement.

16 **4.6.4 Calculating PAGA Settlement Awards.** The PAGA Settlement Award
17 for each PAGA Group Member shall be the PAGA Group Member's pro-rata share of the PAGA
18 Fund, calculated as follows: The Settlement Administrator shall calculate the total number of
19 PAGA Pay Periods for all PAGA Group Members during the PAGA Period by adding together
20 all the PAGA Pay Periods for each PAGA Group Member. The Settlement Administrator shall
21 then divide the PAGA Fund by the total number of PAGA Group Members' PAGA Pay Periods,
22 resulting in a per PAGA Pay Period value. The Settlement Administrator shall then take the per
23 PAGA Pay Period value and multiply it by the individual number of PAGA Pay Periods worked
24 by each PAGA Group Member to yield his or her PAGA Settlement Award.

25 **4.6.5 Payment of Settlement Awards.** At its discretion, the Settlement
26 Administrator may combine the Class Settlement Award and PAGA Settlement Award to be
27 issued to an individual who is both a Settlement Class Member and PAGA Group Member, into a
28 single check. The Parties understand and acknowledge that a given person may be both a

1 Settlement Class Member and a PAGA Group Member, or may be a Settlement Class Member
2 but not a PAGA Group Member (to the extent such person worked as a non-exempt employee for
3 Defendant in California during the Class Period but not during the PAGA Period) or may be
4 PAGA Group Member but not a Settlement Class Member (to the extent such person requested to
5 be excluded from the Settlement pursuant to Section 4.4, above).

6 **4.6.6 Using Class Work Week and PAGA Pay Period Information to**
7 **Determine Settlement Awards.** In order to determine the individual Class Settlement Awards
8 and PAGA Settlement Awards, the Settlement Administrator shall use the information provided
9 by Defendant pursuant to Section 4.3.1, above. In the event that any dispute arises with respect to
10 a Settlement Award amount, the Settlement Administrator shall make the final determination after
11 consultation with Class Counsel and Defendant's Counsel.

12 **4.7 Taxes.**

13 **4.7.1 Withholdings and Taxes.** The Parties agree that, for purposes of this
14 Settlement, Class Settlement Awards shall be allocated 30% to wages subject to Withholdings
15 and Taxes and 70% to interest, penalties, and non-wage damages. The entirety of each PAGA
16 Settlement Award shall be allocated as penalties.

17 **4.7.2 Tax Reporting.** When reporting Class Settlement Awards and PAGA
18 Settlement Awards for tax purposes, the amount of each Class Settlement Award allocated to
19 wages under Section 4.7.1 shall be reported by the Settlement Administrator on IRS Form W-2 as
20 wages, and the remainder of any Class Settlement Award, together with any PAGA Settlement
21 Award, shall be reported by the Settlement Administrator on IRS Form 1099-MISC as interest,
22 penalties, and non-wage damages.

23 **4.7.3 Settlement Class Member and PAGA Group Member Obligations.**
24 Each Settlement Class Member and/or PAGA Group Member receiving a Class Settlement
25 Award and/or PAGA Settlement Award shall be responsible for paying applicable federal, state,
26 and local income taxes, if any, on all amounts such person receives pursuant to this Agreement,
27 and Defendant shall have no liability therefor.
28

1 **4.7.4 Settlement Administrator Responsibilities Regarding Taxes.** It shall be
2 the responsibility of the Settlement Administrator or its designee to timely and properly withhold
3 all applicable Withholdings and Taxes from Class Settlement Award amounts and to prepare and
4 deliver the necessary tax documentation for signature by all necessary parties and, thereafter, to
5 pay Withholdings and Taxes to the appropriate authorities, and to file all necessary information
6 and other tax returns. Payments to Settlement Class Members, PAGA Group Members, Plaintiff,
7 and Class Counsel pursuant to this Agreement shall be reported on IRS Forms W-2 and/or 1099-
8 MISC, as applicable, and shall be provided to the respective Settlement Class Members, PAGA
9 Group Members, Plaintiff, Class Counsel, and all applicable governmental entities as required by
10 law. All Withholdings and Taxes deposited with the applicable governmental entities in
11 accordance with this Agreement, other than Defendant's share of Withholdings and Taxes arising
12 from the Class Settlement Awards, shall be part of, and paid out of, the Class Settlement Award
13 to each Settlement Class Member.

14 **4.7.5 Tax Expenses Resulting from Settlement Administration.** All
15 reasonable and direct expenses and costs incurred by or at the direction of the Settlement
16 Administrator in connection with the administration of the Settlement (including, without
17 limitation, expenses of tax attorneys and/or accountants incurred in providing advice to the
18 Settlement Administrator, and mailing and distribution costs and expenses relating to the filing, or
19 failure to file, the informational and other tax returns described above) shall be considered a cost
20 of administration of the Settlement and shall be part of the Settlement Administration Costs, to be
21 paid out of the Settlement Fund Amount.

22 **4.7.6 No Claims.** No person shall have any claim against Defendant,
23 Defendant's Counsel, Plaintiff, the Class Members, Class Counsel, or the Settlement
24 Administrator based on mailings, distributions, and payments made in accordance with or
25 pursuant to this Agreement.

26 **4.8 Final Approval and Entry of Judgment in the Action.** Following the Notice
27 Response Deadline and before the Fairness Hearing, on or before the date set by the Court,
28 Plaintiff shall move for Final Approval of the Settlement in the Action. The Final Judgment and

1 Order Approving Settlement shall be substantially the same as the proposed order attached as
2 **Exhibit E.** Class Counsel shall draft the final approval papers and give Defendant's Counsel a
3 draft of the papers to review at least three (3) court days before they are filed.

4 4.9 **Calculation of Settlement Fund Amount.** Within twenty (20) business days
5 from the date of Final Approval of the Settlement, the Settlement Administrator shall calculate
6 and advise Defendant's Counsel of the Settlement Fund Amount as set forth in Section 2.49 of
7 this Agreement, and the amount of Defendant's share of Withholdings and Taxes as set forth in
8 Section 2.51 of this Agreement.

9 4.10 **Distribution of Settlement Payments.** After the Effective Date, the Class
10 Settlement Awards and PAGA Settlement Awards shall be distributed to Settlement Class
11 Members and PAGA Group Members in accordance with the procedures set forth below:

12 4.10.1 **Remittance of Settlement Fund Amount.** Within fifteen (15) business
13 days from the Effective Date, Defendant will remit the Settlement Fund Amount to the Settlement
14 Administrator for the establishment of the Settlement Fund. At the same time, Defendant will
15 also remit Defendant's share of Withholdings and Taxes arising from the Class Settlement
16 Awards.

17 4.10.2 **Delivery of Payments.** Within ten (10) business days from Defendant's
18 remittance to the Settlement Administrator of the Settlement Fund Amount, the Settlement
19 Administrator shall establish the Settlement Fund and distribute (a) the Fee and Expense Award
20 to Class Counsel, (b) the Class Settlement Award checks to Settlement Class Members and the
21 PAGA Settlement Award checks to PAGA Group Members, (c) the portion of the PAGA
22 Settlement Amount payable to the LWDA, (d) the Service Award to Plaintiff, (e) the
23 Withholdings and Taxes arising from the Class Settlement Awards to the appropriate government
24 entities, and (f) the Settlement Administration Costs to itself. Also within ten (10) business days
25 from Defendant's remittance of the Settlement Fund Amount and Defendant's share of
26 Withholdings and Taxes arising from the Class Settlement Awards, the Settlement Administrator
27 shall provide Defendant's Counsel only a written report listing each Settlement Class Member
28 and PAGA Group Member and the amount of the Class Settlement Award and PAGA Settlement

Award to be paid to each such person, and the amount of Withholdings and Taxes for each such payment. No payments shall be made or distributed unless and until the orders and Judgment described in this Agreement are final (meaning that the right to appeal or otherwise seek review of such orders or the Judgment has expired) and on the condition that no appeals from the orders and the Judgment have been filed. Additionally, by no later than the date set by the Court in its Final Judgment and Order, the Settlement Administrator shall file a report with the Court setting forth (1) the total amount of money paid to the Settlement Class Members as Class Settlement Awards, (2) the total amount of money paid to PAGA Group Members as PAGA Settlement Awards, (3) the portion of the PAGA Settlement Amount paid to the LWDA, (4) the Service Award paid to Plaintiff; and (5) the Fee and Expense Award paid to Class Counsel.

4.10.3 Negotiation of Settlement Checks. Any checks tendered to Settlement Class Members and/or PAGA Group Members shall remain valid and negotiable for one hundred and eighty (180) calendar days from the date of their issuance and shall thereafter be automatically cancelled if not cashed, deposited, or otherwise negotiated by the Settlement Class Member or PAGA Group Member within that time, although the individual shall remain a Settlement Class Member and/or PAGA Group Member bound by the Judgment entered in the Action. After one hundred and eighty (180) calendar days, any amounts from uncashed checks shall be transmitted to the Justice Gap Fund in accordance with Code of Civil Procedure section 384.

4.10.4 Non-Reversionary Settlement. No portion of the Gross Settlement Amount will revert to Defendant.

4.10.5 Discharge of Obligations. Defendant shall fully discharge its obligations to Plaintiff, the Settlement Class Members, the PAGA Group Members, and the State of California through the remittance of the Settlement Fund Amount to the Settlement Administrator as set forth in Section 4.10.1, above, regardless of whether checks representing Class Settlement Awards and/or PAGA Settlement Awards are actually received and/or negotiated by the payees. Once Defendant has complied with its obligation set forth in Section 4.10.1, above, it will be deemed to have satisfied all terms and conditions under this Agreement, shall be entitled to all

1 protections afforded to it under this Agreement, and shall have no further obligations under the
2 terms of the Agreement, regardless of what occurs with respect to the further administration of
3 the Settlement. Without prejudice to any other remedies, the Settlement Administrator shall hold
4 Defendant harmless from and against all liabilities, claims, causes of action, costs, and expenses
5 (including legal fees and expenses) arising out of any failure to timely or properly compensate
6 Settlement Class Members and/or PAGA Group Members as provided for in this Agreement.

7 **4.11 Questions and Disputes.** In the event that questions or disputes arise regarding
8 the entitlement of any Class Member or PAGA Group Member under this Agreement, counsel for
9 each Party shall cooperate to provide to counsel for the other Party and the Settlement
10 Administrator all available information reasonably necessary to resolve them. Such information
11 shall be provided in either electronic form or hard copy, as the Settlement Administrator may
12 reasonably request. If the Parties cannot resolve any dispute concerning the entitlement of any
13 Class Member or PAGA Group Member under this Agreement, the dispute(s) shall be submitted
14 to the Settlement Administrator, who shall resolve the dispute(s) and whose decision shall be final
15 and binding. In such a dispute, the information provided by Defendant will be presumed
16 accurate.

17 **4.12 Notification and Certification by Settlement Administrator.** The Settlement
18 Administrator shall keep Defendant's Counsel and Class Counsel apprised of the status of the
19 settlement administration process and its distribution of all sums pursuant to this Agreement.
20 Upon completion of administration of the Settlement, the Settlement Administrator shall provide
21 a detailed, written certification of such completion to the Court and counsel for the Parties.

22 **4.13 Nullification of Settlement Agreement if Settlement Not Approved.** In the
23 event (a) the Court does not preliminarily approve the Settlement as provided herein; (b) the
24 Court does not finally approve the Settlement as provided herein; (c) the Court does not enter the
25 Judgment in the Action as provided herein; or (d) the Settlement does not become final for any
26 other reason, including the exercise of Defendant's right to rescind the Settlement under
27 Section 4.4.6, above, this Agreement shall be null and void *ab initio* (with the exception of this
28 Section, Section 3.2, and Section 4.4.6) and any order or Judgment entered by the Court in

1 furtherance of this Settlement shall be treated as withdrawn or vacated by stipulation of the
2 Parties. In such case, the Parties shall be returned to their respective statuses as of December 27,
3 2023. In the event an appeal is filed from the Final Judgment and Order, or any other appellate
4 review is sought before the Effective Date, administration of the Settlement shall be stayed
5 pending final resolution of the appeal or other appellate review.

6 **5. ENTRY OF JUDGMENT AND RELEASES**

7 **5.1 Obtaining Approval.** As soon as practicable after execution of this Agreement,
8 Class Counsel shall, with the cooperation of Defendant's Counsel as reasonably requested by
9 Class Counsel, take all necessary steps to secure Preliminary Approval and Final Approval of the
10 Agreement by the Court, including responding to any objectors, intervenors, or other persons or
11 entities seeking to preclude approval of this Agreement.

