

1 Alan Harris (SBN 146079)
David Garrett (SBN 160274)
2 HARRIS & RUBLE
655 North Central Avenue, 17th Floor
3 Glendale, CA 91203
Telephone: (323) 962-3777
4 Facsimile: (323) 962-3004
aharris@harrisandruble.com

5 David Harris (SBN 215224)
6 NORTH BAY LAW GROUP
116 E. Blithedale Ave., Ste. 2
7 Mill Valley, CA 94941
Telephone: (415) 388-8788
8 Facsimile: (415) 388-8770
dsh@northbaylawgroup.com

9 Attorneys for Plaintiffs

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13 **SUPERIOR COURT OF CALIFORNIA**
14 **COUNTY OF SAN FRANCISCO**

15
16 TANIKA TURLEY and CHRISTOPHER
17 THOMPSON, individually and on behalf
of all others similarly situated,

18 Plaintiffs,

19 v.

20 CHIPOTLE SERVICES, LLC, and DOE
21 ONE through and including DOE ONE-
HUNDED,

22 Defendants.

Case No. CGC-15-544936

ASSIGNED FOR ALL PURPOSES TO
HON. ANNE-CHRISTINE MASSULLO
DEPARTMENT 304

**STIPULATION OF CLASS ACTION
SETTLEMENT AND SETTLEMENT
AGREEMENT**

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Angela C. Agrusa (SBN 131337)
angela.agrusa@us.dlapiper.com
Levi W. Heath (SBN 220854)
levi.heath@us.dlapiper.com
Steve L. Hernández (SBN 229065)
Steve.hernandez@dlapiper.com
DLA PIPER LLP (US)
2000 Avenue of the Stars
Suite 400 North Tower
Los Angeles, California 90067-4704
Tel: (310) 595-3000
Fax: (310) 595-3300

MESSNER REEVES LLP
Charles C. Cavanagh, Cal. Bar No. 198468
1430 Wynkoop Street, Suite 300
Denver, Colorado 80202
Telephone: 303.623.1800
Facsimile: 303.623.0552

Attorneys for Defendant
CHIPOTLE SERVICES, LLC

1 **STIPULATION OF CLASS ACTION SETTLEMENT AND SETTLEMENT AGREEMENT**

2 Subject to its terms and conditions and the approval of the Court, this Joint Stipulation of
3 Class Action Settlement and Class Action Settlement Agreement and Release (the “Settlement” or
4 “Agreement”) is made and entered into by and between Plaintiff TANIKA TURLEY, individually
5 and on behalf of the class (“Plaintiffs”), and Defendant CHIPOTLE SERVICES, LLC (herein
6 “CHIPOTLE” or “Defendant”). Plaintiffs and Defendant are collectively referred to in this
7 Settlement as the “Parties.”

8 **I. DEFINITIONS**

9 1. In addition to terms defined elsewhere in the Settlement, as used in this
10 Settlement the following terms have the meanings indicated below:

11 a. “Action” means the civil action initiated on March 25, 2015, in San
12 Francisco Superior Court styled as *TANIKA TURLEY v. CHIPOTLE Inc.*, Case No. CGC-15-544936
13 (the “Action”), along with any amended complaints filed therewith.

14 b. “Claims Administrator” means an administrator mutually agreed to by
15 the Parties and approved by the Court that will perform the customary duties of a claims
16 administrator including but not limited to, the duties enumerated in this Agreement. The parties
17 have sought bids from several reputable administrators, and currently anticipate that they will seek
18 approval from the Court to utilize Phoenix Class Action Administrators as the Claims Administrator.

19 c. “Class Member” shall refer to any current or former employee of Defendant who falls
20 within the definition of the class. Subject to Court approval, the settlement “Class” shall consist of
21 all current and former non-exempt employees of Defendant who were hired before August 1, 2014
22 and who worked in California at any time between October 1, 2014 and August 1, 2020 (the “Class
23 Period”). Excluded from the Class are any California employees that are members of the collective
24 in the currently pending *Turner v. Chipotle Mexican Grill, Inc.*, Case No. 1:14-cv-02612-JLK-CBS
25 or who filed individual arbitrations related to that action, as well as any other person who had a
26 pending arbitration or lawsuit against Defendant as of August 1, 2020.

27 d. “Class Counsel” shall refer to Alan Harris, Priya Mohan and David
28 Garrett of Harris & Ruble and David Harris of North Bay Law Group.

1 g. "Class Notice" means the Notice, which the Claims Administrator will
2 mail to each Class Member explaining the terms of the settlement contemplated by this Agreement,
3 in a format that is mutually acceptable to the parties. The Class Notice shall be accompanied by an
4 Opt-Out Notice. The Class Notice and Opt-Out Notice are collectively referred to as the "Notice
5 Materials". The form of Notice Materials to be used are attached collectively hereto as **Exhibit A**.
6 The approved Notice Materials shall also be translated into Spanish, which shall be included in the
7 Claims Administrator bid.

8 h. "Class Representative" shall refer to Plaintiff Tanika Turley.

