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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

LUKE ADELMAN, ELIZABETH
ANDERSON, ELLESSE
ANDERSON, JEFFREY BELLOWS,
KATHERINE BUTLER,
CHEYENNE CHITRY, CHRISTINA
DENTON, JACQUELINE FOSTER,
JAMES HANCOCK, DONNIE
HYSO, CASEY MCKAY, HANNAH
ROTHSCHILD, CASSANDRA
SWEENEY and MICHAEL
WHITER, individually and on behalf
of all others similarly situated

Plaintiff,

v.

STARBUCKS CORPORATION,

Defendant.

Case No. 3:20-cv-01178-JD

[Assigned To Hon. James Donato]

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

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

This Joint Stipulation of Class Action and PAGA Settlement Agreement and Release (“Settlement” or “Settlement Agreement”) is entered into between plaintiffs Luke Adelman, Elizabeth Anderson, Ellesse Anderson, Jeffrey Bellows, Katherine Butler, Cheyenne Chitry, Christina Denton, Jacqueline Foster, James Hancock, Donnie Hyso, Casey McKay, Hannah Rothschild, Cassandra Sweeney and Michael Whiter (“Plaintiffs”), Mihaly Harisis and Kirsten Hoelzel (the “State Court Plaintiffs”), and defendant Starbucks Corporation (“Starbucks”). Plaintiffs, the State Court Plaintiffs, and Starbucks are jointly referred to as “the Parties.”

BACKGROUND

This Settlement resolves two related lawsuits against Starbucks. In this action, *Adelman, et al. v. Starbucks Corporation*, N.D. Cal. Case No. 3:20-cv-00178-JD (the “Action”), Plaintiffs asserts claims against Starbucks on behalf of two putative classes, the “Manager Class” and the “Employee Class.” On behalf of the Manager Class, which includes all California store managers and assistant store managers since June 27, 2015, Plaintiffs allege Starbucks violated California law because managers used their personal cell phones for work without receiving proper reimbursement, wages for time worked, or premiums for interrupted breaks. Accordingly, they assert claims for failure to reimburse business expenses, failure to pay minimum and overtime wages, failure to provide proper meal and rest breaks, failure to provide accurate wage statements, failure to timely pay final wages, and unfair competition. On behalf of the Employee Class, which includes all California nonexempt employees since June 8, 2018, Plaintiffs allege Starbucks violated California law by failing to pay sick pay and break premiums at the proper rate of pay. They assert claims for failure to provide meal and rest break premiums, failure to provide accurate wage statements, failure to timely pay final wages, and unfair competition. Plaintiffs also assert claims for civil penalties under the

1 Private Attorneys General Act (“PAGA”) for these alleged violations, to the extent they
2 were experienced by store managers and assistant store managers since July 8, 2018.

3 In *Harisis, et al. v. Starbucks Corporation*, Los Angeles Super. Ct. Case No.
4 20STCV11290 and *Hoelzel v. Starbucks Corporation*, Los Angeles Super. Ct. Case No.
5 21STCV37838, (collectively, the “State Court Actions”), the State Court Plaintiffs assert
6 PAGA claims against Starbucks based on many of the same alleged violations as in this
7 Action, among others, and seek civil penalties on behalf of all California nonexempt
8 employees. Specifically, they claim: (i) employees used their personal cell phones for
9 work without receiving proper reimbursement, wages for time worked, or premiums for
10 interrupted breaks since February 5, 2019; (ii) employees experienced meal and rest
11 break violations unrelated to personal cell phone use (including meal breaks being
12 provided late, meal and rest breaks being interrupted by work, and employees not being
13 not being permitted to leave the store during meal and rest breaks), were provided final
14 pay late, and were provided wage statements that did not accurately list the name of the
15 employer since February 5, 2019; (iii) Starbucks failed to pay sick pay and break
16 premiums at the regular rate of pay since April 6, 2020; and (iii) employees were not
17 paid minimum or overtime wages for time worked off-the-clock on store opening and
18 closing tasks since April 6, 2020.

19 The Parties participated in a substantial amount of discovery in this Action and
20 the State Court Actions, including written discovery, voluminous productions of
21 documents, data, and contact information, and more than twenty depositions. The
22 Parties also produced three expert reports in this Action. The Parties also engaged in
23 significant motion practice, including expert motions and motions to dismiss, to compel
24 arbitration, and for summary judgment in this Action, and a motion regarding the
25 manageability of the PAGA claims in the State Court Actions. Additionally, Plaintiffs
26 and Starbucks fully briefed Plaintiffs’ motion for class certification in this Action. At
27 the class certification hearing, the Court encouraged the Parties to explore settlement.
28

1 The Parties participated in a global mediation of this Action and the State Court
2 Actions on April 6, 2023 before David A. Rotman, but the cases did not settle.
3 However, the Parties continued engaging in settlement discussions following mediation,
4 which resulted in the mediator making a mediator's proposal that both Parties accepted.
5 As a result of the mediator's arm's-length negotiations and proposal, the Parties have
6 agreed to the terms memorialized in this Settlement Agreement.

7 **DEFINITIONS**

8 The following definitions are applicable to this Settlement Agreement.
9 Definitions contained elsewhere in this Settlement Agreement will also be effective.

- 10 1. "Arbitration Plaintiffs" means Sherri Bradley, Amanda Brekke, Omar
11 Garland, Jordone Shane-Sanchez, and Kevin Steinbeck.
- 12 2. "Class Counsel" means Wynne Law Firm, Shavitz Law Group, P.A.,
13 Cohelan Khoury & Singer, and Davtyan Law Firm, Inc.
- 14 3. "Class Members" or "Settlement Class" means all members of the Manager
15 Class and/or the Employee Class.
- 16 4. "Court" means the United States District Court for the Northern District of
17 California.
- 18 5. "Effective Date" means: (i) if no appeals or motions for reconsideration or
19 review are filed, then the date upon the expiration of time for appeal of the Court's Final
20 Approval order; or (ii) if any timely appeals or motions for reconsideration or review
21 are filed, then the date of final resolution of that appeal or motion (including any
22 requests for rehearing and/or petitions for *certiorari*), resulting in final judicial approval
23 of the Settlement. In this regard, it is the intention of the Parties that the Effective Date
24 of the Settlement shall not be a date before the Court's order approving the Settlement
25 has become completely final and there is no timely recourse by any person who seeks to
26 object or otherwise contest the Settlement.
- 27 6. "Employee Class" means all individuals who worked for Starbucks in
28 California as a nonexempt employee during the Employee Class Period.

1 7. “Employee Class Period” means the period from June 8, 2018 through
2 November 24, 2023 or the date of Preliminary Approval, whichever is sooner.

3 8. “Employee Workweeks” means the number of calendar weeks during
4 which a Class Member worked as a nonexempt employee for Starbucks in California
5 during the Employee Class Period as calculated by the Settlement Administrator and
6 rounded up to the nearest whole number.

7 9. “Employer’s Payroll Taxes” means all payroll taxes to be paid by the
8 employer on settlement proceeds treated as wages for tax purposes.

9 10. “Final Approval” means the Court order granting Final Approval of the
10 Settlement.

11 11. “Gross Settlement Amount” is the amount of Two Million, Eight Hundred
12 Seventy-Five Thousand Dollars (\$2,875,000), which is the amount to be paid by
13 Starbucks pursuant to this Settlement Agreement. The Gross Settlement Amount
14 includes: (a) all Individual Settlement Payments to Participating Class Members;
15 (b) PAGA penalties; (c) General Release Payments; (d) Attorneys’ Fees and Costs to
16 Class Counsel; and (e) Settlement Administration Costs to the Settlement Administrator.
17 The Parties agree that Starbucks will have no obligation to pay any amount in
18 connection with this Settlement Agreement apart from the Gross Settlement Amount
19 exclusive of Employer’s Payroll Taxes. No part of the Gross Settlement Amount will
20 revert to Starbucks.

21 12. “Individual Settlement Payment” means a Participating Class Member’s
22 share of the Net Settlement Amount.

23 13. “Manager Class” means all individuals who worked for Starbucks in
24 California as a store manager or assistant store manager during the Manager Class
25 Period.

26 14. “Manager Class Period” means the period from June 27, 2015 through
27 November 24, 2023 or the date of Preliminary Approval, whichever is sooner.
28

1 15. “Manager Workweeks” means the number of calendar weeks during which
2 a Class Member worked as a store manager or assistant store manager for Starbucks in
3 California during the Manager Class Period as calculated by the Settlement
4 Administrator and rounded up to the nearest whole number.

5 16. “Net Settlement Amount” means the Gross Settlement Amount less
6 deductions for PAGA penalties, General Release Payments, Attorneys’ Fees and Costs,
7 and Settlement Administration Costs. Seventy-five percent (75%) of the Net Settlement
8 Amount will be deemed the “Manager Net Settlement Amount” and the remaining
9 twenty-five percent (25%) of the Net Settlement Amount will be deemed the “Employee
10 Net Settlement Amount.”

11 17. “Notice of Class Action Settlement” means the notice of settlement,
12 attached as Exhibit A, to be mailed or emailed to all members of the Settlement Class
13 upon Preliminary Approval.

14 18. “Participating Class Members” means all Class Members who do not
15 submit valid Requests for Exclusion.

16 19. “Preliminary Approval” means the Court order granting preliminary
17 approval of the Settlement.

18 20. “Related Arbitrations” means *Bradley v. Starbucks Corp.*, AAA Case No.
19 01-22-0001-7261; *Brekke v. Starbucks Corp.*, AAA Case No. 01-22-0001-7255;
20 *Garland v. Starbucks Corp.*, AAA Case No. 01-22-0001-7269; *McKay v. Starbucks*
21 *Corp.*, AAA Case No. 01-22-0001-7250; *Shane-Sanchez v. Starbucks Corp.*, AAA Case
22 No. 01-22-0001-7262; and *Steinbeck v. Starbucks Corp.*, AAA Case No. 01-22-0001-
23 7265.

24 21. “Released Class Claims” means the Released Manager Class Claims and
25 Released Employee Class Claims, as defined below.

26 22. “Released Parties” means Starbucks Corporation and all of its present and
27 former parents, subsidiaries, affiliates, and joint ventures, and all of their shareholders,
28 members, managers, officers, officials, directors, employees, agents, servants, registered

representatives, attorneys, insurers, successors, and assigns, and any other persons acting by, through, under, or in concert with any of them.

23. “Response Deadline” means the deadline by which Class Members must email or postmark to the Settlement Administrator Requests for Exclusion or postmark Objections to the Settlement. The Response Deadline will be seventy-five (75) calendar days from the initial mailing of the Notice of Class Action Settlement by the Settlement Administrator, unless the 75th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. For any Participating Class Members for whom a notice needs to be re-sent pursuant to Paragraph 43, the Response Deadline will be extended by twenty-one (21) calendar days.

24. “Settlement Administrator” means the third-party class action settlement administrator appointed by the Court and approved by the Parties for the purpose of administering this Settlement. The Parties have agreed to Simpluris as the Settlement Administrator to present to the Court for approval. The Parties each represent that they do not have a financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest. If for any reason Simpluris does not become the Settlement Administrator, then all references to the Settlement Administrator in this Agreement shall be deemed to refer to the Settlement Administrator actually appointed. If any Court-appointed Settlement Administrator becomes unable to perform as Settlement Administrator, then the Parties will meet and confer in good faith to agree upon and present another Settlement Administrator to the Court for approval.

25. “Starbucks Counsel” means Proskauer Rose LLP.