12 **5.2 Entry of Judgment.** The Final Judgment and Order approving Settlement in the
13 Action shall include a provision for entry of judgment in accordance with this Agreement, with
14 each Party to bear all of her or its own costs and attorneys' fees, except as expressly set forth
15 herein.

16 **5.3 Notification to the LWDA.** Plaintiff shall submit to the LWDA a copy of the
17 Final Judgment and Order within ten (10) days after its entry, in accordance with Labor Code
18 section 2699, subdivision (1)(3).

19 **5.4 Settlement Class Release.** Upon the Effective Date, all Settlement Class
20 Members shall be deemed to have, and by operation of the Final Judgment and Order shall have,
21 expressly released, waived, and relinquished the Released Claims. Settlement Class Members
22 shall not sue or otherwise make a claim against any of the Released Parties for any of the
23 Released Claims and shall be barred from filing any actions, claims, complaints, or proceedings
24 regarding the Released Claims with the California Division of Labor Standards Enforcement, or
25 from initiating any other proceedings against any of the Released Parties regarding any of the
26 Released Claims. Settlement Class Members' release, waiver, and relinquishment of the
27 Released Claims shall preclude them from participating in any judgment or settlement of claims
28

1 that are the subject of the Released Claims in any other action or proceeding, including, without
2 limitation, any other class, collective, or representative action.

3 **5.5 PAGA Release.** Upon the Effective Date, all PAGA Group Members and the
4 State of California shall be deemed to have, and by operation of the Final Judgment and Order
5 shall have, expressly released, waived, and relinquished the Released PAGA Claims. All PAGA
6 Group Members shall be barred from bringing, joining, or otherwise participating in a PAGA
7 representative action or otherwise making, joining, or otherwise participating in a claim against
8 any of the Released Parties for any of the Released PAGA Claims. The State of California shall
9 also be barred from pursuing recovery of any civil penalties from any of the Released Parties for
10 any of the Released PAGA Claims.

11 **5.6 Plaintiff's General Release.** In addition to her release of the Released Parties
12 from the Released Claims and Released PAGA Claims as set forth in Sections 5.4 and 5.5, above,
13 upon the Effective Date, Plaintiff and each of her successors, assigns, heirs, personal
14 representatives, and all those who claim through her or who assert claims on her behalf, hereby
15 expressly release and waive any and all claims, demands, rights, liabilities, and causes of action
16 Plaintiff has or has ever had against of the Released Parties, whether for economic damages,
17 noneconomic damages, exemplary damages, penalties, restitution, injunctive or declaratory relief,
18 interest, attorneys' fees, costs, or any other forms of monetary or non-monetary relief in any way
19 arising out of or relating to any facts, transactions, events, policies, occurrences, acts, disclosures,
20 statements, omissions, or failures to act from the beginning of time to the date she signs this
21 Agreement, including but not limited to any claims arising from or related to her employment
22 with Defendant or the termination of that employment. This general release by Plaintiff shall
23 become effective upon the Effective Date and shall include all statutory claims, common law
24 claims (including but not limited to those sounding in contract, tort, and equity), and claims for
25 compensation to the fullest extent permitted by law. Plaintiff further agrees not to sue or
26 otherwise make a claim against any of the Released Parties for any of the claims that are released
27 pursuant to this Section 5.6. Notwithstanding the above, the Parties agree that the release in this
28 Section 5.6 does not apply to release the claims alleged by Plaintiff against Defendant in the civil

1 personal injury complaint filed in San Bernardino Superior Court on or about May 30, 2023,
2 entitled *Christina Romero v. McDonald's Restaurants of California, Inc.*, Case No.
3 CIVSB2312332. Plaintiff further agrees that, except for San Bernardino Superior Court Case
4 No. CIVSB2312332, she will dismiss with prejudice any administrative or judicial proceedings
5 she has brought against any of the Released Parties.

6 **5.7 Waiver of Civil Code Section 1542.** Plaintiff acknowledges that her general
7 release herein includes potential claims and costs that may not be known or suspected by her to
8 exist, and she hereby expressly and affirmatively waives and relinquishes any and all rights and
9 benefits which may otherwise exist relating to the claims released in Section 5.6, above, pursuant
10 to Civil Code section 1542 and any similar law of any state or territory of the United States. Civil
11 Code section 1542 states as follows:

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

19 **5.8. Carve Out for Personal Injury Action.** For the avoidance of doubt, the releases
20 in this Agreement do not apply to Plaintiff's claims alleged against Defendant in the civil
21 personal injury complaint filed in San Bernardino Superior Court on or about May 30, 2023,
22 entitled *Christina Romero v. McDonald's Restaurants of California, Inc.*, Case No.
23 CIVSB2312332.

24 **6. ADDITIONAL PROVISIONS**

25 **6.1 No Admission of Liability.** Defendant contends that all of its employment
26 practices comply and have complied with all applicable laws and regulations; that Class Members
27 and PAGA Group Members were and are properly compensated for all wages, including (without
28 limitation) all minimum wages and overtime wages, were and are properly provided all meal
periods to which they were entitled, were and are properly authorized and permitted to take all
rest periods to which they were entitled, were and are timely paid all final wages, were and are
timely paid all wages during employment, were and are furnished accurate itemized wage

1 statements, were and are paid for all sick time (when applicable), were and are reimbursed for all
2 necessary business expenses (when applicable), were and are paid wages without discount
3 resulting from the use of pay cards (when applicable); that Defendant did not and does not engage
4 in unfair competition, business acts, or practices; and that Defendant has not and does not engage
5 in any unlawful conduct, whether willful or not, and whether knowing and intentional or not, with
6 respect to any of the claims alleged in the Action. Defendant has denied and continues to deny
7 each of the claims alleged and the contentions made by Plaintiff in the Action. Defendant has
8 denied and continues to deny any wrongdoing or legal liability arising out of any of the facts or
9 conduct alleged in the Action and contends that all of Plaintiff's claims lack merit and Defendant
10 has valid defenses to each of them. This Agreement reflects the compromise and settlement of
11 disputed claims between the Parties, and its provisions and any and all drafts, communications, or
12 discussions relating thereto do not constitute, are not intended to constitute, and will not under
13 any circumstances be deemed to constitute an admission by Defendant as to the merits, validity,
14 or accuracy of any of the allegations or claims in the Action, nor a waiver of any defense.

15 **6.2 Parties Represented by Counsel.** The Parties hereby acknowledge that they have
16 been represented in negotiations for and in the preparation of this Agreement by independent
17 counsel of their own choosing, they have read this Agreement and have had it fully explained to
18 them by such counsel, and they are fully aware of the contents of this Agreement and of its legal
19 effect.

20 **6.3 Voluntary Agreement.** This Agreement is executed voluntarily and without
21 duress or undue influence on the part of or on behalf of any Party, or of any other person, firm, or
22 entity. Each Party has made such investigation of the facts pertaining to this Agreement and of
23 all other matters pertaining hereto as he, she, or it deems necessary.

24 **6.4 Escalator Clause.** In advance of the mediation resulting in the Settlement,
25 Defendant reported to Plaintiff that there were approximately 900,000 Class Work Weeks worked
26 by Class Members for the period from June 2, 2020 through December 5, 2023. If it is
27 determined that the number of Class Work Weeks worked by Class Members exceeds 990,000
28 Class Work Weeks (900,000, plus 10% of 900,000), then, at their option, Defendant may elect to

end the Class Period on the date on which the number of Class Work Weeks reached 990,000, or increase the Gross Settlement Amount in proportion to the increased percentage — for example, if such increase in Class Work Weeks is 15% over 900,000 Class Work Weeks, the Gross Settlement Amount will increase by 5%.

6.5 Notices. The Parties, Class Counsel, and Defendant's Counsel acknowledge and agree that for the purposes of any claims, actions, or proceedings arising out of this Agreement, notice provided to Class Counsel shall be deemed notice to Plaintiff and to Class Members. All notices, requests, demands, and other communications required to be given to counsel for the Parties under this Agreement shall be in writing and shall be delivered personally, faxed, emailed or mailed, postage prepaid, by first class United States mail, addressed as follows:

To Class Members or to Plaintiff:

Shaun Setareh (shaun@setarehlaw.com)
 Thomas Segal (thomas@setarehlaw.com)
 Farrah Grant (farrah@setarehlaw.com)
 SETAREH LAW GROUP
 9665 Wilshire Blvd., Suite 430
 Beverly Hills, CA 90212
 Telephone: (310) 888-7771
 Facsimile: (310) 888-0109

To Defendant:

Tritia M. Murata (TritiaMurata@dwt.com)
 Monica A. Rodriguez (MonicaRodriguez@dwt.com)
 DAVIS WRIGHT TREMAINE LLP
 865 South Figueroa Street, Suite 2400
 Los Angeles, CA 90017-2566
 Telephone: (213) 633-6800
 Facsimile: (213) 633-6899

6.6 No Press Releases/Public Comment. Unless they first obtain Defendant's express written consent, Class Counsel and Plaintiff shall not (a) discuss, reveal, disclose, publicize, or promote the terms of this Settlement, or the negotiations leading to this Settlement, to any third party (including but not limited to the media, the legal community, or the public at large) or (b) issue any press releases or initiate any contact with the media regarding the Settlement, or otherwise advertise or publicize the Settlement. Nothing in this Agreement is

1 intended to prevent Plaintiff or Class Counsel from disclosing or discussing the terms of this
2 Settlement (i) with the Court, (ii) with any Class Member or PAGA Group Member, (iii) with the
3 Settlement Administrator, (iv) with the LWDA, or (v) as otherwise required by law. Moreover,
4 nothing herein will restrict Class Counsel from including publicly available information regarding
5 the Settlement in future judicial submissions regarding Class Counsel's qualifications and
6 experience.

7 **6.7 Authorization.** The Parties represent and warrant that each signatory hereto has
8 the full right and authority to enter into this Agreement and bind the Party on whose behalf she or
9 it has executed this Agreement.

10 **6.8 Agreement Binding on Successors in Interest.** This Agreement shall be binding
11 on and inure to the benefit of the respective successors, assigns, heirs, and personal
12 representatives of the Parties.

13 **6.9 Time Periods.** The time periods and dates set forth in this Agreement with respect
14 to the giving of notices and hearings are subject to approval and modification by the Court or the
15 written stipulation of counsel for the Parties.

16 **6.10 Mutual Full Cooperation.** The Parties agree to cooperate fully with each other to
17 accomplish the terms of this Agreement, including but not limited to execution and delivery of
18 any and all additional papers, documents, and other assurances and taking such other action that
19 may be reasonably necessary to implement the terms of this Agreement. The Parties and their
20 counsel shall use their best efforts, including all efforts contemplated by this Agreement and any
21 other efforts that may become necessary by order of the Court, to effectuate this Agreement and
22 the terms set forth herein.

23 **6.11 Entire Agreement.** The Exhibits to this Agreement are integral parts of this
24 Agreement and are hereby incorporated and made a part of the Agreement. This Agreement
25 contains the entire agreement between the Parties and constitutes the complete, final, and
26 exclusive embodiment of their agreement with respect to the subject matter hereof. This
27 Agreement is executed without reliance upon any promise, representation, or warranty by any
28 Party or representative of any Party, other than those expressly set forth herein. Any

1 inconsistency between this Agreement and the attached Exhibits will be resolved in favor of this
2 Agreement.

3 6.12 **Headings.** The various headings used in this Agreement are solely for the
4 convenience of the Parties and shall not be used to interpret this Agreement.

5 6.13 **No Construction Against Drafter.** This Agreement shall be deemed to have been
6 drafted jointly by the Parties, and any rule that a document shall be interpreted against the drafter
7 shall not apply to this Agreement.

8 6.14 **Amendment and Modification.** Except as expressly provided in Section 6.9,
9 above, with respect to time periods and dates set forth herein, this Agreement may not be
10 amended, altered, or modified except in writing and signed by the Parties hereto, their successors
11 in interest, or their duly authorized representatives, and approved by the Court.

12 6.15 **Governing Law.** This Agreement is entered into in accordance with the laws of
13 the State of California and shall be governed by and interpreted in accordance with those laws.

14 6.16 **Jurisdiction of the Court.** Any dispute regarding the interpretation or validity or
15 otherwise arising out of this Agreement, or relating to the Action, the Released Claims, or the
16 Released PAGA Claims, shall be subject to the exclusive jurisdiction of the Court, and the
17 Plaintiff, Class Members, PAGA Group Members, the LWDA, and Defendant all agree to submit
18 to the personal and exclusive jurisdiction of the Court for the purpose of resolving any such
19 dispute. Following the Effective Date, the Court shall retain jurisdiction solely with respect to the
20 interpretation, implementation, and enforcement of the terms of this Agreement and all orders and
21 judgments entered in connection therewith, and the Parties and their counsel submit to the
22 jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement
23 embodied in this Agreement and all orders and judgments entered in connection therewith.

24 6.17 **Agreement Constitutes a Complete Defense.** To the extent permitted by law,
25 this Agreement may be pleaded as a full and complete defense to any action, suit, or other
26 proceeding that may be instituted, prosecuted, or attempted in breach of or contrary to this
27 Agreement.
28

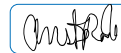
1 6.18 **Signatures.** Signatures by facsimile or in Portable Document Format (PDF), such
2 as through DocuSign, or by other electronic means, shall have the same force and effect as
3 original signatures.

4 6.19 **Execution Date and Execution in Counterparts.** This Agreement shall be
5 deemed executed upon the last date of signature of all of the undersigned. The Parties may
6 execute this Agreement in counterparts, each of which shall constitute an original, but all of
7 which together shall constitute one and the same instrument having the same force and effect as if
8 all Parties had signed the same instrument.

9 IN WITNESS THEREOF, the Parties hereto have so agreed.

10 Dated: 7/18/2024, 2024

CHRISTINA ROMERO

12 

ID 1V563zzaXLkH82VjingLkXCn

13 On behalf of herself, the Settlement Class, and the
14 State of California and PAGA Group Members as
15 a private attorney general

16 Dated: _____, 2024

MCDONALD'S RESTAURANTS OF
CALIFORNIA, INC.

19 By: _____

Hal Merck

20 as an authorized representative for Defendant
21 McDonald's Restaurants of California, Inc.

1 Approved as to form and content, and agreed as to Publicity Provision (Section 6.6)

2 Dated: 7/19/2024, 2024

3 SETAREH LAW GROUP

4 By:



ID 2j24suoB7jdvLW6e3xcTHxTH

5 Thomas Segal

6 Attorneys for Plaintiff
7 CHRISTINA ROMERO

8 Dated: _____, 2024

9 DAVIS WRIGHT TREMAINE LLP

10 By: _____

11 Tritia M. Murata

12 Attorneys for Defendant
13 MCDONALD'S RESTAURANTS OF
14 CALIFORNIA, INC.

6.18 **Signatures.** Signatures by facsimile or in Portable Document Format (PDF), such as through DocuSign, or by other electronic means, shall have the same force and effect as original signatures.

6.19 **Execution Date and Execution in Counterparts.** This Agreement shall be deemed executed upon the last date of signature of all of the undersigned. The Parties may execute this Agreement in counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument having the same force and effect as if all Parties had signed the same instrument.

IN WITNESS THEREOF, the Parties hereto have so agreed.

Dated: _____, 2024

CHRISTINA ROMERO

On behalf of herself, the Settlement Class, and the State of California and PAGA Group Members as a private attorney general

Dated: 7/15/2024, 2024

MCDONALD'S RESTAURANTS OF CALIFORNIA, INC.

By:

DocuSigned by:

Hal Merck

Hal Merck

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as an authorized representative for Defendant McDonald's Restaurants of California, Inc.

1 Approved as to form and content, and agreed as to Publicity Provision (Section 6.6)

2 Dated: _____, 2024 SETAREH LAW GROUP

3
4 By: _____
5 Thomas Segal

6 Attorneys for Plaintiff
7 CHRISTINA ROMERO

8 Dated: July 15, 2024

DAVIS WRIGHT TREMAINE LLP

9
10 By: 
11 Tritia M. Murata

12 Attorneys for Defendant
13 MCDONALD'S RESTAURANTS OF
14 CALIFORNIA, INC.
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EXHIBIT A

Shaun Setareh (SBN 204514)
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 Thomas Segal (SBN 222791)
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 Farrah Grant (SBN 293898)
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Attorneys for Plaintiff CHRISTINA ROMERO

SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF SAN BERNARDINO
 UNLIMITED JURISDICTION

CHRISTINA ROMERO, on behalf of herself
 and all others similarly situated, and the
 general public,

Plaintiff,

v.

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

Defendants.

Case No. CIVSB2305280

CLASS AND REPRESENTATIVE ACTION

FIRST AMENDED COMPLAINT

1. Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198);
2. Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198);
3. Failure to Pay Hourly Wages (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1 and 1198);
4. Failure to Pay Sick Time (Lab. Code §§ 246 *et seq.*)
5. Failure to Indemnify (Lab. Code § 2802);
6. Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226, 1174);
7. Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203);
8. Failure to Pay Wages Without Discount (Lab. Code § 212);
9. Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*);
10. Civil Penalties (Lab. Code § 2698, *et seq.*)

JURY TRIAL DEMANDED

Plaintiff CHRISTINA ROMERO (“Plaintiff”), on behalf of herself and all others similarly situated, and the general public, complains and alleges as follows:

INTRODUCTION

1. Plaintiff brings this class and representative action against defendants MCDONALD’S RESTAURANTS OF CALIFORNIA, INC., a California corporation; and DOES 1 through 50, inclusive, (collectively referred to as “Defendants”) for alleged violations of the Labor Code. As set forth below, Plaintiff alleges that Defendants have

- (1) failed to provide Plaintiff and all other similarly situated individuals with meal periods;
- (2) failed to provide them with rest periods;
- (3) failed to pay them premium wages for missed meal and/or rest periods;
- (4) failed to pay them premium wages for missed meal and/or rest periods at the regular rate of pay;
- (5) failed to pay them at least minimum wage for all hours worked;
- (6) failed to pay them overtime wages at the correct rate;
- (7) failed to pay them double time wages at the correct rate;
- (8) failed to reimburse them for all necessary business expenses;
- (9) failed to provide them with accurate written wage statements; and
- (10) failed to pay them all of their final wages following separation of employment.

Based on these alleged violations, Plaintiff now brings this class and representative action to recover unpaid wages, restitution, civil and statutory penalties, and related relief on behalf of herself and all others similarly situated, all other aggrieved employees, and the State of California.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction to hear this case because the unpaid wages, actual damages, liquidated damages, restitution, and penalties sought by Plaintiff from Defendants exceeds the minimal jurisdictional limits of the Superior Court of the State of California.

3. Venue is proper in the County of San Bernardino pursuant to Code of Civil Procedure §§ 393(a), 395(a) and 395.5 in that liability arose there, because at least some of the transactions that

are the subject matter of this Complaint occurred therein and/or each defendant is found, maintains offices, transacts business, and/or has an agent therein.

PARTIES

4. Plaintiff is and was, and at all relevant times mentioned herein, an individual residing in the State of California.

5. Plaintiff is informed and believes, and thereupon alleges, that Defendant MCDONALD'S RESTAURANTS OF CALIFORNIA, INC. is, and at all relevant times mentioned herein, a California corporation doing business in the State of California.

6. Plaintiff is ignorant of the true names and capacities of the defendants sued herein as DOES 1 through 50, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff will amend this Complaint to allege the true names and capacities of the DOE defendants when ascertained. Plaintiff is informed and believes, and thereupon alleges, that each of the fictitiously named defendants are responsible in some manner for the occurrences, acts and omissions alleged herein and that Plaintiff's alleged damages were proximately caused by these defendants, and each of them. Plaintiff will amend this complaint to allege both the true names and capacities of the DOE defendants when ascertained.

7. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times mentioned herein, some or all of the defendants were the representatives, agents, employees, partners, directors, associates, joint venturers, joint employers, principals, or co-participants of some or all of the other defendants, and, in doing the things alleged herein, were acting within the course and scope of such relationship and with the full knowledge, consent, and ratification by such other defendants.

CLASS ALLEGATIONS

8. This action has been brought and may be maintained as a class action pursuant to Code of Civil Procedure § 382, because there is a well-defined community of interest among the persons who comprise the readily ascertainable classes defined below and because Plaintiff is unaware of any difficulties likely to be encountered in managing this case as a class action.

///

9. **Relevant Time Period:** The relevant time period is defined as the time period beginning four years prior to the filing of this action until judgment is entered.

Hourly Employee Class: All persons employed by Defendants whether directly or indirectly through any staffing agencies and/or any other third parties in hourly or non-exempt positions in California during the **Relevant Time Period**.

Meal Period Sub-Class: All **Hourly Employee Class** members who worked in a shift in excess of five hours during the **Relevant Time Period**.

Rest Period Sub-Class: All **Hourly Employee Class** members who worked a shift of at least three and one-half (3.5) hours during the **Relevant Time Period**.

Wage Statement Penalties Sub-Class: All **Hourly Employee Class** members employed by Defendants in California during the period beginning one year before the filing of this action and ending when final judgment is entered.

Waiting Time Penalties Sub-Class: All **Hourly Employee Class** members who separated from their employment with Defendants during the period beginning three years before the filing of this action and ending when final judgment is entered.

UCL Class: All **Hourly Employee Class** members employed by Defendants in California during the **Relevant Time Period**.

Expense Reimbursement Class: All persons employed by Defendants in California who incurred business expenses, including using their personal cellphone, laundering their uniforms, or incurring travel expenses, during the **Relevant Time Period**.

Sick Pay Class: All persons employed by Defendants in California who were eligible to receive compensation for "Sick Pay" during the **Relevant Time Period**.

Pay Card Class: All persons employed by Defendants in California who were paid their wages with a pay card and were not paid all earned wages during the **Relevant Time Period**.

10. **Reservation of Rights:** Pursuant to Rule of Court 3.765(b), Plaintiff reserves the right to amend or modify the class definitions with greater specificity by further division into sub-classes and/or by limitation to particular issues.

11. **Numerosity:** The class members are so numerous that the individual joinder of each individual class member is impractical. While Plaintiff does not currently know the exact number of class members, Plaintiff is informed and believes, and thereupon alleges, that the actual number exceeds the minimum required for numerosity under California law.

12. **Commonality and Predominance:** Common questions of law and fact exist as to all

1 class members and predominate over any questions that affect only individual class members. These
2 common questions include, but are not limited to:

- 3 i. Whether Defendants maintained a policy or practice of failing to provide employees
4 with their meal periods;
- 5 ii. Whether Defendants maintained a policy or practice of failing to provide employees
6 with their rest periods;
- 7 iii. Whether Defendants failed to pay premium wages to class members when they have
8 not been provided with required meal and/or rest periods;
- 9 iv. Whether Defendants failed to pay minimum and/or overtime wages to class members
10 as a result of policies that fail to provide meal periods in accordance with California
11 law;
- 12 v. Whether Defendants failed to pay minimum and/or overtime wages to class members
13 for all time worked;
- 14 vi. Whether Defendants failed to reimburse class members for all necessary business
15 expenses incurred during the discharge of their duties;
- 16 vii. Whether Defendants failed to provide class members with accurate written wage
17 statements as a result of providing them with electronic wage statements with
18 inaccurate entries for, among other things, amounts of gross and net wages, and total
19 hours worked;
- 20 viii. Whether Defendants failed to pay class members all wages without discount;
- 21 ix. Whether Defendants used pay cards to pay class members;
- 22 x. Whether class members incurred fees in cashing pay cards;
- 23 xi. Whether class members have been able to redeem pay cards for their full cash value;
- 24 xii. Whether Defendants applied policies or practices that result in late and/or incomplete
25 final wage payments;
- 26 xiii. Whether Defendants are liable to class members for waiting time penalties under
27 Labor Code section 203;
- 28 xiv. Whether class members are entitled to restitution of money or property that

Defendants may have acquired from them through unfair competition;

13. **Typicality:** Plaintiff's claims are typical of the other class members' claims. Plaintiff is informed and believes, and thereupon alleges, that Defendants have a policy or practice of failing to comply with the Labor Code and Business and Professions Code as alleged in this Complaint.

14. **Adequacy of Class Representative:** Plaintiff is an adequate class representative in that she has no interests that are adverse to or otherwise conflict with the interests of absent class members and is dedicated to vigorously prosecuting this action on their behalf. Plaintiff will fairly and adequately represent and protect the interests of the other class members.

15. **Adequacy of Class Counsel:** Plaintiff's counsel are adequate class counsel in that they have no known conflicts of interest with Plaintiff or absent class members, are experienced in wage and hour class action litigation, and are dedicated to vigorously prosecuting this action on behalf of Plaintiff and absent class members.