TERMS OF THE AGREEMENT

Plaintiffs, on behalf of themselves and the Settlement Class, the State Court Plaintiffs, and Starbucks agree as follows:

1 26. Acknowledgement that the Settlement is Fair and Reasonable. The Parties
2 believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the
3 Action and have arrived at this Settlement after arm's-length negotiations with the use
4 of a mediator and in the context of adversarial litigation, considering all relevant factors,
5 present and potential. The Parties further acknowledge they are each represented by
6 competent counsel and have had an opportunity to consult with their counsel regarding
7 the fairness and reasonableness of this Settlement. The Parties also engaged an
8 experienced and highly respected mediator, David A. Rotman, to facilitate a possible
9 resolution. After mediation and post-mediation negotiations, and upon evaluating the
10 Parties' submissions and arguments, as well as the transcript of the class certification
11 hearing, Mr. Rotman made a "Mediator's Proposal," which the Parties accepted. The
12 Parties agree the mediator may execute a declaration supporting the reasonableness of
13 the Settlement and the Court may, in its discretion, contact the mediator to discuss the
14 Settlement and whether it is fair and reasonable.

15 27. Non-Admission of Liability. The Parties enter into this Settlement to
16 resolve the dispute that has arisen between them and to avoid the burden, expense and
17 risk of continued litigation. In entering into this Settlement, Starbucks does not admit,
18 and specifically denies, that it violated any federal, state, or local law; violated any
19 regulations or guidelines promulgated pursuant to any statute or any other applicable
20 laws, regulations or legal requirements; breached any contract; violated or breached any
21 duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
22 conduct with respect to the Class Members. Starbucks is agreeing to this Settlement
23 solely to eliminate the substantial burden, expense, and uncertainty of further litigation
24 and the concomitant distraction of resources and efforts from its business. Neither this
25 Settlement, nor any of its terms or provisions, nor any of the negotiations connected
26 with it, will be construed as an admission or concession by Starbucks of any such
27 violations or failures to comply with any applicable law, or as a finding that Starbucks
28

1 has violated any provision of any applicable law, including the California Labor Code or
2 IWC Wage Orders.

3 Except as necessary in a proceeding to enforce the terms of the Settlement, this
4 Settlement Agreement and its terms and provisions will not be offered or received as
5 evidence in any action or proceeding to establish any liability or admission on the part
6 of Starbucks or to establish the existence of any condition constituting a violation of, or
7 a non-compliance with, federal, state, local or other applicable law. This Agreement
8 may be filed and used in other proceedings, where relevant, to demonstrate the fact of
9 its existence and of this Settlement, including, but not limited to, Released Parties filing
10 the Agreement and/or the Final Approval Order and Judgment in any other action that
11 may be brought against them in order to support a defense or counterclaim based on
12 principles of *res judicata*, collateral estoppel, release, waiver, or any other theory of
13 claim preclusion or issue preclusion or similar defense or counterclaim.

14 28. Amendment of Complaint. The Parties agree to stipulate to the filing of a
15 Fourth Amended Complaint in this Action for the purposes of bringing the claims at
16 issue in the State Court Actions before the Court. The stipulation will be filed
17 concurrently with Plaintiffs' motion for Preliminary Approval. The Fourth Amended
18 Complaint will be substantially identical to the Third Amended Complaint in this
19 Action, except that it will (i) add Mihaly Harisis and Kirsten Hoelzel as plaintiffs, and
20 (ii) add the PAGA claims alleged in the State Court Actions, together with any facts
21 necessary to state those claims that are not already pled in the Third Amended
22 Complaint in this Action. The Parties agree that the same limitations period will apply
23 to the claims added to this Action as applied in the State Court Actions. Class Counsel
24 will be responsible for drafting the Fourth Amended Complaint and all documents
25 necessary to obtain the Court's leave to file a Fourth Amended Complaint. Class
26 Counsel will provide Starbucks the opportunity to review and comment on the Fourth
27 Amended Complaint and any documents requesting leave to amend the complaint
28 before filing. The Parties will work in good faith to resolve any disagreements

1 regarding the proposed Fourth Amended Complaint and any documents requesting leave
2 to amend the complaint.

3 This Settlement is conditional on the Parties obtaining Final Approval in Court of
4 a global settlement of the claims at issue in this Action and the State Court Actions.
5 Therefore, if leave to file a Fourth Amended Complaint is not granted, the Parties will
6 work in good faith to address the Court's concerns. If the Parties determine that the
7 Court's concerns cannot be addressed consistent with this Settlement Agreement, the
8 Parties will file any stipulations necessary in this Action and the State Court Actions to
9 revert *nunc pro tunc* to their respective status as of the date and time immediately before
10 the execution of this Settlement Agreement.

11 29. Release of Manager Class Claims. Plaintiffs and all Participating Class
12 Members in the Manager Class, including their agents, affiliates, spouses, domestic
13 partners, representatives, guardians ad litem, heirs, executors, administrators,
14 successors, attorneys, and assigns, past, present and future, shall, for the period June 27,
15 2015 through the date the Court grants Final Approval of the Settlement, fully and
16 finally waive, release, and forever discharge the Released Parties from any and all
17 claims (i) asserted in this Action on behalf of the Manager Class, including in the Third
18 Amended Complaint filed on June 8, 2022, or (ii) arising from, or derivative of, the
19 claims or factual allegations asserted in this Action regarding Starbucks alleged failure
20 to: reimburse managers' business expenses, provide managers proper meal and rest
21 breaks, pay managers wages for time worked, provide managers accurate wage
22 statements, or timely pay final wages to managers ("Released Manager Class Claims").

23 30. Release of Employee Class Claims. Plaintiffs and all Participating Class
24 Members in the Employee Class, including their agents, affiliates, spouses, domestic
25 partners, representatives, guardians ad litem, heirs, executors, administrators,
26 successors, attorneys, and assigns, past, present and future, shall, for the period June 8,
27 2018 through the date the Court grants Final Approval of the Settlement, fully and
28 finally waive, release, and forever discharge the Released Parties from any and all

claims (i) asserted in this Action on behalf of the Employee Class, including in the Third Amended Complaint filed on June 8, 2022, or (ii) arising from, or derivative of, the claims or factual allegations asserted in this Action regarding Starbucks alleged failure to: pay meal and rest break premiums and sick pay at the regular rate of pay, provide employees accurate wage statements, or timely pay final wages (“Released Employee Class Claims”).

31. Release of PAGA Claims. In consideration of the terms and conditions set forth herein, Plaintiffs, the State Court Plaintiffs, and the State of California, shall fully and finally waive, release, and forever discharge the Released Parties from any and all claims, rights, or causes of action for civil penalties (and for all resulting penalties, attorneys’ fees, litigation costs, interest, and any other relief) under California Labor Code Sections 2698 *et seq.*, asserted in this Action or the State Court Actions, or arising from, or derivative of, the claims or factual allegations asserted in this Action or the State Court Actions, including as follows: (i) for the period July 8, 2018 through the date of Final Approval, claims alleging on behalf of managers failure to reimburse business expenses, provide proper meal and rest breaks, pay wages for time worked, provide accurate wage statements, or timely pay final wages; (ii) for the period February 5, 2019 through the date of Final Approval, claims alleging on behalf of nonexempt employees failure to reimburse business expenses, provide proper meal and rest breaks, pay wages for time worked, provide accurate wage statements, or timely pay final wages; and (iii) for the period April 6, 2020 through the date of Final Approval, claims alleging on behalf of nonexempt employees failure to pay meal and rest break premiums at the regular rate of pay, pay wages for time spent on store opening and store closing tasks, and maintain accurate payroll records.

32. Effect of Class and PAGA Releases. The waivers and releases in Paragraphs 29 through 31 will be final and binding on the Effective Date, and will have every preclusive effect permitted by law. Plaintiffs and Participating Class Members will not file and will not request any other party or entity to file on their behalf, any

1 claim, complaint, charge or request for damages or any other relief released above,
2 including with any local, state, or federal governmental or quasi-governmental agency
3 or any state, administrative, or federal court, or any licensing or accreditation
4 organization, against the Released Parties.

5 33. Release of Additional Claims and Rights by Plaintiffs. As of the Effective
6 Date, and as a condition of receiving any portion of their respective General Release
7 Payments, Plaintiffs, the State Court Plaintiffs, and the Arbitration Plaintiffs
8 (collectively, the “Releasing Parties”) agree to the additional following General Release:
9 In consideration of Starbucks promises and agreements as set forth herein, each
10 Releasing Party hereby fully releases the Released Parties from any and all Released
11 Class Claims and Released PAGA Claims and also generally releases and discharges the
12 Released Parties, and all of their present and former parents, subsidiaries, affiliates, and
13 joint ventures, shareholders, members, managers, officers, officials, directors,
14 employees, agents, servants, registered representatives, attorneys, insurers, successors,
15 and assigns, from any and all claims, demands, obligations, causes of action, rights, or
16 liabilities of any kind which have been or could have been asserted against them
17 through the date that this Agreement is fully executed. This general release includes,
18 but is not limited to, claims arising out of or relating to Releasing Parties’ employment
19 by Starbucks and/or the termination of their employment with Starbucks, including but
20 not limited to any and all claims for violation of any section of the California Labor
21 Code and/or Wage Orders; violation of the Fair Labor Standards Act (“FLSA”); failure
22 to pay wages, benefits, vacation pay, severance pay, final pay, or other compensation of
23 any sort; fraud; intentional or negligent misrepresentation; breach of contract;
24 promissory estoppel; wrongful termination; retaliation; violation of public policy;
25 breach of implied covenant of good faith and fair dealing; defamation; unlawful effort to
26 prevent employment; sexual harassment; discrimination on the basis of race, color, sex,
27 national origin, ancestry, religion, age, disability, handicap, medical condition, marital
28 status or any other protected class; any claim under the Fair Credit Reporting Act,

California Consumer Credit Reporting Agencies Act, California Investigative Consumer Reporting Agencies Act, or other laws regarding background checks; any claim under Title VII of the Civil Rights Act of 1964 (Title VII, as amended), 42 U.S.C. §§ 2000, *et seq.*; the Americans with Disabilities Act (“ADA”), the Age Discrimination in Employment Act (“ADEA”), the California Fair Employment and Housing Act (“FEHA”), or California Government Code §§ 12940 *et seq.*; violation of the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”); violation of the Occupational Safety and Health Act (“OSHA”) or any other health and/or safety laws, statutes or regulations; violation of the Employment Retirement Income Security Act of 1974 (“ERISA”); violation of the Internal Revenue Code; any other claim arising from employment or termination of employment; or other common law or tort matters and all other claims under federal, state or local law. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, injunctive or equitable relief, interest, and attorneys’ fees and costs (except provided by the Settlement Agreement) relating to or in any way connected with the matters referred to in this paragraph, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Releasing Parties waive all rights and benefits afforded by California Civil Code Section 1542, which provides:

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

34. Calculation of Individual Settlement Payments. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the number of Manager Workweeks and Employee Workweeks a Participating Class Member worked during the Class Period. The Settlement Administrator will calculate the total number of Manager Workweeks and Employee Workweeks worked by each

1 Participating Class Member during the Class Period, and the aggregate the total
2 numbers of Manager Workweeks and Employee Workweeks worked by all Participating
3 Class Members during the Class Period. To determine each Participating Class
4 Member's Individual Settlement Payment, the Settlement Administrator will use the
5 following formula: The Manager Net Settlement Amount will be divided by the
6 aggregate total number of Manager Workweeks, resulting in the "Manager Workweek
7 Value." The Employee Net Settlement Amount will be divided by the aggregate total
8 number of Employee Workweeks, resulting in the "Employee Workweek Value." Each
9 Participating Class Member's "Individual Settlement Payment" will be calculated by:
10 (1) multiplying that Participating Class Member's total number of Manager Workweeks
11 by the Manager Workweek Value, (2) multiplying that Participating Class Member's
12 total number of Employee Workweeks by the Employee Workweek Value, and (3)
13 adding the results from (1) and (2) together. The Individual Settlement Payments will
14 be reduced by appropriate tax withholdings or deductions. The Parties agree that the
15 formula described herein is reasonable and that the payments are designed to provide a
16 fair settlement to each Participating Class Member in light of the uncertainties regarding
17 the compensation alleged to be owed and the calculation of such amounts.

18 35. Attorneys' Fees and Costs. Plaintiff's Counsel will seek an award of
19 Attorneys' Fees and Costs of not more than Twenty-Five percent (25%) of the Gross
20 Settlement Amount, or Seven Hundred Eighteen Seven Hundred Fifty Thousand Dollars
21 (\$718,750.00) in attorneys' fees, plus reasonable litigation costs not to exceed Two
22 Hundred Thirty-Five Thousand Dollars (\$235,000.00). These amounts include, without
23 limitation, all time expended by Plaintiff's Counsel in defending and preparing the
24 Settlement Agreement and securing Court approval (including any appeals therein), and
25 there will be no additional charge of any kind to either the Settlement Class or Starbucks
26 for such work. All Attorneys' Fees and Costs will be paid from the Gross Settlement
27 Amount. Plaintiffs and Class Counsel will not have the right to revoke this Settlement
28 in the event that the Court does not approve the amount of Attorneys' Fees and Costs

sought by Class Counsel. If the Court reduces the requested attorneys' fees, costs and expenses, any such reduction will be applied to the Net Settlement Amount.

36. General Release Payments. Plaintiffs will apply to the Court for General Release Payments of not more than Five Thousand Dollars (\$5,000.00) for each Releasing Party, as consideration for their releases of additional claims. Starbucks agrees not to oppose such application. As a condition of receiving their General Release Payments, Releasing Parties must agree to the releases in Paragraph 33. The General Release Payments, which will be paid from the Gross Settlement Amount, will be in addition to Releasing Parties' right to Individual Settlement Payments. Releasing Parties will be solely and legally responsible to pay any and all applicable taxes on the payments made pursuant to this paragraph and will hold Starbucks harmless from any claim or liability for taxes, penalties, or interest arising as a result of the payments. Plaintiffs will not have the right to revoke this Settlement in the event that the Court does not approve the amounts sought as General Release Payments.

37. Labor and Workforce Development Agency Payment. Subject to Court approval, the Parties agree that the amount of Two Hundred Thousand Dollars (\$200,000) from the Gross Settlement Amount will be paid in settlement of all individual and representative claims brought in the Action or the State Court Action by or on behalf of allegedly aggrieved employees under PAGA. Pursuant to PAGA, Seventy-Five Percent (75%), or One Hundred Fifty Thousand Dollars (\$150,000), of this sum will be paid to the Labor and Workforce Development Agency ("LWDA") and Twenty-Five Percent (25%), or Fifty Thousand Dollars (\$50,000), will remain in the Net Settlement Amount.

38. Settlement Administration Costs. Subject to Court approval, the Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and calculation and distribution of payments, which barring unusual or unforeseen circumstances, is not estimated to exceed \$199,000.00. These costs, which will be paid from the Gross Settlement Amount, will include, inter alia, the required tax reporting on

the Individual Settlement Payments, the issuing of 1099 and W-2 IRS Forms, preparing, distributing, and tracking Notices of Class Action Settlement, confirming/auditing claims for payments for compliance with the Settlement, calculating and distributing all payments to be made pursuant to the Settlement, calculating and at Starbucks option making the payments with respect to the Employer's Payroll Taxes, providing notice of this Settlement to the Office of the Attorneys General of the United States and of all states where Class Members currently reside, and providing reports and declarations.

39. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to request the Preliminary Approval of the Settlement, and the entry of a Preliminary Approval Order for: (i) preliminary approval of the proposed Settlement, and (ii) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice of Class Action Settlement to be sent to all Class Members as specified herein. Class Counsel will be responsible for drafting all documents necessary to obtain Preliminary Approval. Class Counsel will provide Starbucks the opportunity to review and comment on any motion to be filed prior to its filing. The motion will request a decision within a specified time not to exceed 90 days. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit this Settlement Agreement, which sets forth the terms of the Settlement, and will include the proposed Notice of Class Action Settlement. Upon Preliminary Approval, Class Counsel will also for notify the LWDA of the Settlement, pursuant to Labor Code Section 2699(l)(2).

40. Certification of Settlement Class. As part of their motion for Preliminary Approval, Plaintiffs will request that the Court certify the Settlement Class. For purposes of settlement only, Starbucks agrees not to contest the certification of the Settlement Class. Starbucks does not waive any argument it has against class certification should the Settlement not become final, for any reason.

41. Delivery of the Class List. "Class List" means a complete list of all Class Members that Starbucks will diligently and in good faith compile from its records. The

Class List will include the following information from Starbucks records, and may, at Starbucks election, consist of a separate file or tab for each subclass: each Class Member's full name; most recent mailing address and telephone number; Social Security number; email address (where available); and separately calculated number of Manager Workweeks and Employee Workweeks as a Class Member, or the relevant dates from which the Settlement Administrator can separately calculate the number of Manager Workweeks and Employee Workweeks. Within thirty (30) days of Preliminary Approval, Starbucks will provide the Class List to the Settlement Administrator; Class Counsel will not receive a copy of the list. The Settlement Administrator shall not use the Class List or any information contained therein for any purpose other than to administer the Settlement in accordance with this Agreement. Upon completion of the administration of the Settlement, the Settlement Administrator shall destroy the Class List and any information contained therein or return it and all copies to Starbucks.

42. Notices of Class Action Settlement. Within thirty (30) calendar days after receiving the Class List from Starbucks, the Settlement Administrator will (i) mail a Notice of Class Action Settlement to all Manager Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List as updated, (ii) mail a Notice of Class Action Settlement via regular First-Class U.S. Mail to all Employee Class Members whose email addresses are not identified in the Class List as updated, using the most current, known mailing addresses identified in the Class List as updated, and (iii) email a Notice of Class Action Settlement to all Class Members who are not receiving notice via First-Class Mail under this Paragraph. The purpose of this provision is to provide notice via First-Class Mail to Manager Class Members and via email to Employee Class Members to the extent practicable (otherwise, First-Class U.S. Mail), thereby reducing Administration Costs and preserving settlement funds for Participating Class Members. The Notice of Class Action Settlement will be in the form attached as Exhibit A, or as provided by Court order, and will include, but not be limited to, information regarding the nature of the

1 Action; the definition of the Settlement Class and Subclasses; a summary of the
2 substance of the Settlement, including Starbucks denial of liability; the Class Member's
3 dates of employment and total number of Manager Workweeks and Employee
4 Workweeks; the aggregate number of Manager Workweeks and Employee Workweeks
5 worked by all Class Members during the Manager Class Period and Employee Class
6 Period, respectively; the formula for calculating the Class Member's Individual
7 Settlement Payment; an estimate of the Class Member's Individual Settlement Payment;
8 the procedure and time period for objecting to the Settlement and participating in the
9 Final Approval hearing; a statement that the Court has preliminarily approved the
10 Settlement; a statement that Class Members will release the settled claims unless they
11 opt out; and information regarding the opt-out procedure. Pursuant to the Class Action
12 Fairness Act, the Settlement Administrator will also provide notice of this Settlement to
13 the Office of the Attorneys General of the United States and of all states where Class
14 Members currently reside.

15 43. Confirmation of Contact Information. Prior to mailing, the Settlement
16 Administrator will perform a search based on the National Change of Address Database
17 for information to update and correct for any known or identifiable address changes.
18 Any Notices of Class Action Settlement returned to the Settlement Administrator as
19 non-deliverable on or before the Response Deadline will be sent promptly via regular
20 First-Class U.S. Mail to the forwarding address affixed thereto, and the Settlement
21 Administrator will indicate the date of such re-mailing on the Notice of Class Action
22 Settlement. If no forwarding address is provided, the Settlement Administrator will
23 promptly attempt to determine the correct address using a skip-trace, and will then
24 perform a single re-mailing. With regard to any Class Member whose Notice of Class
25 Action Settlement is returned as non-deliverable, and for whom the Settlement
26 Administrator is unable to determine a reliable address using reasonable and customary
27 methods, their Individual Settlement Payment will be treated as unclaimed funds
28 pursuant to Paragraph 58.

1 44. Requests for Exclusion. Any Class Member who does not affirmatively opt
2 out of the Settlement by submitting a timely and valid Request for Exclusion will be
3 bound by all of the Settlement Agreement's terms, including those pertaining to the
4 Released Claims, as well as any Judgment that may be entered by the Court if it grants
5 final approval of the Settlement. Any Class Member wishing to opt-out from the
6 Settlement Agreement must send in an email to the Settlement Administrator or sign and
7 postmark a written "Request for Exclusion" to the Settlement Administrator on or
8 before the Response Deadline. The Request for Exclusion must: (i) set forth the name,
9 mailing address, telephone number, email address, and the Class Member's partner
10 identification number or the last four digits of the Social Security Number of the Class
11 Member requesting exclusion; (ii) be signed by the Class Member (if sent via a written
12 request) and reference the Action by name, case number, or other information sufficient
13 to unambiguously identify the Action; (iii) clearly state that the Class Member does not
14 wish to be included in the Settlement; (iv) be returned to the Settlement Administrator;
15 and (v) be received or postmarked on or before the Response Deadline. The email or
16 postmark date will be the exclusive means to determine whether a Request for
17 Exclusion has been timely submitted. Plaintiffs, the State Court Plaintiffs, the
18 Arbitration Plaintiffs, Class Counsel, Starbucks, and Starbucks Counsel shall not solicit
19 or encourage any Class Member, directly or indirectly, to opt out of the Settlement
20 Agreement. Any such action or attempt to do so will be deemed a material breach of the
21 Agreement. No person shall purport to exercise any exclusion rights for any other
22 person, or purport to exclude any other Class Member as part of a group, aggregate or
23 class involving more than one Class Member. Any such purported exclusion shall be
24 void and the person that is the subject of the purported opt-out shall be treated as a Class
25 Member and be bound by the Settlement. The Settlement Administrator shall deliver to
26 Class Counsel and Starbucks Counsel copies of all Requests for Exclusion received by
27 the Settlement Administrator, together with copies of all written revocations of Requests
28

1 for Exclusion received, no later than eight (8) days after the Response Deadline, or at
2 such other time as the Parties may mutually agree in writing.

3 45. Defective Submissions. If a Class Member's Request for Exclusion is
4 defective as to the requirements listed herein, that Class Member will be given an
5 opportunity to cure the defect(s). The Settlement Administrator will attempt to contact
6 the Class Member by telephone and send the Class Member a cure letter by mail and
7 email within three (3) business days of receiving the defective submission to advise the
8 Class Member that his or her submission is defective and that the defect must be cured
9 to render the Request for Exclusion valid. The Class Member will have until (i) the
10 Response Deadline or (ii) fifteen (15) calendar days from the date of the cure letter,
11 whichever date is later, to postmark a revised Request for Exclusion. If the revised
12 Request for Exclusion is not received or postmarked within that period, it will be
13 deemed untimely.