16. **Superiority:** A class action is vastly superior to other available means for fair and efficient adjudication of the class members' claims and would be beneficial to the parties and the Court. Class action treatment will allow a number of similarly situated persons to prosecute their common claims simultaneously and efficiently in a single forum without the unnecessary duplication of effort and expense that numerous individual actions would entail. In addition, the monetary amounts due to many individual class members are likely to be relatively small and would thus make it difficult, if not impossible, for individual class members to both seek and obtain relief. Moreover, a class action will serve an important public interest by permitting class members to effectively pursue the recovery of monies owed to them. Further, a class action will prevent the potential for inconsistent or contradictory judgments inherent in individual litigation.

GENERAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

17. Plaintiff worked for Defendants as an hourly, non-exempt employee from approximately December 2021 through July 2022.

18. During the applicable limitations period, Romero and the putative class had to work off-the-clock and were not paid for all hours worked.

COVID Screening and Off-the-Clock

19. Romero and the putative class were required to submit to a COVID screening prior to clocking in at the beginning of their shift. Romero and the putative class stood in line and had their temperature taken. Additionally, Romero and the putative class were asked COVID related questions such as whether or not they had come into contact with a sick person, and whether they were experiencing any symptoms of illness, etc. Romero and the putative class could not clock in prior to this COVID screening, although they were required to do the COVID screening prior to starting each work shift.

20. Plaintiff and the putative class were required to spend at least five to fifteen minutes each time they went through the COVID screening check—time that was not paid by Defendants.

21. Plaintiff and the putative class were required to go through the COVID check prior to clocking in at the beginning of each work shift.

22. Based on the above, Defendants' COVID check practices have resulted in substantial amounts of time not recorded as hours worked therefore resulting in substantial amounts of wages not paid to Plaintiff and the putative class.

Reporting Time

23. Defendants required Plaintiff and the putative class to vacate the premises, including for example, if they did not pass the COVID check. Plaintiff and the putative class were not paid reporting time pay on those occasions that they reported to work and did not work a full shift due to not passing the COVID check.

Temperature Checks and Off-the-Clock

24. Defendants required Plaintiff and the putative class to have their temperature taken before shifts and after returning from meal and rest breaks. Defendants conducted these temperature checks off-the-clock.

25. It took about 2 minutes to find a supervisor and have the temperature check performed.

26. Based on the above, Defendants' temperature check practices have resulted in substantial amounts of time not recorded as hours worked therefore resulting in substantial amounts of wages not paid to Plaintiff and the putative class.

Clock In Process and Off-the-Clock

27. Plaintiff and the putative class sometimes had to wait in line behind about three people to clock in. There was only 1 clock in machine at Plaintiff's location. It sometimes took about 2 minutes for Plaintiff to wait in line to clock in.

28. Plaintiff and the putative class were trained to clock in for each work shift using a fingerprint scanning timeclock.

29. Occasionally, Plaintiff and the putative class would encounter timeclock errors or fingerprint scanning errors that would require them to restart the entire process. The time spent on the timeclock malfunctioning would not be accurately recorded and therefore resulted in Plaintiff and the putative class not being paid for all hours worked while waiting for the timeclock to work.

30. This time was not properly recorded as time worked and resulted in Plaintiff and the putative class not being paid for all hours worked by Defendants.

Time Spent Off-the-Clock Maintaining Uniforms

31. Defendants provided Plaintiff and the putative class with a uniform, including a shirt and apron with McDonald's logo. Plaintiff and the putative class had to maintain their McDonald's uniform by washing it. Plaintiff hand washed her apron and shirt separately from other non-work clothes because the uniform was oily and very dirty from work. Plaintiff and the putative class were not paid for the time they spent off-the-clock maintaining their uniforms.

Time Spent Off-the-Clock Responding to Cell Phone Communications

32. Plaintiff and the putative class sometimes responded to communications from Defendants' management on their cell phones while off the clock.

Split Shifts

33. Plaintiff and the putative class worked split shifts on occasion. Defendants failed to pay split shift premiums to Plaintiff and the putative class.

Missed Meal Periods

34. Plaintiff and the putative class were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling

1 each meal period as part of each work shift; (2) chronically understaffing each work shift with not
2 enough workers; (3) imposing so much work on each employee such that it made it unlikely that an
3 employee would be able to take their breaks if they wanted to finish their work on time; and (4) no
4 formal written meal and rest period policy that encouraged employees to take their meal and rest
5 periods.

6 35. Defendants have a policy and/or practice of regularly requiring Plaintiff and the
7 putative class to take their meal periods after the fifth hour of work. Plaintiff and the putative class
8 were required to request permission from their managers or supervisors prior to being released for
9 their meal periods. On many occasions, there were not enough employees to cover, and so Plaintiff
10 and the putative class were denied the opportunity to timely take their meal periods. Also, Plaintiff
11 and the putative class were told by their managers and supervisors that they were required to stay
12 on the premises during their meal periods.

13 36. As a result of Defendants' policies and/or practices, Plaintiff and the putative class
14 were regularly not provided with uninterrupted meal periods of at least thirty (30) minutes for each
15 five (5) hours worked.

16 **Missed Rest Periods**

17 37. Plaintiff and the putative class were not provided with rest periods of at least ten
18 (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants'
19 policy of not scheduling each rest period as part of each work shift; (2) chronically understaffing
20 each work shift with not enough workers; (3) imposing so much work on each employee such that
21 it made it unlikely that an employee would be able to take their breaks if they wanted to finish their
22 work on time; and (4) no formal written meal and rest period policy that encouraged employees to
23 take their meal and rest periods.

24 38. Defendants have a policy and/or practice of requiring that Romero and the
25 aggrieved employees request permission from a supervisor to get authorization to take a rest break.
26 However, there was frequently not enough staff to cover, and Romero and the aggrieved
27 employees were denied the opportunity to take their rest breaks.

28 39. As a result of Defendants' policy, Plaintiff and the putative class were regularly not

provided with uninterrupted rest periods of at least ten (10) minutes for each four (4) hours worked.

Expense Reimbursement

40. Plaintiff and the putative class members were required to utilize their own personal cellphone, vehicle, and laundry service for business purposes.

41. Plaintiff and the putative class members were not reimbursed for business expenses incurred in using their cellphones, vehicles, and laundry services.

42. Defendants failed to reimburse Plaintiff and the putative class for such necessary business expenses incurred by them.

Sick Pay

43. Upon information and belief, Plaintiff alleges that Plaintiff and the putative class members were not provided with sick time that they were legally entitled to.

44. Plaintiff requested sick time and was given a hard time and was denied sick time.

45. Upon information and belief, Plaintiff alleges that Plaintiff and the putative class were not provided with sick time, although they were eligible for sick time pay, and were entitled to it. Defendants failed to properly calculate the sick pay regular rate of pay for Plaintiff and the putative class.

46. Sick pay was not properly reported on wage statements for Plaintiff and the putative class.

Regular Rate

47. Plaintiff and the putative class were paid shift differentials on occasion. Defendants failed to properly factor in shift differentials when calculating the rate off pay for Plaintiff and the putative class.

Wage Statements

48. Plaintiff and the putative class were not provided with accurate wage statements as mandated by law pursuant to Labor Code § 226. Upon information and belief, Plaintiff and the putative class were issued payment electronically onto a paycard, and were not provided with the option of receiving a physical paystub.

49. Defendants failed to comply with Labor Code section 226(a)(1) as “gross wages earned” were not accurately reflected in that all hours worked, including overtime and “off-the-clock” work were not included.

50. Defendants failed to comply with Labor Code section 226(a)(2) as “total hours worked by the employee” were not accurately reflected in that all hours worked, including overtime and “off-the-clock” work were not included.

51. Defendants failed to comply with Labor Code section 226(a)(5) as “net wages earned” were not accurately reflected in that all hours worked, including overtime and “off-the-clock” work were not included.

52. Defendants failed to comply with Labor Code section 226(a)(9) as “all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee” were not accurately reflected in that all hours worked, including overtime and “off-the-clock” work were not included.

53. Defendants failed to comply with Labor Code section 1174 by failing to maintain payroll records and wage records.

FIRST CAUSE OF ACTION

FAILURE TO PROVIDE MEAL PERIODS

(Lab. Code §§ 204, 223, 226.7, 512 and 1198)

(Plaintiff and Meal Period Sub-Class)

54. Plaintiff incorporates by reference the preceding paragraphs as if fully alleged herein.

55. At all relevant times, Plaintiff and the **Meal Period Sub-Class** members have been non-exempt employees of Defendants entitled to the full meal period protections of both the Labor Code and the applicable Industrial Welfare Commission Wage Order (“Wage Order”).

56. Labor Code § 512 and § 11 of the applicable Wage Order impose an affirmative obligation on employers to provide non-exempt employees with uninterrupted, duty-free meal periods of at least thirty minutes for each work period of five hours, and to provide them with two uninterrupted, duty-free meal periods of at least thirty minutes for each work period of ten hours.

57. Labor Code § 226.7 and § 11 of the applicable Wage Order both prohibit employers from requiring employees to work during required meal periods and require employers to pay non-exempt employees an hour of premium wages on each workday that the employee is not provided with the required meal period.

58. Compensation for missed meal periods constitutes wages within the meaning of Labor Code § 200.

59. Labor Code § 1198 makes it unlawful to employ a person under conditions that violate the applicable Wage Order.

60. Section 11 of the applicable Wage Order states:

“No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day’s work the meal period may be waived by mutual consent of the employer and employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an ‘on duty’ meal period and counted as time worked. An ‘on duty’ meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.”

61. At all relevant times, Plaintiff was not subject to a valid on-duty meal period agreement. Plaintiff is informed and believes that, at all relevant times, **Meal Period Sub-Class** members were not subject to valid on-duty meal period agreements with Defendants.

62. Plaintiff alleges that, at all relevant times during the applicable limitations period, Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period Sub-Class** with uninterrupted, duty-free meal periods for at least thirty (30) minutes for each five (5) hour work period, as required by Labor Code § 512 and the applicable Wage Order.

63. Plaintiff alleges that, at all relevant times during the applicable limitations period, Defendants maintained a policy or practice of failing to pay premium wages to **Meal Period Sub-Class** members when they worked five (5) hours without clocking out for any meal period.

64. Plaintiff alleges that, at all relevant times during the applicable limitations period, Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period Sub-Class** with a second meal period when they worked shifts of ten or more hours and

1 failed to pay them premium wages as required by Labor Code § 512 and the applicable Wage
2 Order.

3 65. Moreover, upon information and belief, Defendants' written policies do not provide
4 that employees must take their first meal period before the end of the fifth hour of work, that
5 employees are entitled to a second meal period if they work a shift of over ten hours, or that the
6 second meal period must commence before the end of the tenth hour of work, unless waived.

7 66. At all relevant times, Defendants failed to pay Plaintiff and the **Meal Period Sub-**
8 **Class** members additional premium wages, and/or were not paid premium wages at the employees'
9 regular rates of pay when required meal periods were not provided.

10 67. Pursuant to Labor Code §§ 204, 218.6 and 226.7, Plaintiff, on behalf of herself and
11 the **Meal Period Sub-Class** members, seek to recover unpaid premium wages, interest thereon, and
12 costs of suit.

13 68. Pursuant to Labor Code § 1194, Code of Civil Procedure § 1021.5, the substantial
14 benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and the **Meal**
15 **Period Sub-Class** members, seeks to recover reasonable attorneys' fees.

16 **SECOND CAUSE OF ACTION**

17 **FAILURE TO PROVIDE REST PERIODS**

18 **(Lab. Code §§ 204, 223, 226.7 and 1198)**

19 **(Plaintiff and Rest Period Sub-Class)**

20 69. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

21 70. At all relevant times, Plaintiff and the **Rest Period Sub-Class** members have been
22 non-exempt employees of Defendants entitled to the full rest period protections of both the Labor
23 Code and the applicable Wage Order.

24 71. Section 12 of the applicable Wage Order imposes an affirmative obligation on
25 employers to permit and authorize employees to take required rest periods at a rate of no less than
26 ten minutes of net rest time for each four-hour work period, or major fraction thereof, that must be
27 in the middle of each work period insofar as practicable.

28 72. Labor Code § 226.7 and § 12 of the applicable Wage Order both prohibit employers

from requiring employees to work during required rest periods and require employers to pay non-exempt employees an hour of premium wages at the employees' regular rates of pay, on each workday that the employee is not provided with the required rest period(s).

73. Compensation for missed rest periods constitutes wages within the meaning of Labor Code § 200.

74. Labor Code § 1198 makes it unlawful to employ a person under conditions that violate the Wage Order.

75. Plaintiff alleges that, at all relevant times during the applicable limitations period, Defendants maintained a policy or practice of not providing members of the **Rest Period Sub-Class** with net rest period of at least ten minutes for each four-hour work period, or major fraction thereof, as required by the applicable Wage Order.