14 46. Objection Procedures. To object to the Settlement ("Objection"), a Class
15 Member must sign and file a written Objection to the Settlement by either (a) sending it
16 to the Court with a postmark on or before the Response Deadline, or (b) filing it with
17 the Court on or before the Response Deadline. In order for the Objection to be valid,
18 the Objection must: (a) include the objector's full name address, email address, and
19 telephone number; (b) be signed by the Class Member; (c) reference the Action by
20 name, case number, or other information sufficient to unambiguously identify the
21 Action; (d) state all grounds for the Objection, including without limitation,
22 demonstrating standing to object (i.e. membership in the Settlement Class), whether the
23 Class Member or their lawyer intends to appear at the Final Approval Hearing, and
24 include any written material on which their objection is based or on which they intend to
25 rely; (e) either be mailed to the Court with a postmark on or before the Response
26 Deadline or filed with the Court on or before the Response Deadline; and (f) be sent to
27 the Settlement Administrator with a postmark on or before the Response Deadline. The
28 postmark or filing date of the Objection, whichever is earlier, will be deemed the

1 exclusive means for determining that the Objection is timely. The Parties have the right
2 to conduct reasonable discovery as to the basis of any Objection on an expedited basis.
3 Class Members who fail to object in the manner specified above will be deemed to have
4 waived all objections to the Settlement and will be foreclosed from making any
5 objections, whether by appeal or otherwise, to the Settlement Agreement. Only Class
6 Members who submit timely Objections as specified above will have a right to appear at
7 the Final Approval Hearing in order to have their objections heard by the Court but a
8 Class Member who files a timely objection as described above need not appear to have
9 their Objection considered by the Court. At no time will the Plaintiffs, State Court
10 Plaintiffs, Arbitration Plaintiffs, Class Counsel, Starbucks, or Starbucks Counsel seek to
11 solicit or otherwise encourage Class Members to submit Objections to the Settlement
12 Agreement or appeal from the Order and Judgment. Any such action or attempt to do so
13 will be deemed a material breach of the Agreement. Class Counsel will not represent
14 any Class Members with respect to any such Objections to this Settlement.

15 47. Settlement Administration. The Settlement Administrator shall administer
16 the Settlement subject to the supervision of Class Counsel, Starbucks Counsel, and the
17 Court as circumstances may require. The Parties and their Counsel shall have no
18 responsibility for, interest in, or liability whatsoever, with respect to: (a) any act,
19 omission, or determination of the Settlement Administrator, the opposing Counsel, or
20 designees or agents of the Settlement Administrator or opposing Counsel; (b) any act,
21 omission, or determination of the opposing Counsel or their designees or agents in
22 connection with the administration of the Settlement; (c) the management, investment,
23 or distribution of the Gross Settlement Amount or Net Settlement Amount; or (d) the
24 determination, administration, calculation, or payment of any claims asserted against the
25 Gross Settlement Amount or Net Settlement Amount. The Settlement Administrator
26 shall provide such information as may be reasonably requested by Plaintiffs or
27 Starbucks relating to administration of this Agreement.

1 48. Reports Regarding Settlement Administration. The Settlement
 2 Administrator will provide Class Counsel and Starbucks Counsel a weekly report that
 3 certifies the number of Class Members who have submitted valid Requests for
 4 Exclusion and Objections. Additionally, the Settlement Administrator will provide to
 5 counsel for both Parties any updated reports regarding the administration of the
 6 Settlement Agreement as needed or requested and will immediately forward to the
 7 Parties any objections mailed to the Claims Administrator.

8 49. Rights of Termination. Except as set forth above, if the Court or, in the
 9 event of an appeal, any appellate court refuses to approve, or modifies, any material
 10 aspect of this Agreement or the proposed Preliminary Approval Order or Final Approval
 11 Order and Judgment, including but not limited to any judicial findings included therein,
 12 Plaintiffs or Starbucks may terminate this Agreement and the Settlement as set forth
 13 below. The Parties acknowledge and agree that any modification to the terms of this
 14 Agreement relating to the scope of the release, or to Starbucks financial obligations,
 15 shall be deemed a material modification constituting grounds for cancellation or
 16 termination of the Agreement and the Settlement.

17 Within fifteen (15) days of the Settlement Administrator receiving notice from
 18 any Party of such termination or failure, (i) the Settlement Administrator shall return the
 19 balance of the settlement fund, including any interest, to Starbucks, and (ii) the
 20 Settlement Administrator shall provide the Parties with a report of all Administration
 21 Costs incurred. The Party terminating the Agreement will be responsible for paying any
 22 Administration Costs. If the Parties mutually terminate the Agreement, Plaintiffs and
 23 Starbucks each will be responsible for paying fifty percent (50%) of any Administration
 24 Costs.

25 50. Starbucks Limited Right to Cancel. If five percent (5%) or more of the
 26 Settlement Class Members submit valid and timely Requests for Exclusion of the
 27 Settlement, Starbucks shall have the absolute right, in its sole discretion, and
 28 notwithstanding any other provisions of the Settlement Agreement, to withdraw from,

1 and cancel, without penalty whatsoever, the Settlement Agreement in its entirety,
2 whereupon the Settlement Agreement will be null and void for all purposes, and may
3 not be used or introduced in further litigation. The right can be exercised only by a
4 writing stating clearly that Starbucks is canceling, and withdrawing from, the Settlement
5 Agreement, which is sent by counsel for Starbucks to Class Counsel by mail or email no
6 later than five (5) business days after the Response Deadline. In the event Starbucks
7 exercises its right to cancel the Settlement under this paragraph, it shall be solely
8 responsible for all fees and costs incurred by the Settlement Administrator. If the right
9 provided in this paragraph is not so exercised, it shall be waived and cannot later be
10 exercised.

11 51. Final Settlement Approval Hearing and Entry of Judgment. Upon
12 expiration of the deadlines to postmark Requests for Exclusion or Objections to the
13 Settlement Agreement, and with the Court's permission, a Final Approval/Settlement
14 Fairness Hearing will be conducted to determine the Final Approval of the Settlement
15 Agreement along with the amounts properly payable for: (i) Individual Settlement
16 Payments; (ii) PAGA penalties; (iii) General Release Payments; (iv) Attorneys' Fees and
17 Costs; and (v) all Settlement Administration Costs. The Final Approval/Settlement
18 Fairness Hearing will not be held earlier than fourteen (14) days after the Response
19 Deadline. Class Counsel will be responsible for drafting all documents necessary to
20 obtain Final Approval. Class Counsel will also be responsible for drafting the attorneys'
21 fees and costs application. Class Counsel will provide Starbucks the opportunity to
22 review and comment on any motion to be filed prior to its filing.

23 52. All Terms Subject to Final Court Approval. All amounts and procedures
24 described in this Settlement Agreement herein will be subject to Final Approval by the
25 Court.

26 53. Effect of Final Approval. Upon Final Approval, the Court will dismiss this
27 Action with prejudice; the Parties will request dismissal of the State Court Actions
28 without prejudice and file any documents or take any other actions necessary to obtain

1 such dismissal; and the Parties will request dismissal of the Related Arbitrations with
2 prejudice and file any documents or take any other actions necessary to obtain such
3 dismissals. Class Counsel will be responsible for drafting all documents necessary to
4 obtain such dismissals and will provide Starbucks the opportunity to review and
5 comment on any such documents before filing. The Parties will work in good faith to
6 resolve any disagreements relating to such dismissals.

7 54. Invalidity of Any Provision. Before declaring any provision of this
8 Settlement Agreement invalid, the Court will first attempt to construe the provision as
9 valid to the fullest extent possible consistent with applicable precedents so as to define
10 all provisions of this Settlement Agreement as valid and enforceable.

11 55. Judgment and Continued Jurisdiction. Contemporaneous with Plaintiff
12 filing the motion for final approval of the Settlement, the Parties will present an agreed
13 form of the Proposed Judgment to the Court for its consideration. The Court, in its
14 discretion, may enter a Judgment approved by it. After entry of the Judgment, the Court
15 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation
16 and enforcement of the terms of the Settlement, (ii) Settlement administration matters,
17 and (iii) such post-Judgment matters as may be appropriate under Court rules or as set
18 forth in this Settlement Agreement.

19 56. Funding of the Gross Settlement Amount. Within ten (10) business days
20 after an order granting Preliminary Approval, Starbucks will deposit the Gross
21 Settlement Amount into a settlement fund to be established by the Settlement
22 Administrator by either: check, Automated Clearing House (ACH) transfer, or wire
23 transfer. The Settlement Administrator will deposit the Gross Settlement Amount in an
24 interest-bearing account at a federally insured banking institution of its choice with all
25 accrued interest to be added to the Gross Settlement Amount. The Settlement
26 Administrator will use best efforts to secure a competitive interest rate and preserve the
27 settlement capital. If, for any reason whatsoever, the Effective Date is not reached, the
28 Gross Settlement Fund and all interest earned thereon will be repaid to Starbucks,

subject to a deduction for the Settlement Administrator's fees and costs to the extent Starbucks is responsible for paying such fees and costs under this Agreement.

57. Distribution and Timing of Payments. Within five (5) days of the Effective Date, the Settlement Administrator will issue payments to: (i) Participating Class Members; (ii) the LWDA; (iii) Releasing Parties for General Release Payments; and (iv) Class Counsel for Attorneys' Fees and Costs; and (v) the Settlement Administrator.

58. Unclaimed Funds. If any settlement check to a Participating Class Member is returned as undeliverable, the Settlement Administrator will use reasonable skip-trace methods to locate a new address. The Settlement Administrator will not re-send checks to any Participating Class Members for whom the Settlement Administrator is unable to determine a reliable address using reasonable skip-trace methods. Checks will remain negotiable for 120 days ("Check Cashing Deadline"). If any Participating Class Member does not cash his or her check by the Check Cashing Deadline, the check will be void. Any funds remaining after the Check Cashing Deadline (including the value of uncashed checks) will be tendered to the California State Controller's office as unclaimed property, in the name of the Participating Class Member.

59. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

60. No Credit Towards Benefit Plans. The Individual Settlement Payments made to Participating Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans for which any Class Members may be eligible, including, but not limited to: (i) profit-sharing plans, (ii) bonus plans, (iii) 401(k) plans, (iv) stock purchase plans, (v) vacation plans, (vi) sick leave plans, (vii) PTO plans, and (viii) any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

61. Tax Treatment of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows: For any portion attributable to Manager Workweeks, forty percent (40%) will be allocated to alleged expense reimbursement for which no IRS form will be issued, twenty percent (20%) will be allocated to alleged wages for which IRS Forms W-2 will be issued, twenty percent (20%) will be allocated to alleged interest for which IRS Form 1099-INT will be issued, and twenty percent (20%) will be allocated to alleged penalties for which IRS Form 1099-MISC will be issued. For any portion attributable to Employee Workweeks, twenty-five percent (25%) will be allocated to alleged wages for which IRS Forms W-2 will be issued, twenty-five percent (25%) will be allocated to alleged interest for which IRS Form 1099-INT will be issued, and fifty percent (50%) will be allocated to alleged penalties for which IRS Form 1099-MISC will be issued. The Settlement Administrator will issue all W-2, 1099-INT and 1099-MISC forms. In the event the Court is not willing to approve the Settlement with the tax allocation proposed by the Parties, this shall not be a basis for any Party to cancel or withdraw from the Settlement; rather, the parties will work in good faith to propose another tax allocation that might be acceptable to the Court.

62. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiffs, the State Court Plaintiffs, the Arbitration Plaintiffs, Participating Class Members, and Class Counsel any W-2, 1099, and/or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding the employee's share of all payroll taxes and penalties to the appropriate government authorities.

63. Tax Liability. Plaintiffs and Participating Class Members will be solely responsible for the payment of any and all taxes and penalties assessed to them on the payments described herein. Starbucks is solely responsible for all Employer's Payroll Taxes. Starbucks makes no representation as to the tax treatment or legal effect of the

1 payments called for hereunder, and Plaintiffs, the State Court Plaintiffs, the Arbitration
2 Plaintiffs, and Participating Class Members should not rely on any statement,
3 representation, or calculation by Starbucks or by the Settlement Administrator in this
4 regard.

5 64. Confidentiality. The Parties and their respective counsel will maintain the
6 Settlement Agreement as confidential and not publicly disclose the same (including
7 electronically, by way of any web page, blog, tweet, post, thread, social media, or other
8 electronic means) except for the specific exceptions stated herein. This shall not apply
9 to or limit the public filing of motions or other case materials in this Action related to
10 seeking and obtaining Court approval of the Settlement, Attorneys' Fees and Costs of
11 Class Counsel, General Release Payments, and the other relief set forth in this
12 Settlement. The Parties understand and agree that there may be media coverage of the
13 settlement not initiated by Plaintiffs, the State Court Plaintiffs, the Arbitration Plaintiffs
14 or Starbucks, directly or indirectly, as a result of the public filings. Notwithstanding the
15 foregoing, both before and following the execution of this Settlement Agreement by the
16 Parties and their respective counsel, Plaintiffs, the State Court Plaintiffs, the Arbitration
17 Plaintiffs, Starbucks, and their respective counsel agree that no Party shall issue any
18 press release to the news media, nor shall any Party post, tweet, publish, or otherwise
19 disseminate any media coverage of the Settlement, nor shall any Party communicate in
20 any way with news media concerning the Settlement or this Action except in response to
21 specific questions, which responses shall be limited to a statement that "this litigation
22 has been resolved to the satisfaction of all parties" and then refer media to court filings.
23 If Class Counsel describes or lists this Settlement on their website or other online media,
24 they may not mention Starbucks by name, but may refer to Starbucks only as a "major
25 retailer." Class Counsel may also refer to this Settlement, after the filing of the motion
26 for approval, in other court filings where prior experience is discussed. Nothing in this
27 paragraph shall prevent Starbucks from disclosing and discussing information
28 concerning the Settlement, the settlement amount, or the circumstances surrounding or

1 giving rise to the Settlement, either internally among company management or to the
2 extent otherwise required by law. Nothing in this paragraph shall restrict Starbucks
3 from communicating with its current employees about their pay practices or any
4 changes thereto. Nothing in this paragraph shall restrict Class Counsel from
5 communicating with Class Members about the Settlement in their role as Class Counsel
6 after Court approval, or limit the right of Starbucks to disclose the terms and
7 circumstances of the settlement to employees who have responsibility for overseeing or
8 managing Starbucks litigation, law firms, accounting firms, and/or insurers that
9 represent Starbucks, or persons who have an obligation to be informed about Starbucks
10 litigation. For purposes of this section, media includes all print and digital media,
11 including but not limited to newspapers, newsletters, magazines, articles, radio, blogs,
12 websites, and social media sites.

13 65. Confidential Documents. Within 60 days of the Check Cashing Deadline,
14 each Party shall return, or confirm the destruction of, any documents or information that
15 another Party designated as confidential pursuant to an applicable agreement or
16 protective order.

17 66. No Prior Assignments. The Parties and their counsel represent, covenant,
18 and warrant that they have not directly or indirectly assigned, transferred, encumbered,
19 or purported to assign, transfer, or encumber to any person or entity any portion of any
20 liability, claim, demand, action, cause of action or right herein released and discharged.

21 67. Warranties and Representations. Plaintiffs, the State Court Plaintiffs, the
22 Arbitration Plaintiffs, and Class Counsel warrant and represent that (a) they are not
23 currently aware of any: (i) unalleged claims at any business location of Starbucks, in
24 addition to, or different from, those which are finally and forever settled and released by
25 this Settlement; or (ii) unalleged facts or legal theories upon which any claims or causes
26 of action could be brought against Starbucks, except such facts and theories
27 encompassed within the Released Claims; (b) they have no current intention of asserting
28 any other claims against Starbucks in any judicial or administrative forum (other than

1 this Action); (c) they do not currently know of or represent any persons who have
2 expressed any interest in pursuing litigation or seeking any recovery against Starbucks;
3 (d) they will not solicit the representation of any other current or former employees of
4 Starbucks to bring an action against Starbucks; and (e) they will not disclose or use any
5 confidential information obtained in this Action, the State Court Actions, or the Related
6 Arbitrations for any purpose other than the representation of Plaintiffs, the State Court
7 Plaintiffs, the Arbitration Plaintiffs, the Settlement Class, and the LWDA in this Action.
8 The Parties acknowledge, understand, and agree that the representations and warranties
9 described in this paragraph are essential to the Settlement Agreement and that Starbucks
10 would not enter into this Settlement were it not for these representations and warranties.
11 This paragraph does not prohibit discussions between Class Counsel and Plaintiffs, the
12 State Court Plaintiffs, or the Arbitration Plaintiffs regarding this Action, the State Court
13 Actions, the Related Arbitrations, this Settlement, or the claims therein. Further,
14 nothing in this provision is intended to violate California Rule of Professional Conduct
15 5.6(a)(2).

16 68. Revocation. Neither Party will have the right to revoke the settlement
17 agreement for any reason not expressly provided for herein. In particular, Plaintiffs and
18 Plaintiffs' Counsel will not have the right to revoke this Settlement in the event that the
19 Court does not approve the amount of Attorneys' Fees and Costs or General Release
20 Payments sought by Plaintiffs and Plaintiffs' Counsel. However, if the Court does not
21 approve the amount of Attorneys' Fees and Costs or General Release Payments sought
22 by Plaintiffs and Plaintiffs' Counsel, Plaintiffs will have the right to appeal the order
23 reducing the Attorneys' Fees and Costs or General Release Payments.

24 69. Nullification of Settlement Agreement. In the event that: (i) the Court does
25 not approve the Settlement as provided herein; (ii) the California Superior Court refuses
26 to dismiss the State Court Actions; or (iii) the Settlement does not become final for any
27 other reason, then this Settlement Agreement, and any documents generated to bring it
28 into effect, will be null and void. Any order or judgment entered by the Court in

1 furtherance of this Settlement Agreement (including any order permitting leave to file
2 an amended complaint or certifying a class for settlement purposes) will likewise be
3 treated as void from the beginning. In the event that the Settlement is terminated or
4 cancelled or fails to become effective, the Parties shall be deemed to have reverted *nunc*
5 *pro tunc* to their respective status as of the date and time immediately before the
6 execution of this Agreement and they shall proceed in all respects as if this Agreement
7 had not been executed, and without prejudice in any way from the negotiation, fact, or
8 terms of this Settlement.

9 70. Entire Agreement. This Settlement Agreement constitutes the entirety of
10 the Parties' settlement terms. No other prior or contemporaneous written or oral
11 agreements may be deemed binding on the Parties.

12 71. Amendment or Modification. This Settlement Agreement may be amended
13 or modified only by a written instrument signed by all Parties and their counsel or their
14 successors-in-interest.

15 72. Binding on Successors and Assigns. This Settlement Agreement will be
16 binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto,
17 as previously defined.

18 73. California Law Governs. All terms of this Settlement Agreement and
19 Exhibits hereto will be governed by and interpreted according to the laws of the State of
20 California.

21 74. Execution and Counterparts. This Settlement Agreement is subject only to
22 the execution of all Parties. However, the Settlement may be executed in one or more
23 counterparts. All executed counterparts and each of them, including facsimile and PDF
24 or other scanned copies of the signature page, will be deemed to be one and the same
25 instrument for all purposes in effectuating and enforcing this Settlement Agreement.

26 75. Waiver of Certain Appeals. Either Party may appeal any court order that
27 materially alters the Settlement Agreement's terms, including, without limitation, the
28

1 amount of Attorneys' Fees and Costs to Class Counsel. In all other respects, the Parties
2 agree to waive appeals.

3 76. Waiver. No waiver of any condition or covenant contained in this
4 Settlement or failure to exercise a right or remedy by any of the Parties hereto will be
5 considered to imply or constitute a further waiver by such party of the same or any other
6 condition, covenant, right or remedy.

7 77. Mutual Preparation. The Parties have had a full opportunity to negotiate
8 the terms and conditions of the Settlement. Accordingly, this Settlement Agreement will
9 not be construed more strictly against one party than another merely by virtue of the fact
10 that it may have been prepared by counsel for one of the Parties, it being recognized
11 that, because of the arms-length negotiations between the Parties, all Parties have
12 contributed to the preparation of this Settlement.

13 78. Representation by Counsel. The Parties acknowledge that they have been
14 represented by counsel throughout all negotiations that preceded the execution of this
15 Settlement, and that this Settlement has been executed with the consent and advice of
16 counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no
17 liens on the Settlement Agreement.

18 79. Cooperation and Execution of Necessary Documents. All Parties agree to
19 cooperate in the administration of the Settlement and to make all reasonable efforts to
20 control and minimize the costs and expenses incurred in administration of the
21 Settlement, and will cooperate in good faith and execute all documents to the extent
22 reasonably necessary to effectuate the terms of the Settlement. If the Parties are unable
23 to reach agreement on the form or content of any document needed to implement the
24 Settlement, or on any supplemental provisions that may become necessary to effectuate
25 the terms of this Settlement, the Parties may seek the assistance of the Court or mediator
26 to resolve such disagreement.

27 80. Authorization to Enter Into Settlement Agreement. Counsel for all Parties
28 warrant and represent they are expressly authorized by the Parties whom they represent

1 to negotiate this Settlement Agreement and to take all appropriate action required or
2 permitted to be taken by such Parties pursuant to this Settlement Agreement to
3 effectuate its terms and to execute any other documents required to effectuate the terms
4 of this Settlement Agreement.

5 81. Binding Agreement. The Parties warrant that they understand and have full
6 authority to enter into this Settlement Agreement, and further intend that this Settlement
7 Agreement will be fully enforceable and binding on all Parties, and agree that it will be
8 admissible and subject to disclosure in any proceeding to enforce its terms,
9 notwithstanding any mediation confidentiality provisions that otherwise might apply
10 under federal or state law.

SIGNATURES

READ CAREFULLY BEFORE SIGNING

PLAINTIFFS

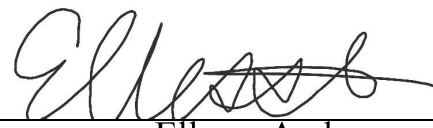
Dated: 9/14, 2023

By 
Luke Adelman

Dated: September 13, 2023

By 
Elizabeth Anderson

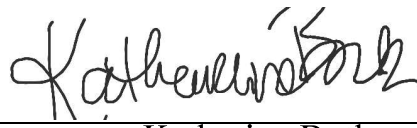
Dated: September 14, 2023

By 
Ellesse Anderson

Dated: _____, 2023

By _____
Jeffrey Bellows

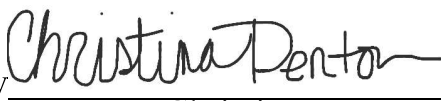
Dated: 9/13/2023, 2023

By 
Katherine Butler

Dated: 09/13, 2023

By 
Cheyenne Chitry

Dated: 09/14/2023, 2023

By 
Christina Denton

Dated: September 13, 2023

By 
Jacqueline Foster

Dated: 09-15-2023, 2023

By 
James Hancock

Dated: September 14th, 2023

By 
Donnie Hyso

SIGNATURES

READ CAREFULLY BEFORE SIGNING

PLAINTIFFS

Dated: _____, 2023

By _____
Luke Adelman

Dated: _____, 2023

By _____
Elizabeth Anderson

Dated: _____, 2023

By _____
Ellesse Anderson

Dated: ^{09/15/2023}_____, 2023

By _____
Jeffrey Bellows

Dated: _____, 2023

By _____
Katherine Butler

Dated: _____, 2023

By _____
Cheyenne Chitry

Dated: _____, 2023

By _____
Christina Denton

Dated: _____, 2023

By _____
Jacqueline Foster

Dated: _____, 2023

By _____
James Hancock

Dated: _____, 2023

By _____
Donnie Hyso

Dated: September 15, 2023

By 
Casey McKay

Dated: _____, 2023

By _____
Hannah Rothschild

Dated: _____, 2023

By _____
Cassandra Sweeney

Dated: _____, 2023

By _____
Michael Whiter

STATE COURT PLAINTIFFS

Dated: _____, 2023

By _____
Mihaly Harisis

Dated: _____, 2023

By _____
Kirsten Hoelzel

ARBITRATION PLAINTIFFS

Dated: _____, 2023

By _____
Sherri Bradley

Dated: _____, 2023

By _____
Amanda Brekke

Dated: _____, 2023

By _____
Omar Garland

Dated: _____, 2023

By _____
Casey McKay

Dated: ^{09/13}_____, 2023

By 
Hannah Rothschild

Dated: ^{09/13}_____, 2023

By 
Cassandra Sweeney

Dated: ^{09/13}_____, 2023

By 
Michael Whiter

STATE COURT PLAINTIFFS

Dated: _____, 2023

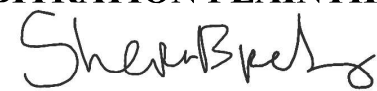
By _____
Mihaly Harisis

Dated: _____, 2023

By _____
Kirsten Hoelzel

ARBITRATION PLAINTIFFS

Dated: ⁰⁹_____, 2023

By 
Sherri Bradley

Dated: ^{September 14}_____, 2023

By 
Amanda Brekke

Dated: ^{September 13th}_____, 2023

By 
Omar Garland

Dated: _____, 2023

By _____
Casey McKay

Dated: _____, 2023

By _____
Hannah Rothschild

Dated: _____, 2023

By _____
Cassandra Sweeney

Dated: _____, 2023

By _____
Michael Whiter

STATE COURT PLAINTIFFS

Dated: 9/13/2023, 2023

By _____
Mihaly Harisis
Mihaly Harisis

Dated: _____, 2023

By _____
Kirsten Hoelzel

ARBITRATION PLAINTIFFS

Dated: _____, 2023

By _____
Sherri Bradley

Dated: _____, 2023

By _____
Amanda Brekke

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Omar Garland

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By _____
Casey McKay

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By _____
Hannah Rothschild

Dated: _____, 2023

By _____
Cassandra Sweeney

Dated: _____, 2023

By _____
Michael Whiter

STATE COURT PLAINTIFFS

Dated: _____, 2023

By _____
Mihaly Harisis

Dated: 9/13/2023, 2023

By _____
KIRSTEN HOELZEL
Kirsten Hoelzel

ARBITRATION PLAINTIFFS

Dated: _____, 2023

By _____
Sherri Bradley

Dated: _____, 2023

By _____
Amanda Brekke

Dated: _____, 2023

By _____
Omar Garland

1 Dated: September 13, 2023

2 By 
Jordone Shane-Sanchez

3
4 Dated: 09/13, 2023

5 By 
Kevin Steinbeck

6 **DEFENDANT**

7
8 Dated: _____, 2023

By _____

9
10 Starbucks Corporation

11
12 **APPROVED AS TO FORM**

13
14 **PROSKAUER ROSE LLP**

15
16 Dated: _____, 2023

17 By _____
Gregory W. Knopp
Attorneys for Defendant
Starbucks Corporation

18
19 **WYNNE LAW FIRM**

20
21 Dated: September 13, 2023

22 By 
Edward J. Wynne
Attorneys for Plaintiffs, State Court
Plaintiffs, and Arbitration Plaintiffs

1 Dated: _____, 2023

2 By _____
3 Jordone Shane-Sanchez

4 Dated: _____, 2023

5 By _____
6 Kevin Steinbeck

7 **DEFENDANT**

8 Dated: 19 September 2023

9 By _____
10 DocuSigned by:
11 *Sara Trilling*
12 *Sara Trilling*
13 Executive Vice President and President
14 of Starbucks North America
15 Starbucks Corporation

16 **APPROVED AS TO FORM**

17 **PROSKAUER ROSE LLP**

18 Dated: September 18, 2023

19 By _____
20 *Gregory W. Knopp*
21 Gregory W. Knopp
22 Attorneys for Defendant
23 Starbucks Corporation

24 **WYNNE LAW FIRM**

25 Dated: _____, 2023

26 By _____
27 Edward J. Wynne
28 Attorneys for Plaintiffs, State Court
Plaintiffs, and Arbitration Plaintiffs

EXHIBIT B

PROSKAUER ROSE LLP

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80 E. Sir Francis Drake Blvd., Suite 3G
Wood Island Larkspur, CA 94939
Telephone: (415) 461-6400/Facsimile: (415) 461-3900

Attorneys for Plaintiffs and the Putative Class

(Additional Counsel Listed on Following Page)

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

LUKE ADELMAN, ELIZABETH
ANDERSON, ELLESSE
ANDERSON, JEFFREY BELLOWS,
KATHERINE BUTLER,
CHEYENNE CHITRY, CHRISTINA
DENTON, JACQUELINE FOSTER,
JAMES HANCOCK, DONNIE
HYSO, CASEY MCKAY, HANNAH
ROTHSCHILD, CASSANDRA
SWEENEY and MICHAEL
WHITER, individually and on behalf
of all others similarly situated

Plaintiff,

v.

STARBUCKS CORPORATION,

Defendant.

Case No. 3:20-cv-01178-JD

[Assigned To Hon. James Donato]

**AMENDMENT TO CLASS ACTION AND
PAGA SETTLEMENT AND RELEASE**

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San Diego, CA 92101

Telephone: (619) 595-3001/Facsimile: (619) 595-3000

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Glendale, CA 91205

Telephone: (818) 875-2008/Facsimile: (818) 722-3974

Attorneys for Plaintiffs and the Putative Class

**AMENDMENT TO CLASS ACTION AND
PAGA SETTLEMENT AGREEMENT AND RELEASE**

The Joint Stipulation of Class Action and PAGA Settlement Agreement and Release (“Settlement” or “Settlement Agreement”) between plaintiffs Luke Adelman, Elizabeth Anderson, Ellesse Anderson, Jeffrey Bellows, Katherine Butler, Cheyenne Chitry, Christina Denton, Jacqueline Foster, James Hancock, Donnie Hyso, Casey McKay, Hannah Rothschild, Cassandra Sweeney and Michael Whiter (“Plaintiffs”), Mihaly Harisis and Kirsten Hoelzel (the “State Court Plaintiffs”), and defendant Starbucks Corporation (“Starbucks”), is hereby amended as follows.

1. Paragraph 11 is replaced with the following: “Gross Settlement Amount” is the amount of Two Million, Eight Hundred Seventy-Five Thousand Dollars (\$2,875,000), which is the amount to be paid by Starbucks pursuant to this Settlement Agreement. The Gross Settlement Amount includes: (a) all Individual Settlement Payments to Participating Class Members; (b) PAGA penalties; (c) General Release Payments; (d) *Cy Pres* Payments, (e) Attorneys’ Fees and Costs to Class Counsel; and (f) Settlement Administration Costs to the Settlement Administrator. The Parties agree that Starbucks will have no obligation to pay any amount in connection with this Settlement Agreement apart from the Gross Settlement Amount exclusive of Employer’s Payroll Taxes. No part of the Gross Settlement Amount will revert to Starbucks.

2. Paragraph 16 is replaced with the following: “Net Settlement Amount” means the Gross Settlement Amount less deductions for PAGA penalties, General Release Payments, *Cy Pres* Payments, Attorneys’ Fees and Costs, and Settlement Administration Costs. Sixty Thousand Dollars (\$60,000.00) of the Net Settlement Amount will be deemed the “Employee Net Settlement Amount” and the remainder will be deemed the “Manager Net Settlement Amount.”

3. Paragraph 17 is replaced with the following: “Notice of Class Action Settlement” means the notice of settlement, attached to this Amendment as Exhibit 1, to

1 be mailed or emailed to all members of the Settlement Class upon Preliminary
2 Approval.

3 4. Paragraph 34 is replaced with the following: Calculation of Individual
4 Settlement Payments to Manager Class Members. Individual Settlement Payments will
5 be calculated and apportioned from the Net Settlement Amount based on the number of
6 Manager Workweeks a Participating Class Member worked during the Class Period.
7 The Settlement Administrator will calculate the total number of Manager Workweeks
8 worked by each Participating Class Member in the Manager Class during the Class
9 Period, and the aggregate the total numbers of Manager Workweeks worked by all
10 Participating Class Members during the Class Period. To determine each Individual
11 Settlement Payment, the Settlement Administrator will use the following formula: The
12 Manager Net Settlement Amount will be divided by the aggregate total number of
13 Manager Workweeks, resulting in the “Manager Workweek Value.” The “Individual
14 Settlement Payment” for each Participating Class Member in the Manager Class will be
15 calculated by multiplying that Participating Class Member’s total number of Manager
16 Workweeks by the Manager Workweek Value. The Individual Settlement Payments will
17 be reduced by appropriate tax withholdings or deductions. The Parties agree that the
18 formula described herein is reasonable and that the payments are designed to provide a
19 fair settlement to each Participating Class Member in light of the uncertainties regarding
20 the compensation alleged to be owed and the calculation of such amounts.

21 5. Paragraph 34A is added as follows: Cy Pres Payment of Employee Net
22 Settlement Amount. The Parties agree that because of the cost of settlement
23 administration relative to the amount allocable to the claims asserted on behalf of the
24 Employee Class, it would be infeasible to make Individual Settlement Payments to
25 Participating Class Members for those claims. Accordingly, the Employee Net
26 Settlement Amount will be distributed *cy pres* as follows: Thirty-Thousand Dollars
27 (\$30,000.00) to Legal Aid Society-Employment Law Center in San Francisco, and
28 Thirty-Thousand Dollars (\$30,000.00) to Bet Tzedek Employment Rights Project in Los

Angeles (“*Cy Pres* Payments”). The Parties agree that these *cy pres* distributions promote the objectives of the Labor Code and Wage Order provisions at issue in this lawsuit, bear a direct and substantial nexus to the interests of the Employee Class, and are valid and sufficient consideration for the release of the Employee Class claims.