76. At all relevant times, Defendants failed to pay Plaintiff and the **Rest Period Sub-Class** members additional premium wages when required rest periods were not provided and/or were not paid premium wages at the employees' regular rates of pay when required rest periods were not provided.

77. Upon information and belief, Defendants written policies do not provide that employees may take a rest period for each four hours worked, or major fraction thereof, nor that rest periods should be taken in the middle of each work period insofar as practicable.

78. Pursuant to Labor Code §§ 204, 218.6 and 226.7, Plaintiff, on behalf of herself and **Rest Period Sub-Class** members, seeks to recover unpaid premium wages, interest thereon, and costs of suit.

79. Pursuant to Labor Code § 1194, Code of Civil Procedure § 1021.5, the substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and **Rest Period Sub-Class** members, seeks to recover reasonable attorneys' fees.

THIRD CAUSE OF ACTION

FAILURE TO PAY HOURLY AND OVERTIME WAGES

(Lab. Code §§ 223, 510, 1194, 1197 and 1198)

(Plaintiff and Hourly Employee Class)

80. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

81. At all relevant times, Plaintiff and **Hourly Employee Class** members are or have been non-exempt employees of Defendants entitled to the full protections of the Labor Code and the applicable Wage Order.

82. Section 2 of the applicable Wage Order defines “hours worked” as “the time during which an employee is subject to the control of the employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.”

83. Section 4 of the applicable Wage Order requires an employer to pay non-exempt employees at least the minimum wage set forth therein for all hours worked, which consists of all hours that an employer has actual or constructive knowledge that employees are working.

84. Labor Code § 1194 invalidates any agreement between an employer and an employee to work for less than the minimum or overtime wage required under the applicable Wage Order.

85. Labor Code § 1194.2 entitles non-exempt employees to recover liquidated damages in amounts equal to the amounts of unpaid minimum wages and interest thereon in addition to the underlying unpaid minimum wages and interest thereon.

86. Labor Code § 1197 makes it unlawful for an employer to pay an employee less than the minimum wage required under the applicable Wage Order for all hours worked during a payroll period.

87. Labor Code § 1197.1 provides that it is unlawful for any employer or any other person acting either individually or as an officer, agent, or employee of another person to pay an employee, or cause an employee to be paid, less than the applicable minimum wage.

88. Labor Code § 1198 makes it unlawful for employers to employ employees under conditions that violate the applicable Wage Order.

89. Labor Code § 204 requires employers to pay non-exempt employees their earned wages for the normal work period at least twice during each calendar month on days the employer designates in advance and to pay non-exempt employees their earned wages for labor performed in excess of the normal work period by no later than the next regular payday.

90. Labor Code § 223 makes it unlawful for employers to pay their employees lower wages than required by contract or statute while purporting to pay them legal wages.

91. Labor Code § 510 and § 3 of the applicable Wage Order require employers to pay non-exempt employees overtime wages of no less than one and one-half times the employees' respective regular rates of pay for all hours worked in excess of eight hours in one workday, all hours worked in excess of forty hours in one workweek, and for the first eight hours worked on the seventh consecutive day of one workweek.

92. Labor Code § 510 and § 3 of the applicable Wage Order also require employers to pay non-exempt employees overtime wages of no less than two times the employees' respective regular rates of pay for all hours worked in excess of twelve hours in one workday and for all hours worked in excess of eight hours on a seventh consecutive workday during the workweek.

93. Plaintiff is informed and believes that, at all relevant times, Defendants have applied centrally devised policies and practices to her and **Hourly Employee Class** members with respect to working conditions and compensation arrangements.

94. At all relevant times, Defendants failed to pay hourly wages to Plaintiff and **Hourly Employee Class** members for all time worked, including but not limited to, overtime hours at statutory and/or agreed rates.

95. Additionally, Plaintiff and the putative class were paid shift differentials, bonuses, and other remuneration on occasion. Defendants failed to properly factor in them when calculating the rate of pay for overtime and double time hours worked for Plaintiff and the putative class.

Section 9 of the applicable Wage Order states:

“When uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer. The term ‘uniform’ includes wearing apparel and accessories of distinctive design or color.”

96.

97. If the employer does not choose to maintain employees' uniforms itself where it is required to do so, the Division of Labor Standards Enforcement (“DLSE”) takes the position that the employer may pay each affected employee a weekly maintenance allowance of an hour's pay at the state minimum wage rate in lieu of maintaining the uniforms, assuming that an hour is a realistic

estimate of the time involved in maintaining the uniform.

98. At all relevant times during the applicable limitations period, and in violation of the above-referenced sections of the Labor Code and the applicable Wage Order, Defendants failed to compensate Plaintiff with minimum and/or overtime wages for all hours she worked as a result of its failure to maintain employee uniforms or pay her a weekly maintenance allowance.

99. Plaintiff is informed and believes that, at all relevant times and in violation of the above-referenced sections of the Labor Code and the applicable Wage Order, Defendants failed to compensate **Hourly Employee Class** members with minimum and/or overtime wages for all hours they worked as a result of its failures to maintain employee uniforms or pay them a weekly maintenance allowance.

100. During the relevant time period, Defendants failed to pay Plaintiff and **Hourly Employee Class** members all earned wages every pay period at the correct rates, including overtime rates, because Defendants directed, permitted, or otherwise encouraged Plaintiff and **Hourly Employee Class** members to perform off-the-clock work.

101. As a result of Defendants' unlawful conduct, Plaintiff and **Hourly Employee Class** members have suffered damages in an amount subject to proof, to the extent they were not paid the full amount of wages earned during each pay period during the applicable limitations period, including without limitation, overtime wages, double time wages, reporting time pay, and split shift premiums.

102. Pursuant to Labor Code §§ 204, 218.6, 223, 510, 1194 and 1194.2, Plaintiff, on behalf of herself and **Hourly Employee Class** members, seeks to recover unpaid straight time and overtime wages, interest thereon, and costs of suit.

103. Pursuant to Labor Code § 1194, Code of Civil Procedure § 1021.5, the substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and **Hourly Employee Class** members, seeks to recover reasonable attorneys' fees.

FOURTH CAUSE OF ACTION

FAILURE TO PROVIDE SICK PAY

(Lab. Code §§ 245, et seq.)

(Plaintiff and Sick Pay Class)

104. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

105. Labor Code section 246(a)(1) states in pertinent part:

An employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section.

106. Labor Code section 246(b)(1) states in pertinent part:

An employee shall accrue paid sick days at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment or the operate date of this article, whichever is later, subject to the use and accrual limitations set forth in this section.

107. Plaintiff is informed and believes and thereon alleges that, at all relevant times, Defendants have maintained a policy and practice of not paying and/or not accurately paying **Sick Pay Class** members paid sick days as required by Labor Code § 245, *et sequitur* during their employment when **Sick Pay Class** members were out due to covered reasons.

108. By reason of the above, Plaintiff and the members of the **Sick Pay Class** are entitled to restitution for all unpaid amounts due and owing to within four years (4) of the date of the filing of the Complaint until the date of entry of judgment.

109. Pursuant to Labor Code § 1194, Code of Civil Procedure § 1021.5, the substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and **Sick Pay Class** members, seeks to recover reasonable attorneys' fees.

FIFTH CAUSE OF ACTION

FAILURE TO INDEMNIFY

(Lab. Code § 2802)

(Plaintiff and Expense Reimbursement Class)

110. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

111. Labor Code section 2802(a) states:

An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.

112. At all relevant times during the applicable limitations period, Plaintiff and the

Expense Reimbursement Class members incurred necessary business-related expenses and costs, including but not limited to, usage of their personal cellphones, travel expenses, and maintaining uniforms.

113. Plaintiff is informed and believes and thereupon alleges that the reimbursement paid by Defendants was insufficient to indemnify Plaintiff for all necessary expenses incurred in the discharge of their duties.

114. Plaintiff is informed and believes and thereupon alleges that the reimbursement paid by Defendants was insufficient to indemnify **Expense Reimbursement Class** members for all necessary business expenses incurred in the discharge of their duties.

115. At all relevant times during the applicable limitations period, Defendants required Plaintiff and the **Expense Reimbursement Class** members to pay for expenses and/or losses caused by Defendants' want of ordinary care. Defendants failed to indemnify Plaintiff and **Expense Reimbursement Class** members for all such expenditures.

116. Plaintiff is informed and believes that, during the applicable limitations period, Defendants maintained a policy or practice of not reimbursing Plaintiff and **Expense Reimbursement Class** members for all necessary business expenses.

117. Accordingly, Plaintiff and **Expense Reimbursement Class** members are entitled to restitution for all unpaid amounts due and owing within four years of the date of the filing of the original Complaint and until the date of entry of judgment.

118. Plaintiff, on behalf of herself, and **Expense Reimbursement Class** members, seeks interest thereon and costs pursuant to Labor Code § 218.6 and reasonable attorneys' fees pursuant to Code of Civil Procedure § 1021.5.

SIXTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE WRITTEN WAGE STATEMENTS

(Lab. Code § 226, 246, 1174)

(Plaintiff and Wage Statement Penalties Sub-Class)

119. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

120. Labor Code § 226(a) states:

An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment. The deductions made from payment of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California. For purposes of this subdivision, 'copy' includes a duplicate of the itemized statement provided to an employee or a computer-generated record that accurately shows all of the information required by this subdivision.

121. The Division of Labor Standards Enforcement ("DLSE") has sought to harmonize the "detachable part of the check" provision and the "accurate itemized statement in writing" provision of Labor Code section 226(a) by allowing for electronic wage statements so long as each employee retains the right to elect to receive a written paper stub or record and that those who are provided with electronic wage statements retain the ability to easily access the information and convert the electronic statements into hard copies at no expense to the employee. (DLSE Opinion Letter July 6, 2006.)

122. Plaintiff is informed and believes that, at all relevant times during the applicable limitations period, Defendants have failed to provide **Wage Statement Penalties Sub-Class** members with written wage statements as described above and failed to accurately report sick pay available to **Wage Statement Penalties Sub-Class** members.

123. Plaintiff is informed and believes that Defendants' failure to provide her and **Wage Statement Penalties Sub-Class** members with accurate written wage statements were intentional in that Defendants had the ability to provide them with accurate wage statements but had intentionally provided them with written wage statements that Defendants knew do not comply with Labor Code

§§ 226(a) and 246.

124. Plaintiff and **Wage Statement Penalties Sub-Class** members have suffered injuries, in that Defendants have violated Plaintiff's and **Wage Statement Penalties Sub-Class** members' legal rights to receive accurate wage statements and have misled them about their actual rates of pay and wages earned. In addition, inaccurate information on their wage statements have prevented immediate challenges to Defendants' unlawful pay practices, has required discovery and mathematical computations to determine the amount of wages owed, has caused difficulty and expense in attempting to reconstruct time and pay records, and/or has led to the submission of inaccurate information about wages and deductions to federal and state government agencies.

125. Pursuant to Labor Code § 226(e), Plaintiff, on behalf of herself and **Wage Statement Penalties Sub-Class** members, seeks the greater of actual damages or fifty dollars (\$50.00) for the initial pay period in which a violation of Labor Code section 226(a) occurred and one hundred dollars (\$100.00) for each subsequent pay period in which a violation of Labor Code § 226(a) occurred, not to exceed an aggregate penalty of four thousand dollars (\$4,000.00) per class member.

126. Plaintiff and **Wage Statement Penalties Sub-Class** members further allege that Defendants failed to maintain payroll and wage records in accordance with Labor Code § 1174.

127. Pursuant to Labor Code §§ 1174.5 and 1175 Plaintiff, on behalf of herself and **Wage Statement Penalties Sub-Class** members, seeks penalties and other available remedies.

128. Pursuant to Code of Civil Procedure § 1021.5, the substantial benefit doctrine and/or the common fund doctrine, Plaintiff, on behalf of herself and **Wage Statement Penalties Sub-Class** members, seek awards of reasonable attorneys' fees and costs.

SEVENTH CAUSE OF ACTION

FAILURE TO TIMELY PAY ALL FINAL WAGES

(Lab. Code §§ 201–203)

(Plaintiff and Waiting Time Penalties Sub-Class)

129. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

130. At all relevant times, Plaintiff and **Waiting Time Penalties Sub-Class** members have been entitled, upon the end of their employment with Defendants, to timely payment of all

wages earned and unpaid before termination or resignation.

131. At all relevant times, pursuant to Labor Code § 201, employees who have been discharged have been entitled to payment of all final wages immediately upon termination.

132. At all relevant times, pursuant to Labor Code § 202, employees who have resigned after giving at least seventy-two (72) hours' notice of resignation have been entitled to payment of all final wages at the time of resignation.

133. At all relevant times, pursuant to Labor Code § 202, employees who have resigned after giving less than seventy-two (72) hours' notice of resignation have been entitled to payment of all final wages within seventy-two (72) hours' of giving notice of resignation.

134. During the applicable limitations period, Defendants failed to pay Plaintiff all of her final wages in accordance with the Labor Code by failing to timely pay her all of her final wages.

135. Plaintiff is informed and believes that, at all relevant times during the applicable limitations period, Defendants have failed to timely pay **Waiting Time Penalties Sub-Class** members all of their final wages in accordance with the Labor Code.

136. Plaintiff is informed and believes that, at all relevant times during the applicable limitations period, Defendants have maintained a policy or practice of paying **Waiting Time Penalties Sub-Class** members their final wages without regard to the requirements of Labor Code §§ 201 or 202 by failing to timely pay them all final wages.

137. Plaintiff is informed and believes and thereupon alleges that Defendants' failure to timely pay all final wages to her and **Waiting Time Penalties Sub-Class** members have been willful in that Defendants have the ability to pay final wages in accordance with Labor Code §§ 201 and/or 202 but have intentionally adopted policies or practices that are incompatible with those requirements.

138. Pursuant to Labor Code §§ 203 and 218.6, Plaintiff, on behalf of herself and **Waiting Time Penalties Sub-Class** members, seeks waiting time penalties from the respective dates that their final wages had first become due until paid, up to a maximum of thirty days, and interest thereon.

139. Pursuant to Labor Code § 226, Code of Civil Procedure § 1021.5, the substantial

benefit doctrine and/or the common fund doctrine, Plaintiff, on behalf of herself and **Waiting Time Penalties Sub-Class** members, seek awards of reasonable attorneys' fees and costs.

EIGHTH CAUSE OF ACTION

FAILURE TO PAY WAGES WITHOUT DISCOUNT

(Lab. Code § 212)

(Plaintiff and Pay Card Class)

140. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

141. At all relevant times, Plaintiff and the **Pay Card Class** members have been entitled to the protections of Labor Code § 212 which states:

(a) No person, or agent or officer thereof, shall issue in payment of wages due, or to become due, or as an advance on wages to be earned:

(1) Any order, check, draft, note, memorandum, or other acknowledgment of indebtedness, unless it is negotiable and payable in cash, on demand, without discount, at some established place of business in the state, the name and address of which must appear on the instrument, and at the time of its issuance and for a reasonable time thereafter, which must be at least 30 days, the maker or drawer has sufficient funds in, or credit, arrangement, or understanding with the drawee for its payment.

(2) Any scrip, coupon, cards, or other thing redeemable, in merchandise or purporting to be payable or redeemable otherwise than in money.

142. Defendants violated the Labor Code § 212 by issuing wages due in a non-negotiable manner that was not payable in cash at some place of business in the state without discount.

143. At times during her employment, Defendants paid Plaintiff wages on a "pay card" or preloaded debit card. Plaintiff incurred fees when attempting to use the pay card at various business in California. Plaintiff incurred fees when attempting to cash the pay card.

144. Plaintiff was not given an itemized wage statement when paid with a pay card.

NINTH CAUSE OF ACTION

UNFAIR COMPETITION

(Bus. & Prof. Code §§ 17200 *et seq.*)

(Plaintiff and UCL Class)

145. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

146. Business and Professions Code § 17200 defines "unfair competition" to include any

unlawful business practice.

147. Business and Professions Code §§ 17203–17204 allow a person who has lost money or property as a result of unfair competition to bring a class action in accordance with Code of Civil Procedure § 382 to recover money or property that may have been acquired from similarly situated persons by means of unfair competition.

148. California law requires employers to pay hourly, non-exempt employees for all hours they are permitted or suffered to work, including hours that the employer knows or reasonably should know that employees have worked.

149. Plaintiff, on behalf of herself and the **UCL Class** members, re-alleges and incorporates the FIRST, SECOND, THIRD, FOURTH, and FIFTH causes of action herein.

150. Plaintiff lost money and/or property as a result of the aforementioned unfair competition.

151. Defendants have or may have acquired money by means of unfair competition.

152. Plaintiff is informed and believes and thereupon alleges that, by committing the Labor Code violations described in this Complaint, Defendants violated Labor Code §§ 215, 216, 225, 226.6, 553, 1174, 1175, 1199 and 2802. Defendants thus committed misdemeanors by violating the Labor Code as alleged herein.

153. Defendants have committed criminal conduct through their policies and practices of, *inter alia*, failing to comport with their affirmative obligations as an employer to provide non-exempt employees with uninterrupted, duty-free meal periods of at least thirty minutes for each work period of five or more hours, by failing to pay non-exempt employees for all hours worked, by failing to pay employees for sick time they were legally entitled to, and by failing to reimburse them for all expenses.

154. At all relevant times, Plaintiff and **UCL Class** members have been non-exempt employees and entitled to the full protections of both the Labor Code and the applicable Wage Order.

155. Defendants’ unlawful conduct as alleged in this Complaint amounts to and constitutes unfair competition within the meaning of Business and Professions Code section 17200

1 *et sequitur*. Business and Professions Code §§ 17200 *et sequitur* protect against unfair competition
2 and allow a person who has suffered an injury-in-fact and has lost money or property as a result of
3 an unfair, unlawful, or fraudulent business practice to seek restitution on behalf of herself and on
4 behalf of similarly situated persons in a class-action proceeding.

5 156. As a result of Defendants’ violations of the Labor Code during the applicable
6 limitations period, Plaintiff has suffered an injury-in-fact and has lost money or property in the form
7 of earned wages. Specifically, Plaintiff has lost money or property as a result of Defendants’
8 conduct.

9 157. Plaintiff is informed and believes that other similarly situated persons have been
10 subject to the same unlawful policies or practices of Defendants.

11 158. Due to the unfair and unlawful business practices in violation of the Labor Code,
12 Defendants have gained a competitive advantage over other comparable companies doing business
13 in the State of California that comply with their legal obligations.

14 159. California’s Unfair Competition Law (“UCL”) permits civil recovery and injunctive
15 relief for “any unlawful, unfair or fraudulent business act or practice,” including a practice or act
16 that violates, or is considered unlawful under, any other state or federal law.

17 160. Accordingly, pursuant to Business & Professions Code §§ 17200 and 17203,
18 Plaintiff requests the issuance of temporary, preliminary, and permanent injunctive relief enjoining
19 Defendants, and each of them, and their agents and employees, from further violations of the Labor
20 Code and applicable Industrial Welfare Commission Wage Orders, and upon a final hearing, an
21 order permanently enjoining Defendants, and each of them, and their respective agents and
22 employees, from further violations of the Labor Code and applicable Industrial Welfare
23 Commission Wage Orders.

24 161. Pursuant to Business and Professions Code § 17203, Plaintiff, on behalf of herself
25 and **UCL Class** members, seeks declaratory relief and restitution of all monies rightfully belonging
26 to them that Defendants did not pay them or otherwise retained by means of its unlawful and unfair
27 business practices.

28 162. Pursuant to Code of Civil Procedure § 1021.5, the substantial benefit doctrine and/or

the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover reasonable attorneys' fees in connection with their unfair competition claims.

TENTH CAUSE OF ACTION

CIVIL PENALTIES

(Lab. Code §§ 2698 *et seq.*)

163. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

164. During the applicable limitations period, Defendants have violated Labor Code §§ 201, 202, 203, 204, 223, 226(a), 226.3, 226.7, 246, 510, 512, 1174, 1174.5, 1194, 1197, 1198, and 2802.

165. Labor Code §§ 2699(a) and (g) authorize an aggrieved employee, on behalf of herself and other current and former employees, to bring a representative civil action to recover civil penalties pursuant to the procedures set forth in Labor Code § 2699.3 that may, but need not, be brought or maintained as a class action pursuant to Code of Civil Procedure section 382.

166. Plaintiff, a former employee against whom Defendants committed one or more of the alleged Labor Code violations during the applicable limitations period, is an aggrieved employee within the meaning of Labor Code § 2699(c).

167. Plaintiff has complied with the procedures for bringing suit specified in Labor Code § 2699.3. Notice was provided to the California Labor & Workforce Development Agency ("LWDA") and 65 days have elapsed without the LWDA providing Plaintiff with any notice of an intent to investigate.

168. Pursuant to Labor Code sections 2699(a) and (f), Plaintiff seeks the following civil penalties for Defendants' violations of Labor Code §§ 201, 202, 203, 204, 223, 226(a), 226.7, 246, 510, 512, 1194, 1197, 1198 and 2802:

- i. For violations of Labor Code §§ 201, 202, 203, 212, 226.7, 246, 1194, 1198 and 2802, one hundred dollars (\$100) for each employee per pay period for each initial violation and two hundred dollars (\$200) for each employee per pay period for each subsequent violation (penalties set by Labor Code § 2699(f)(2));

- ii. For violations of Labor Code § 203, a penalty in an amount not exceeding thirty (30) days' pay as waiting time (penalties set by Labor Code § 256);
- iii. For violations of Labor Code § 204, one hundred dollars (\$100) for each employee for each initial violation that was neither willful nor intentional, two hundred dollars (\$200) for each employee, plus 25% of the amount unlawfully withheld from each employee, for each initial violation that was either willful or intentional, and two hundred dollars (\$200) for each employee, plus twenty-five percent (25%) of the amount unlawfully withheld from each employee, for each subsequent violation, regardless of whether the subsequent violation was either willful or intentional (penalties set by Labor Code § 210);
- iv. For violations of Labor Code § 223, one hundred dollars (\$100) for each employee for each initial violation that was neither willful nor intentional, two hundred dollars (\$200) for each employee, plus twenty-five percent (25%) of the amount unlawfully withheld from each employee, for each initial violation that was either willful or intentional, and two hundred dollars (\$200) for each employee, plus twenty-five percent (25%) of the amount unlawfully withheld from each employee, for each subsequent violation, regardless of whether the subsequent violation was either willful or intentional (penalties set by Labor Code § 225.5);
- v. For violations of Labor Code § 226(a), if this action is deemed to be an initial citation, two hundred and fifty dollars (\$250) for each employee for each violation. Alternatively, if an initial citation or its equivalent occurred before the filing of this action, one thousand dollars (\$1,000) for each employee for each violation (penalties set by Labor Code § 226.3);
- vi. For violation of Labor Code §§ 510 and 512, fifty dollars (\$50) for each employee for each initial pay period for which the employee was underpaid, and one hundred dollars (\$100) for each employee for each subsequent pay

period for which the employee was underpaid (penalties set by Labor Code § 558);

vii. For violations of Labor Code § 1174, five hundred dollars (\$500) for each aggrieved employee for each violation (penalties set by Labor Code § 1174.5);

viii. For violations of Labor Code § 1197, one hundred dollars (\$100) for each aggrieved employee for each initial violation of Labor Code § 1197 that was intentional and two hundred and fifty dollars (\$250) for each aggrieved employee per pay period for each subsequent violation of Labor Code § 1197, regardless of whether the initial violation was intentional (penalties set by Labor Code § 1197.1);

ix. Pursuant to Labor Code § 2699(g), Plaintiff seeks an award of reasonable attorneys' fees and costs in connection with Plaintiff's claims for civil penalties.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself, all others similarly situated, and the general public, prays for relief and judgment against Defendants as follows:

- (1) An order that the action be certified as a class action;
- (2) An order that Plaintiff be appointed class representative;
- (3) An order that counsel for Plaintiff be appointed class counsel;
- (4) Unpaid wages;
- (5) Actual damages;
- (6) Liquidated damages;
- (7) Restitution;
- (8) Declaratory relief;
- (9) Pre-judgment interest;
- (10) Statutory penalties;
- (11) Civil penalties;

- (12) Costs of suit;
- (13) Reasonable attorneys' fees; and
- (14) Such other relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff, on behalf of herself, all other similarly situated, and the general public, hereby demands a jury trial on all issues so triable.

Dated: July 10, 2024

SETAREH LAW GROUP

SHAUN SETAREH
THOMAS SEGAL
FARRAH GRANT
Attorneys for Plaintiff
CHRISTINA ROMERO

EXHIBIT B

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

Christina Romero v. McDonald's Restaurants of California, Inc.; **San Bernardino Case No. CIVSB2305280**

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from a proposed Settlement in the above captioned class action lawsuit (Action) if you were employed by McDonald's Restaurants of California, Inc. (Defendant) in an hourly, non-exempt position in California any time between June 2, 2020 and [Preliminary Approval Date or escalator clause date, whichever is earlier] (Class Period) and/or between December 13, 2022 and [Preliminary Approval Date or escalator clause date, whichever is earlier] (PAGA Period).