6. Paragraph 41 is replaced with the following: Delivery of the Class List. “Class List” means a complete list of all Class Members that Starbucks will diligently and in good faith compile from its records. The Class List will include the following information from Starbucks records, and may, at Starbucks election, consist of a separate file or tab for each subclass: each Class Member’s full name; most recent mailing address and telephone number; Social Security number; personal email address (for those Class Members for whom Starbucks has personal email addresses on file); Starbucks work address (for those Class Members who are active employees, have Starbucks work email addresses, for whom Starbucks does not have a personal email address on file), and number of Manager Workweeks as a Class Member, or the relevant dates from which the Settlement Administrator can separately calculate the number of Manager Workweeks. Within thirty (30) days of Preliminary Approval, Starbucks will provide the Class List to the Settlement Administrator; Class Counsel will not receive a copy of the list. The Settlement Administrator shall not use the Class List or any information contained therein for any purpose other than to administer the Settlement in accordance with this Agreement. Upon completion of the administration of the Settlement, the Settlement Administrator shall destroy the Class List and any information contained therein or return it and all copies to Starbucks.

7. Paragraph 42 is replaced with the following: Notices of Class Action Settlement. Within thirty (30) calendar days after receiving the Class List from Starbucks, the Settlement Administrator will (i) email a Notice of Class Action Settlement to all Class Members at the email address identified in the Class List, and (ii) mail a Notice of Class Action Settlement via regular First-Class U.S. Mail to all Manager Class Members and to all Employee Class Members whose email addresses

are not identified in the Class List, using the most current, known mailing addresses identified in the Class List as updated. The purpose of this provision is to provide notice via First-Class Mail to Manager Class Members and via email to Employee Class Members to the extent practicable (otherwise, First-Class U.S. Mail), thereby reducing Administration Costs and preserving settlement funds for Participating Class Members. The Notice of Class Action Settlement will be in the form attached as Exhibit 1, or as provided by Court order, and will include, but not be limited to, information regarding the nature of the Action; the definition of the Settlement Class and Subclasses; a summary of the substance of the Settlement, including Starbucks denial of liability; the Class Member's dates of employment and total number of Manager Workweeks; the aggregate number of Manager Workweeks during the Manager Class Period; the formula for calculating the Class Member's Individual Settlement Payment; an estimate of the Class Member's Individual Settlement Payment; the procedure and time period for objecting to the Settlement and participating in the Final Approval hearing; a statement that the Court has preliminarily approved the Settlement; a statement that Class Members will release the settled claims unless they opt out; and information regarding the opt-out procedure. Pursuant to the Class Action Fairness Act, the Settlement Administrator will also provide notice of this Settlement to the Office of the Attorneys General of the United States and of all states where Class Members currently reside.

8. Paragraph 51 is replaced with the following: Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to postmark Requests for Exclusion or Objections to the Settlement Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (i) Individual Settlement Payments; (ii) PAGA penalties; (iii) General Release Payments; (iv) *Cy Pres* Payments, (v) Attorneys' Fees and Costs; and (vi) all Settlement Administration Costs. The Final Approval/Settlement Fairness

Hearing will not be held earlier than fourteen (14) days after the Response Deadline. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class Counsel will also be responsible for drafting the attorneys' fees and costs application. Class Counsel will provide Starbucks the opportunity to review and comment on any motion to be filed prior to its filing.

9. Paragraph 57 is replaced with the following: Distribution and Timing of Payments. Within five (5) days of the Effective Date, the Settlement Administrator will issue payments to: (i) Participating Class Members; (ii) the LWDA; (iii) Releasing Parties for General Release Payments; (iv) Legal Aid Society-Employment Law Center, and Bet Tzedek Employment Rights Project for *Cy Pres* Payments; (v) Class Counsel for Attorneys' Fees and Costs; and (vi) the Settlement Administrator.

10. Paragraph 61 is replaced with the following: Tax Treatment of Individual Settlement Payments. All Individual Settlement Payments will be allocated as follows: Forty percent (40%) will be allocated to alleged expense reimbursement for which no IRS form will be issued, twenty percent (20%) will be allocated to alleged wages for which IRS Forms W-2 will be issued, twenty percent (20%) will be allocated to alleged interest for which IRS Form 1099-INT will be issued, and twenty percent (20%) will be allocated to alleged penalties for which IRS Form 1099-MISC will be issued. The Settlement Administrator will issue all W-2, 1099-INT and 1099-MISC forms. In the event the Court is not willing to approve the Settlement with the tax allocation proposed by the Parties, this shall not be a basis for any Party to cancel or withdraw from the Settlement; rather, the parties will work in good faith to propose another tax allocation that might be acceptable to the Court.

SIGNATURES

READ CAREFULLY BEFORE SIGNING

PLAINTIFFS

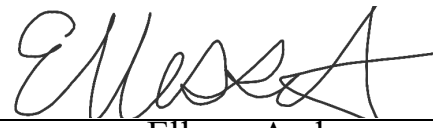
Dated: 11/14/2023, 2023

By 
Luke Adelman

Dated: 11/14/2023, 2023

By 
Elizabeth Anderson

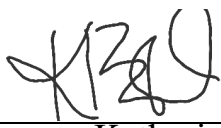
Dated: 11/14/2023, 2023

By 
Ellesse Anderson

Dated: 11/15/2023, 2023

By 
Jeffrey Bellows

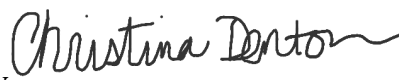
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By 
Katherine Butler

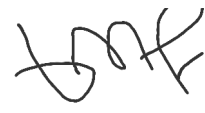
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By 
Cheyenne Chitry

Dated: 11/14/2023, 2023

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Christina Denton

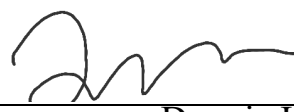
Dated: 11/14/2023, 2023

By 
Jacqueline Foster

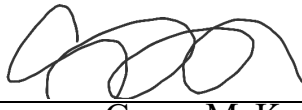
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James Hancock

Dated: 11/15/2023, 2023

By 
Donnie Hyso

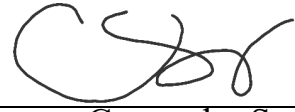
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Hannah Rothschild

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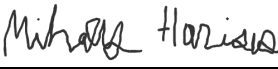
By 
Cassandra Sweeney

Dated: 11/14/2023, 2023

By 
Michael Whiter

STATE COURT PLAINTIFFS

Dated: 11/14/2023, 2023

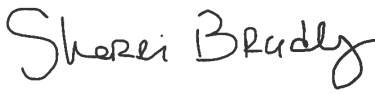
By 
Mihaly Harisis

Dated: 11/14/2023, 2023

By 
Kirsten Hoelzel

ARBITRATION PLAINTIFFS

Dated: 11/14/2023, 2023

By 
Sherri Bradley

Dated: 11/15/2023, 2023

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Amanda Brekke

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Omar Garland

1 Dated: 11/15/2023, 2023

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Jordone Shane-Sanchez

2
3
4 Dated: 11/15/2023, 2023

By 
Kevin Steinbeck

5
6 **DEFENDANT**

7
8 Dated: _____, 2023

By _____
Sara Trilling
Executive Vice President and President
of Starbucks North America
Starbucks Corporation

9
10
11
12 **APPROVED AS TO FORM**

13
14 **PROSKAUER ROSE LLP**

15
16 Dated: _____, 2023

By _____
Gregory W. Knopp
Attorneys for Defendant
Starbucks Corporation

17
18
19 **WYNNE LAW FIRM**

20
21 Dated: _____, 2023

By _____
Edward J. Wynne
Attorneys for Plaintiffs, State Court
Plaintiffs, and Arbitration Plaintiffs

Dated: _____, 2023

By _____
Jordone Shane-Sanchez

Dated: _____, 2023

By _____
Kevin Steinbeck

DEFENDANT

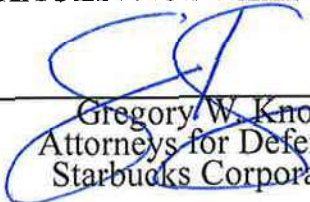
Dated: 11/15, 2023

By DocuSigned by: Sara Trilling
F49B13F477C445E... Sara Trilling
Executive Vice President and President
of Starbucks North America
Starbucks Corporation

APPROVED AS TO FORM

PROSKAUER ROSE LLP

Dated: November 15, 2023

By 
Gregory W. Knopp
Attorneys for Defendant
Starbucks Corporation

WYNNE LAW FIRM

Dated: November 15, 2023

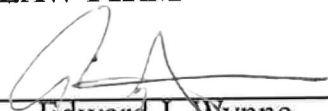
By 
Edward J. Wynne
Attorneys for Plaintiffs, State Court
Plaintiffs, and Arbitration Plaintiffs

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Adelman et al. v. Starbucks Corporation
Case No. 3:20-cv-00178-JD

You are receiving this Notice of Class Action Settlement because you are a potential member of a class action lawsuit and eligible to participate in the settlement of that lawsuit. The United States District Court for the Northern District of California has approved this Notice. This is not a solicitation from a lawyer.

This Notice is being sent to:

- All individuals who worked for Starbucks in California as a store manager or assistant store manager from June 27, 2015 to November 24, 2023.
- All individuals who worked for Starbucks in California as a nonexempt employee from June 8, 2018 to November 24, 2023.

You are receiving this Notice because Starbucks records indicate that you fit one or both of these definitions.

Please read this Notice carefully. It explains your legal rights and options in this settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	If you do nothing, you will be eligible to receive a monetary payment under the settlement if you worked as a store manager or assistant store manager during the relevant period and the settlement is approved by the Court. You give up your right to sue Starbucks as part of another lawsuit over the wage and hour claims released by the settlement.
EXCLUDE YOURSELF	If you ask to be excluded, you will not be eligible to receive a monetary payment under the settlement. You may not object to the settlement. You will not release any of the wage and hour claims that are released as part of this settlement. Instructions on how to exclude yourself from the settlement are contained below.
OBJECT	You can write to the Court about why you don't agree with the terms of the settlement. If you object, you will still be eligible to receive a monetary payment under the settlement if it is approved by the Court. Instructions on how to object to the settlement are contained below.

**ATTEND
A
HEARING**

If you do not ask to be excluded, you can ask to speak in Court about the settlement at the Fairness Hearing.

The time, date and location of the Fairness Hearing are contained below.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice.
- The Court presiding over this case still has to decide whether to approve the settlement. Monetary payments under the settlement will become available only if the Court approves the settlement and the settlement becomes final. Please be patient.
- Your legal rights are affected whether you act or don't act.

1. Why did I get this notice?

You have received this Notice because Starbucks records show that you fit the definition of persons entitled to receive this notice and to participate in the settlement of this class action lawsuit. The Court ordered that you be sent this Notice because you have a right to know about the proposed settlement. This Notice explains the lawsuit, the proposed settlement, your legal rights, and what benefits are available to you.

The Court overseeing the lawsuit is the U.S. District Court for the Northern District of California, San Francisco Division. The lawsuit is entitled *Adelman et al., v. Starbucks Corporation*. The people who filed the lawsuit are called the “Plaintiffs.” Starbucks is referred to as the “Defendant.”

2. What is the lawsuit about?

Plaintiffs are former Starbucks partners who allege Starbucks store managers and assistant store managers in California used their personal cell phones for work without receiving proper reimbursement, wages for time worked, or premiums for interrupted breaks (the “Manager Claims”). They also allege Starbucks failed to pay sick pay and break premiums at the proper rate of pay to non-exempt California employees (the “Employee Claims”). They assert claims for failure to provide proper meal and rest break premiums, failure to provide accurate wage statements, failure to timely pay final wages, and unfair competition. Plaintiffs bring these claims on behalf of a putative class of California store partners and also seek civil penalties under the Private Attorneys General Act (“PAGA”) for the same alleged violations (the “PAGA Claims”).