Plaintiff Christina Romero (Plaintiff) filed a complaint in this Action in San Bernardino Superior Court on February 17, 2023 and an amended complaint on August __, 2024. Plaintiff alleges claims for failure to pay wages, failure to provide meal periods and rest breaks, failure to pay all wages owed, failure to pay sick time, failure to reimburse business related expenses, failure to provide accurate itemized wage statements, failure to maintain records, failure to timely pay final wages, failure to pay wages without discount due to fees allegedly incurred due to the use of pay cards, statutory unfair competition, and civil penalties under the Labor Code Private Attorneys General Act of 2004 (PAGA).

The proposed Settlement has two main parts: (1) a class settlement, and (2) a PAGA settlement. Under the proposed Settlement, Defendant agrees to make payments to Class Members who do not opt out of the Settlement (Settlement Class Members) and to PAGA Group Members. Based on Defendant's records, and the Parties' current assumptions, **your individual Class Settlement Award is estimated to be \$ [REDACTED] (less withholding) and your individual PAGA Settlement Award is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your individual PAGA Settlement Award, then according to Defendant's records you are not eligible for an PAGA Settlement Award under the Settlement because you did not work during the PAGA Period.)

The above estimates are based on Defendant's records showing that **you worked [REDACTED] workweeks** during the Class Period and **__ pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods during these periods, you can submit a challenge by completing the Notice of Eligible Work Weeks and sending it to [REDACTED] (the Settlement Administrator) via mail, email or fax by the deadline date. See the accompanying Notice of Eligible Work Weeks Form A.

The proposed Settlement is not an admission of liability by Defendant. Throughout this case, Defendant has denied any liability or wrongdoing, or that any compensable injury arose out of any of the matters alleged in the Action. Defendant contends that it has complied with all California and federal laws regarding those matters.

Class Counsel believes that the proposed Settlement is in the best interests of the Class Members.

If you have questions, contact the Settlement Administrator at [REDACTED] - [REDACTED] - [REDACTED]

EXHIBIT B

Further proceedings would be very expensive and take a long time. Moreover, no one can predict the precise outcome of the disputed issues in this case. Therefore, Class Counsel believes that the proposed Settlement is fair, reasonable, and adequate for the Class Members.

The Court has preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys. The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and PAGA Group Members to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You do not have to do anything to participate in the proposed Settlement and be eligible for an individual Class Settlement Award and individual PAGA Settlement Award. As a Settlement Class Member, though, you will give up your right to assert Class Period wage claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting a written Request for Exclusion. If you opt-out of the Settlement, you will not receive an individual Class Settlement Award. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant. You cannot opt-out of the PAGA portion of the proposed Settlement and will remain eligible for the PAGA Settlement Award, if applicable.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Do Not Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Settlement Class Member, eligible for an individual Class Settlement Award and individual PAGA Settlement Award (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is 	If you do not want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Settlement Administrator a written Request for Exclusion. Once excluded, you will be no longer eligible for an individual Class Settlement Award. You also cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement.

If you have questions, contact the Settlement Administrator at - -

Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by 	All Class Members who do not opt-out (Settlement Class Members) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Settlement Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing 	The Court’s Final Approval Hearing is scheduled to take place on . You do not have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Settlement Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks Written Challenges Must be Submitted by	The amount of your individual Class Settlement Award depend on how many workweeks you worked at least one day during the Class Period. The number Class Work Weeks you worked according to Defendant’s records is stated on the first page of this Notice and in the accompanying Notice of Eligible Work Weeks Form A. If you disagree, you must challenge it by . See the accompanying Notice of Eligible Work Weeks Form A.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action alleges Defendant violated California labor laws by failing to pay wages, wages due upon termination, sick time, wages without discount due to fees allegedly incurred due to the use of pay cards, and reimbursable expenses, and failing to provide meal periods, rest breaks, and accurate itemized wage statements and to maintain accurate records. Plaintiff is represented by attorneys in the Action: Shaun Setareh, Farrah Grant, and Thomas Segal of the law firm Setareh Law Group (Class Counsel).

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

If you have questions, contact the Settlement Administrator at

EXHIBIT B

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination whether Defendant or Plaintiff is correct on the merits. Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (Agreement) and agreeing to ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$6,500,500 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Settlement Administrator of the Settlement. The Settlement Administrator will use the Gross Settlement to pay the individual Class Settlement Awards, Service Award, Class Counsel's attorney's fees and expenses, penalties to be paid to the California Labor and Workforce Development Agency (LWDA), and the Settlement Administrator's expenses. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 15 business days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Settlement Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to **\$2,166,666.66 (33% of the Gross Settlement)** to Class Counsel for attorneys' fees and up to **\$25,000** for their litigation costs and expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to **\$10,000** as a Service Award for filing the Action, working with Class Counsel and representing the Class. A Service Award will be the only monies Plaintiff will receive other than Plaintiff's individual Class Settlement Award and any individual PAGA Settlement Award.

If you have questions, contact the Settlement Administrator at **- - -**

EXHIBIT B

- C. Up to **\$76,500** to the Settlement Administrator for services administering the Settlement.
- D. Up to **\$200,000** for PAGA Penalties, 75% paid to the LWDA and 25% paid to PAGA Group Members based on their PAGA Pay Periods.

Settlement Class Members have the right to object to any of these deductions. The Court will consider all objections.

- 3. Net Settlement Distributed to Settlement Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making individual Class Settlement Awards to Settlement Class Members based on their Class Work Weeks.
- 4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 30% of each individual Class Settlement Award to taxable wages (Wage Portion) and 70% to interest, penalties, and non-wage damages (Non-Wage Portion). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the individual Class Settlement Award on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for individual Class Settlement Award will show the date when the check expires (the void date). If you do not cash it by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to the Justice Gap Fund (Cy Pres).
- 6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Settlement Class Member, participating fully in the Class Settlement, unless you notify the Settlement Administrator in writing, not later than (Response Deadline), that you wish to opt-out.

To be excluded you must submit a written Request for Exclusion to the Settlement Administrator within the Notice Response Deadline. The written Request for Exclusion must personally signed by you and contain (1) the full name, address, telephone number and last four digits of the Social Security number of the person requesting to be excluded; (2) the words “Request for Exclusion” at the top of the document; and (3) the following statement:

If you have questions, contact the Settlement Administrator at **- -**

“I wish to be excluded from the Settlement of this case, *Christina Romero v. McDonald’s Restaurants of California, Inc.*, San Bernardino Superior Court Case No. CIVSB2305280.”

Excluded Class Members will not receive individual Class Settlement Awards, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement remain eligible for the individual PAGA Settlement Award and are required to give up their right to assert PAGA claims against Defendant based on the facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
8. Settlement Administrator. The Court has appointed a neutral company, Simpluris, to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Settlement Administrator will also decide Class Member disputes over Class Work Weeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Settlement Administrator’s contact information is contained in Section 9 of this Notice.
9. Settlement Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Settlement Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts, as alleged in the Action and resolved by this Settlement, and will be deemed to have released, waived and discharged all Released Claims against all Released Parties.

“Released Claims” means that Settlement Class Members on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns release Released Parties of all claims, debts, liabilities, demands, obligations, damages, and actions or causes of action of any kind arising before or during the Class Period and that were alleged in the Complaint, Amended Complaint, or the PAGA Notices or could have been alleged against any of the Released Parties based on the facts alleged in the Complaint, Amended Complaint, or PAGA Notices or based on any facts discovered in the course of the litigation and including claims under California Labor Code sections 201, 202, 203, 204, 212, 215, 216, 218.6, 223, 225, 226,

If you have questions, contact the Settlement Administrator at

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EXHIBIT B

226.3, 226.6, 226.7, 245 et seq., 256, 510, 512, 553, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 et seq. (PAGA), and 2802; the Industrial Welfare Commission (“IWC”) Wage Orders, including IWC Wage Order No. 5-2001; Business and Professions Code section 17200 et seq; and Code of Civil Procedure sections 382 and 1021.5. For the avoidance of doubt, expressly excluded from the Released Claims are claims under the Fair Employment and Housing Act and related common law cases, in Workers’ Compensation and Unemployment Insurance benefit cases and claims for benefits under the Employee Retirement Income Security Act of 1974 (ERISA).

10. PAGA Group Members’ PAGA Release. After the Court’s judgment is final, and Defendant has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all PAGA Group Members will be barred from asserting PAGA claims against Defendant, whether or not they exclude themselves from the Settlement. This means that all PAGA Group Members, including those who are Settlement Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

4. **HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

1. Individual Class Settlement Awards. The Settlement Administrator will calculate individual Class Settlement Awards by (a) dividing the Net Settlement Sum by the total number of work weeks worked by all Settlement Class Members, and (b) multiplying the result by the number of individual Class Work Weeks worked by each Settlement Class Member.
2. Individual PAGA Settlement Awards. The Settlement Administrator will calculate individual PAGA Settlement Awards by (a) dividing PAGA Fund by the total number of PAGA Pay Periods worked by all PAGA Group Members and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual PAGA Group Member.
3. Work Week Challenges. The number of Class Work Weeks you worked during the Class Period, as recorded in Defendant’s records, are stated in the first page of this Notice and in the accompanying Notice of Eligible Work Weeks. You have until [REDACTED] to challenge your Class Work Weeks. To challenge your Class Work Weeks you must complete, sign, and send the Notice of Eligible Work Weeks to the Settlement Administrator via mail, email or fax. Section 9 of this Notice has the Settlement Administrator’s contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Settlement Administrator will accept Defendant’s calculation of Work Weeks based on Defendant’s records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Settlement Administrator will resolve workweek challenges based on your

If you have questions, contact the Settlement Administrator at [REDACTED]

EXHIBIT B

submission. The Settlement Administrator's decision is final. You cannot appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

Settlement Class Members. The Settlement Administrator will send, by U.S. mail, a single check to every Settlement Class Member (i.e., every Class Member who does not opt-out), including those who qualify as PAGA Group Members. The single check will combine the individual Class Settlement Award and the individual PAGA Settlement Award. Class Members who opt-out of the Class Settlement Award will still receive their individual PAGA Settlement Award.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and personally signed letter with (1) the full name, address, telephone number and last four digits of the Social Security number of the person requesting to be excluded; (2) the words "Request for Exclusion" at the top of the document; and (3) the following statement:

"I wish to be excluded from the Settlement of this case, *Christina Romero v. McDonald's Restaurants of California, Inc.*, San Bernardino Superior Court Case No. CIVSB2305280."

You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Settlement Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section 9 of the Notice has the Settlement Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Settlement Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least [REDACTED] days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Settlement Administrator's website [REDACTED] or the Court's website.

A Settlement Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by

If you have questions, contact the Settlement Administrator at [REDACTED]

EXHIBIT B

Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Settlement Administrator is [REDACTED]**. Be sure to tell the Settlement Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action, *Christina Romero v. McDonald's Restaurants of California, Inc.*, Case No. CIVSB2305280, and include your name, current address, telephone number, approximate dates of employment for Defendant, and a written statement of whether you intend to appear at the Final Approval Hearing, and sign the objection. Section 9 of this Notice has the Settlement Administrator's contact information.

Alternatively, a Settlement Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but do not have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department S-17 of the San Bernardino Superior Court, located at 247 West Third Street, San Bernardino, CA 92415. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Settlement Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually ([Remote Access | Superior Court of California \(sb-court.org\)](#)). Check the Court's website for the most current information.

It is possible the Court will reschedule the Final Approval Hearing. You should check the Settlement Administrator's website at [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to Settlement Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Settlement Administrator using the contact information listed below, or consult the Superior Court website and entering the Case Number for the Action, Case No. CIVSB2305280.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Shaun Setareh (shaun@setarehlaw.com)
Thomas Segal (thomas@setarehlaw.com)
Farrah Grant (farrah@setarehlaw.com)
SETAREH LAW GROUP

If you have questions, contact the Settlement Administrator at [REDACTED] - [REDACTED] - [REDACTED]

EXHIBIT B

9665 Wilshire Blvd., Suite 430
Beverly Hills, CA 90212
Telephone: (310) 888-7771
Facsimile: (310) 888-0109

Settlement Administrator:

Name of Company: Simpluris

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you will have no way to recover the money.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Settlement Administrator if you move or otherwise change your mailing address.