Starbucks denies each and every allegation by the Plaintiffs and denies it did anything wrong. Starbucks maintains it properly paid its employees. The parties have entered into this settlement solely with the intention of avoiding further litigation.

3. What is a class action?

In a class action, one or more people called a “Plaintiff” file a lawsuit on behalf of himself or herself and other people who they contend have similar claims. Those people with similar claims are called “Class Members”. Class Members are part of the case and are bound by any judgment or settlement approved by the Court, unless they ask to be excluded from the case.

4. Why is there a settlement?

Starbucks maintains it properly paid employees for all hours worked and denies all allegations in the lawsuit. The Court did not decide in favor of Plaintiffs or Starbucks. Instead, both sides agreed to settle this case to avoid the cost, time, and uncertainty of further litigation. The Court has granted preliminary approval of the settlement. The settlement does not mean that Starbucks violated any law. Plaintiffs and their attorneys think the settlement is best for all Class Members.

5. How do I know if I will be included in the settlement?

You are a Class Member if you fit one or both of the following definitions:

- **Manager Class:** All individuals who worked for Starbucks in California as a store manager or assistant store manager from June 27, 2015 to November 24, 2023.
- **Employee Class:** All individuals who worked for Starbucks in California as a nonexempt employee from June 8, 2018 to November 24, 2023.

6. What does the settlement provide?

If the Court grants final approval of the settlement, the total settlement amount (“Global Settlement Fund”) will be \$2,875,000. The Global Settlement Fund includes Class Counsel’s attorneys’ fees of \$718,750, out-of-pocket litigation costs not to exceed \$235,000, the cost of settlement administration (estimated not to exceed \$119,000), payment of \$150,000 to the California Labor and Workforce Development Agency to settle the PAGA Claims, payment of \$60,000 to two cy pres beneficiaries, payments of \$5,000 each to the named plaintiffs for releases of any other employment-related claims, and individual settlement payments to members of the Manager Class who participate in the settlement who do not exclude themselves from the settlement. The amount shared by Manager Class Members who do not exclude themselves from the settlement is called the “Net Settlement Fund.”

7. How will payments to the Manager Class be calculated?

The individual settlement payments to Manager Class Members who do not exclude themselves from the settlement will be calculated based on a formula that has been preliminarily approved by the Court as fair and reasonable. If the Court grants final approval of the settlement, each Plaintiff and each of the Manager Class Members who does not exclude themselves from the settlement (collectively, “Claimants”) will receive a *pro rata* share of the Net Settlement Fund based on the number of workweeks worked by the Claimant as store manager or assistant store manager from June 27, 2015 to November 24, 2023.

Based on this formula, you are estimated to receive approximately \$, half of which is subject to deductions for applicable taxes and withholdings like any other paycheck, and for which you will receive an IRS Form W-2; and half of which will be reported on an IRS Form

1099.

8. How do members of the Manager Class get their payment?

If you are a member of the Manager Class, to receive your payment, you are not required to do anything. Checks will be mailed to Manager Class Members at the addresses listed in Starbucks records. If your address has changed, you must contact Simpluris (the “Settlement Administrator”) and provide your current mailing address.

The Settlement Administrator’s complete contact information is:

Simpluris
194 Airport Loop Drive, Suite C
Costa Mesa, CA 92626-3405
Inquiries@Simpluris.com
800-779-2104
[dedicated website address]

9. When will members of the Manager Class get their payment?

[Claims Administrator to insert]

If the Court grants final approval of the settlement, members of the Manager Class will be sent checks after the Court holds a Fairness Hearing and grants final approval of the settlement.

It is your responsibility to keep a current address on file with the Settlement Administrator. Please make sure to notify the Settlement Administrator of any change of address.

Checks will become null and void 120 days after their issuance.

10. Why are members of the Employee Class not receiving direct payments?

Members of the Employee Class are not receiving direct payments because the value of the claim is calculated to be approximately \$60,000. However, there are approximately 168,000 members of the Employee Class. Therefore, the average payment would be approximately 35 cents. Therefore, the cost of preparing and mailing the check would exceed the value of the check itself. Under these circumstances, courts direct that a payment be made to charitable organizations. In this case, the Court has approved a total payment of \$60,000 to two charitable organizations to be split evenly between: (1) Legal Aid Society – Employment Center in San Francisco, and (2) Bet Tzedek in Los Angeles. Both organizations provide, among other services, legal services to people who cannot otherwise afford them.

11. How can I exclude myself from the settlement?

To exclude yourself from the settlement, you must notify the Settlement Administrator in writing

that you wish to be excluded from the settlement. To do so, you must mail your request for exclusion to:

Simpluris
194 Airport Loop Drive, Suite C
Costa Mesa, CA 92626-3405
[dedicated website address]

Your request for exclusion must include your full name, address, telephone number, and the following case number: 3:20-cv-00178-JD. You must also sign your request for exclusion.

You must mail your request for exclusion postmarked by **[75 days from mailing of notices]**.

12. What am I giving up if I do not exclude myself from the settlement?

If the Court grants final approval of the settlement, you will be bound by the release of claims, unless you have excluded yourself from the settlement in the manner described above. The Settlement Agreement includes the following release of claims:

- Any and all claims (i) asserted in this Action on behalf of individuals who worked for Starbucks in California as a store manager or assistant store manager from June 27, 2015 to November 24, 2023, including in the Third Amended Complaint filed on June 8, 2022, or (ii) arising from, or derivative of, the claims or factual allegations asserted in this Action regarding Starbucks alleged failure to: reimburse managers' business expenses, provide managers proper meal and rest breaks, pay managers wages for time worked, provide managers accurate wage statements, or timely pay final wages to managers; and
- Any and all claims (i) asserted in this Action on behalf of individuals who worked for Starbucks in California as a nonexempt employee from June 8, 2018 to November 24, 2023, including in the Third Amended Complaint filed on June 8, 2022, or (ii) arising from, or derivative of, the claims or factual allegations asserted in this Action regarding Starbucks alleged failure to: pay meal and rest break premiums and sick pay at the regular rate of pay, provide employees accurate wage statements, or timely pay final wages.

When claims are "released," that means you cannot sue Starbucks for any of the claims that are covered by the release.

13. How can I object to the settlement?

If you want to object to the settlement, you must send a letter saying that you object to the settlement in the case of *Adelman, et al. v. Starbucks Corporation*, N.D. Cal. Case No. 3:20-cv-00178-JD.

In your objection, you must include your full name, address, and telephone number and the specific reason(s) why you object to the settlement. Please be aware that the Court can only approve or deny the settlement but cannot change the terms of the settlement. Your letter must also indicate whether you intend to appear and object to the settlement at the Fairness Hearing. You must also sign your letter.

You must mail your objection to both of the addresses below so that it is postmarked no later than by **[75 days from mailing of notices]**. Late objections will not be considered.

COURT	SETTLEMENT ADMINISTRATOR
United States District Court Northern District of California San Francisco Division 450 Golden Gate Avenue San Francisco, California 94102	Simpluris 194 Airport Loop Drive, Suite C Costa Mesa, CA 92626-3405 [dedicated website address]

14. What is the difference between objecting and asking to be excluded?

Objecting is informing the Court that you do not like something about the settlement. You can object only if you do not exclude yourself from the settlement. Excluding yourself from the settlement is informing the Court that you do not want to be part of the settlement. If you exclude yourself, you cannot object because the case no longer affects you.

15. The Court's Fairness Hearing

The Court has scheduled a Fairness Hearing on July 25, 2024 at 10:00 a.m. at the United States District Court for the Northern District of California, San Francisco Division, Courtroom 11, 450 Golden Gate Avenue, San Francisco, California 94102

The hearing may be moved to a different date or time, so if you plan to attend, you should call or email the Settlement Administrator or Class Counsel for current information or check the website [insert]. At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court may listen to Class Members who have asked to speak about an objection. At or after the hearing, the Court will decide whether to grant final approval of the settlement.

Class Counsel will answer any questions that the Court may have. **You do not have to come to the hearing**, even if you submitted an objection. If you send an objection, you do not have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay your own lawyer to attend.

16. Do I have a lawyer in this case?

The Court appointed Wynne Law Firm, Shavitz Law Group, P.A., Cohelan Khoury & Singer, and Davytan Law Firm to represent you and other Class Members as "Class Counsel." You may call Class Counsel to discuss any questions you may have about this settlement using the contact information below. If you want to be represented by your own lawyer, and have that lawyer appear in court for you in this case, you may hire one at your own expense.

WYNNE LAW FIRM EDWARD J. WYNNE ewynne@wynnelawfirm.com GEORGE R. NEMIROFF gnemiroff@wynnelawfirm.com 80 E. Sir Francis Drake Blvd., Suite 3G Wood Island Larkspur, CA 94939 Telephone: (415) 461-6400 Facsimile: (415) 461-3900	SHAVITZ LAW GROUP, P.A. GREGG I. SHAVITZ gshavitz@shavitzlaw.com CAMAR JONES cjones@shavitzlaw.com ALAN L. QUILES aquiles@shavitzlaw.com 951 Yamato Road, Ste. 285 Boca Raton, FL 33431 Telephone (561) 447-8888 Facsimile (561) 447-8831
COHELAN KHOURY & SINGER MICHAEL D. SINGER msinger@ckslaw.com MARTA MANUS mmanus@ckslaw.com 605 C Street, Suite 200 San Diego, CA 92101 Telephone: (619) 595-3001 Facsimile: (619) 595-3000	DAVTYAN LAW FIRM, INC. EMIL DAVTYAN support@davtyanlaw.com 880 E. Broadway Glendale, CA 91205 Telephone: (818) 875-2008 Facsimile: (818) 722-3974

17. How will Class Counsel be paid?

Class Counsel will ask the Court to approve a fee not to exceed twenty-five percent (25%) of the Global Settlement Fund, or \$718,750, for attorney fees in addition to reasonable actual expenses not to exceed \$235,000 for out-of-pocket litigation expenses. The Court will decide whether to grant the request at the Fairness Hearing set for July 25, 2024 at 10:00 a.m. at the United States District Court for the Northern District of California, San Francisco Division, Courtroom 11, 450 Golden Gate Avenue, San Francisco, California 94102. Class Counsel have been prosecuting the Lawsuit on behalf of the Class on a contingency fee basis (that is, without being paid to-date) while advancing litigation costs and expenses. The fee and cost award will constitute full compensation for all legal fees and litigation expenses of Class Counsel in the Lawsuit, including any work they do in the future. Class Members are not personally responsible for any fees or litigation expenses.

18. How do I get more information?

This Notice summarizes the proposed settlement. More details about the settlement are in the Settlement Agreement. If you have other questions about the settlement, or if you would like a copy of the Settlement Agreement, you can contact Class Counsel using the contact information above. Alternatively, you may visit the settlement website available at: [dedicated website address] or by accessing the Court docket in this case, for a fee, through the Court's Public Access to Court Electronic Records (PACER) system at <https://ecf.cand.uscourts.gov>, or by visiting the office of the Clerk of the Court for the United States District Court for the Northern District of California, 450 Golden Gate Avenue, San Francisco, California 94102, between 9:00 a.m. and

4:00 p.m., Monday through Friday, excluding Court holidays.

**PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THE
SETTLEMENT**

Dated: , 2023