If you have questions, contact the Settlement Administrator at



EXHIBIT B

EXHIBIT C

NOTICE OF ELIGIBLE WORK WEEKS

Christina Romero v. McDonald's Restaurants of California, Inc.
San Bernardino Superior Court, Case No. CIVSB2305280

To: [Class Member Name]

Your potential individual Class Settlement Award in the Settlement of the class and representative action lawsuit listed above is based on the number of work weeks in which you performed work for McDonald's Restaurants of California, Inc. (Defendant) for at least one day during the period June 2, 2020 through [Preliminary Approval Date or escalator clause date, whichever is earlier] (Class Period), while employed in an hourly position in California (Class Work Weeks). According to Defendant's records, you worked a total of [] Class Work Weeks during the Class Period.

If you wish to participate in the Settlement and you agree with the number of Class Work Weeks shown above, then you do not need to take any further action. You will receive your Settlement Award once the Settlement becomes final.

If you wish to participate in the Settlement but you do not agree with the Class Work Weeks shown above, please insert in the space below the number of weeks you believe you worked during the Class Period and check the applicable box.

Number of Class Work Weeks worked during the Class Period: _____

- ☐ I am enclosing documentation to support my position that I worked a different number of weeks than shown by Defendant's records.
- ☐ I am not enclosing documentation to support my position that I worked a different number of weeks than shown by Defendant's records.

Dated

Signature

If you wish to dispute your Class Work Weeks shown above, you must complete, sign, and date this Notice of Eligible Work Weeks form and mail, email, or fax it with any supporting documentation to the Settlement Administrator, [], at [Settlement Administrator's address, email and fax], postmarked (if mailed) or sent (if emailed or faxed) no later than [Notice Response Deadline], 2024.

If there is a dispute about the number of your Class Work Weeks, the Settlement Administrator will resolve the dispute, and its decision will be final and binding. In resolving the dispute, the information provided by Defendant will be presumed accurate.

Form A

Exhibit C

EXHIBIT D

TRITIA M. MURATA (State Bar No. 234344)
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MONICA A. RODRIGUEZ (State Bar No. 299026)
MonicaRodriguez@dwt.com
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Los Angeles, California 90017-2566
Telephone: (213) 633-6800
Fax: (213) 633-6899

Attorneys for Defendant
MCDONALD'S RESTAURANTS
OF CALIFORNIA, INC.

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

CHRISTINA ROMERO, on behalf of herself
and all other similarly situated,

Plaintiff,

vs.

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

Defendants.

Case No. CIVSB2305280

**[PROPOSED] ORDER GRANTING
PLAINTIFF CHRISTINA ROMERO'S
MOTION FOR PRELIMINARY
APPROVAL OF CLASS ACTION
SETTLEMENT**

(Assigned for All Purposes to the
Hon. Joseph T. Ortiz, Dept. S-17)

Date Action Filed: February 17, 2023

This matter has come before the Court on the motion of plaintiff Christina Romero (Plaintiff) for preliminary approval of the settlement of the Action (Motion). A hearing on the Motion was held on _____, 2024. The Court, having duly considered the Motion, good cause appearing, hereby orders as follows:

1. Capitalized terms in this Order have the same meaning they are given in the Class Action and PAGA Settlement Agreement and Release (Agreement) filed with the Motion.

2. The Court grants preliminary approval of the Settlement based upon the terms set forth in the Agreement. The Settlement appears to be fair, reasonable, and adequate to the Class and presumptively valid, subject only to any objections that may be raised at or before the Final Approval Hearing.

3. A Final Approval Hearing on the question of whether the proposed Settlement, attorneys' fees and costs to Class Counsel, the Plaintiff's Service Payment, the PAGA Settlement Amount, and Settlement Administration Costs should finally be approved as fair, reasonable, and adequate as to the Class Members is scheduled for _____, 2024, at ____: __.m. in Department S-17 of this Court.

4. The Court approves as to form and content the Class Notice attached hereto as Exhibit 1. The Court approves the procedure for Class Members to request exclusion from or to object to the Settlement as set forth in the Class Notice. The Court approves as to form and content the Notice of Eligible Work Weeks attached to the Class Notice as Form A, which shall be mailed to Class Members with the Class Notice.

5. The Court directs the mailing of the Class Notice in accordance with the Implementation Schedule set forth below. The Court finds that the manner and mode of giving notice to Class Members meet the requirements of due process and provide the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons entitled thereto.

6. The Class is preliminarily certified for settlement purposes only.

7. The Court preliminarily approves Shaun Setareh, Thomas Segal, and Farrah Grant of the law firm of Setareh Law Group as Class Counsel.

8. The Court approves _____ as the Settlement Administrator.

9. The Court orders the following Implementation Schedule for further proceedings:

Deadline for Defendant to submit Class Member information to Settlement Administrator.	_____, 20__ (20 business days from entry of this Order.)
Settlement Administrator mails Class Notice to Class Members.	_____, 20__ (10 business days from receipt of Class Member information from Defendant.)
Deadline for Class Members to mail Requests for Exclusion.	_____, 20__ (45 days from initial mailing of Class Notice)
Deadline for submitting to the Settlement Administrator any objections to Settlement.	_____, 20__ (45 days from initial mailing of Class Notice)
Deadline for Class Counsel to file Motion for Final Approval of Settlement and Attorneys' Fees and Costs. <i>[no sooner than three weeks after deadline for Class Members to mail Requests for Exclusion and for submitting any objections to Settlement]</i>	_____, 20__
Fairness Hearing and Final Approval.	_____, 20__ at _____:_____.m.

IT IS SO ORDERED.

Dated: _____

Honorable Joseph T. Ortiz
Judge of the Superior Court

EXHIBIT E

1 TRITIA M. MURATA (State Bar No. 234344)
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2 MONICA A. RODRIGUEZ (State Bar No. 299026)
MonicaRodriguez@dwt.com
3 DAVIS WRIGHT TREMAINE LLP
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4 Los Angeles, California 90017-2566
Telephone: (213) 633-6800
5 Fax: (213) 633-6899

6 Attorneys for Defendant
MCDONALD'S RESTAURANTS OF CALIFORNIA, INC.
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO
10

11 CHRISTINA ROMERO, on behalf of herself
and all other similarly situated,

12 Plaintiff,
13

14 vs.

15 MCDONALD'S RESTAURANTS OF
CALIFORNIA, INC., a California
Corporation; and DOES 1 through 50,
16 inclusive,

17 Defendants.
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Case No. CIVSB2305280

(Assigned for All Purposes to the
Hon. Joseph T. Ortiz, Dept. S-17)

**[PROPOSED] ORDER GRANTING
PLAINTIFF CHRISTINA ROMERO'S
MOTION FOR FINAL APPROVAL OF
CLASS ACTION SETTLEMENT AND
JUDGMENT THEREON**

Date Action Filed: February 17, 2023

1 This matter has come before the Court on the Motion of plaintiff Christina Romero
2 (Plaintiff) for Final Approval of Class Action Settlement (Motion). A Fairness Hearing was held
3 on _____, following the Court's order granting Plaintiff's motion for preliminary
4 approval of the Settlement and notice of the Settlement to the Class with an opportunity for Class
5 Members to request exclusion or object to the Settlement. The Court, having duly considered the
6 Motion, good cause appearing, hereby orders, adjudges and decrees as follows:

7 1. Capitalized terms in this Order and Judgment have the same meaning they are
8 given in the Class Action Settlement Agreement and Release (Agreement) filed with the Motion.

9 2. This Court has jurisdiction over the subject matter of this Action, all claims alleged
10 herein, and all Parties hereto, including Plaintiff, all Class Members, and McDonald's Restaurants
11 of California, Inc. (Defendant).

12 3. The Court finds that the Class Members have been provided proper and adequate
13 notice, meeting the requirements of due process. The Court finds, based on the evidence
14 submitted, that the Class Notice and related documents, as well as the methodology used to
15 implement the Settlement, including providing notice to Class Members, (a) complied with this
16 Court's Preliminary Approval Order, (b) constituted the best practicable notice under the
17 circumstances, (c) constituted notice that was reasonably calculated, under the circumstances, to
18 apprise Class Members of the pendency of the Action and the proposed Settlement, their right to
19 participate in the Settlement, to opt out of the Settlement, to object to the Settlement, and to
20 appear at the Fairness Hearing, and (d) met all applicable requirements of due process, the Code
21 of Civil Procedure, and other applicable authorities.

22 4. The Court finds that adequate time has been provided for Class Members to
23 respond to the Class Notice, including by opting out of the Settlement or objecting to the
24 Settlement or to Plaintiff's Motion for Approval of Attorneys' Fees and Costs.

25 5. The Court finds that the Settlement, the terms of which are set forth in the
26 Agreement attached hereto as Exhibit 1, is fair, reasonable, and adequate as to the settling Parties,
27 including the Settlement Class Members, and is in the best interests of all those affected by the
28 Settlement. The Court finds that the Settlement was the result of vigorously contested litigation

and good-faith arm's-length negotiations, and is reasonable based on the risks, expense, and complexity of the Action and the likelihood of success in it. The Court hereby grants final approval of the Parties' Settlement, as set forth in the Agreement, and enters Judgment accordingly. The Parties are directed to perform the terms of the Agreement and to report to the Court when that performance has been completed.

6. The Court has already determined solely for purposes of this Settlement, by way of its Preliminary Approval Order, that the Settlement Class satisfies the applicable standards for certification under the Code of Civil Procedure. The Settlement Class, which will be bound by this Final Approval Order and Judgment, includes all Class Members who did not submit a timely and valid Request for Exclusion. The Class Members who have opted out of the Settlement by submitting a timely and valid Request for Exclusion are listed on Exhibit 2 hereto. For purposes of the Settlement and this Final Approval Order and Judgment, the Settlement Class shall be represented by Plaintiff and shall include Plaintiff and all individuals employed by Defendant as hourly employees in California between and including June 2, 2020 and _____, excluding only those persons listed on Exhibit 2.

7. The Court appoints Plaintiff as class representative for the Settlement Class.

8. The Court appoints Class Counsel identified in the Agreement as class counsel for the Settlement Class, finding that Class Counsel is adequate and qualified, and has, and can continue to, fully and faithfully represent the interests of Plaintiff and the Settlement Class Members.

9. Settlement Class Members shall be paid their respective shares of the Net Settlement Sum as provided in the Agreement. The portion of the PAGA Settlement Amount to be paid to the California Labor & Workforce Development Agency (LWDA) shall be paid as provided in the Agreement. All Withholdings and Taxes owed on the Settlement Awards, as calculated by the Settlement Administrator, shall be paid and reported to the appropriate taxing authorities as set forth in the Agreement.

10. The unopposed application of Class Counsel for attorneys' fees and costs is hereby granted. The sum of \$_____ in attorneys' fees and costs shall be paid to Class Counsel, with

payment to be made as provided for in the Agreement. The Court also approves a Service Payment of \$_____ to Plaintiff, with payment to be made as provided for in the Agreement. _____ shall be paid Settlement Administration Costs of \$_____, in accordance with the terms of the Agreement. Except as expressly set forth in this Final Approval Order and Judgment, the Parties shall bear their own attorneys' fees and costs.

11. Any portion of the Settlement Fund remaining after administration of the Settlement has been completed shall be transmitted to the Cy Pres, as provided in the Agreement.

12. The Settlement Administrator is directed to make the payments set forth herein, in accordance with the terms and conditions of the Agreement.

13. By no later than _____, the Settlement Administrator shall file a report setting forth (1) the total amount of money actually paid to Settlement Class Members, (2) the Service Payment, (3) the portion of the LWDA Payment paid to the LWDA, and (4) the Fee and Expense Award. (Code Civ. Proc., § 384, subd. (b).)

14. All Class Members, except those who timely opted out of the Settlement (listed in Exhibit 2 hereto), are bound by this Final Approval Order and Judgment, and by the previously approved Agreement. Each Settlement Class Member is hereby deemed to have fully, finally, and forever released, relinquished, and discharged Defendant and all Released Parties, as defined in the Agreement, from the Released Claims described in the Agreement.

15. This Final Approval Order and Judgment, the Agreement, the Settlement it reflects, and any and all acts, statements, documents or proceedings relating to the Settlement are not, and shall not be construed as, or used as an admission by Defendant or a finding by this Court of any fault, wrongdoing, or liability on Defendant's part, or of the validity of any Released Claim or of the existence or amount of any damages.

16. In the event the Effective Date does not occur, this Final Approval Order and Judgment shall be null and void and shall be vacated, *nunc pro tunc*, except insofar as expressly provided to the contrary in the Agreement, and without prejudice to the status quo ante rights of the Plaintiff, Settlement Class Members, and Defendant.

IT IS SO ORDERED, ADJUDGED, AND DECREED.

Honorable Joseph T. Ortiz
Judge of the Superior Court