9 i. "Class Representative Payment" means the Court-approved service
10 payment to Class Representatives for their services as Class Representative and for their execution
11 of a general release of claims known and unknown.

12 j. "Counsel for Defendant" or "Defense Counsel" means Angela C.
13 Agrusa, Levi W. Heath, and Steve L. Hernández of DLA PIPER LLP (US).

14 k. "Class Period" shall be from October 1, 2014 through August 1, 2020.

15 l. "Defendant" means CHIPOTLE SERVICES, LLC.

16 m. "Final Approval Hearing" means the hearing contemplated by the
17 Parties, at which the Court will approve, in final, the settlement and make such other final rulings as
18 are contemplated by this Settlement Agreement.

19 n. "Final Approval Order" means the Court's order granting final
20 approval of the Settlement, which will constitute a "judgment" within the meaning of Code of Civil
21 Procedure section 577. The form of Final Approval Order to be submitted is attached hereto as
22 **Exhibit C**.

23 o. "Final Effective Date" shall be the first date after all of the following
24 events or conditions have been met or have occurred:

25 (1) the Court has, by entry of a Preliminary Approval Order:

26 (a) Approved the certification of the Class for settlement
27 purposes;

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(b) Preliminarily approved the settlement set forth in this Settlement Agreement, and the method of providing the Court-approved Class Notice to the certified class;

(2) The Court has entered a Final Approval Order approving this settlement and the Court has entered the Final Judgment as provided in Paragraph 1.p. below;

(3) No valid rescission of the Settlement Agreement has occurred;

(4) The time to appeal from the Final Approval Order has expired and no notice of appeal has been filed; and

(5) In the event that an appeal is actually filed, the latest of the following, if applicable, has occurred:

(a) Any appeal from the Final Approval Order has been finally dismissed;

(b) The Final Approval Order has been affirmed on appeal in a form substantially identical to the form of the Final Approval Order entered by the Court;

(c) The time to petition for review with respect to any appellate decision affirming the Final Approval Order has expired; or

(d) If a petition for review of an appellate decision is filed, the petition has been denied or dismissed, or, if granted, has resulted in affirmance of the Final Approval Order in a form substantially identical to the form of the Final Approval Order entered by the Court.

p. “Final Judgment” means the judgment entered by the Court in conjunction with the Final Approval Order. The Parties shall submit an order of Final Judgment setting forth the terms of this Settlement Agreement, by incorporation or otherwise, for execution and entry by the Court at the time of the Final Approval Hearing or at such other time as the Court deems appropriate. The form of Final Judgment to be submitted is attached hereto as **Exhibit D**.

1 q. "Gross Individual Settlement Payment" means the gross amount of the
2 Net Settlement Amount each Participating Class Member will be paid. The sum of these Gross
3 Individual Settlement Payments to individual Participating Class Members shall constitute the
4 "Class Settlement Payment." The allocation of payment of claims between the class members and
5 tax treatment of such claims shall be 25% wages, 25% interest, and 50% penalties and expense
6 reimbursement.

7 r. In consideration for the release of claims, Defendant shall pay, or
8 cause to be paid, the total sum of \$1,750,000.00, or the amount as adjusted pursuant to section
9 V.A.6, below (the "Gross Settlement Amount"), in cash, for payment of all claims, payment of
10 claims administration, attorney fees, attorney expenses, a payment to the Labor Workforce
11 Development Agency (the "LWDA"), and service awards for the named plaintiffs.

12 The following litigation costs and costs of administration will be deducted from the Gross
13 Settlement Amount: (a) attorneys' fees and recoverable costs; (b) settlement administration fees not
14 to exceed \$50,000; (c) a net payment to the Labor Workforce Development Agency in the amount of
15 \$50,000; (d) a service award to Turley not to exceed \$2,500 for her services as Class
16 Representative; (e) attorney fees in an amount not to exceed 33.33% (\$583,333) and reimbursement
17 of actual costs not to exceed \$25,000.

18 The "Net Settlement Amount" will equal the net amount available for payment of claims to
19 Class Members, as follows: \$1,039,167. The amount is calculated as \$1,750,000 less: (a) settlement
20 administration fees not to exceed \$50,000; (b) a net payment to the Labor Workforce Development
21 Agency in the amount of \$50,000; (b) a service award to Turley not to exceed \$2,500 for her
22 services as Class Representative; (d) attorney fees in an amount not to exceed 33.33% (\$583,333)
23 and reimbursement of actual costs not to exceed \$25,000.

24 Class Members who do not affirmatively opt-out of the settlement will receive a check in
25 amount equal to a pro-rata share of the Net Settlement Amount based on pay periods worked during
26 the Class Period. All checks shall be good for 180 days from the date of mailing. Following the
27 expiration of 180 days, the Claims Administrator shall inform the parties of the total amount of
28 uncashed checks (the "Uncashed First Checks"). Because the parties intend to provide as much

1 relief as practicable to the Class Members, the parties will facilitate a second distribution to the Class
2 Members who cashed their checks during the first round (the “Second Distribution”) if the amount
3 of Uncashed First Checks exceeds \$27,500. For the Second Distribution, the Class Members who
4 cashed their checks during the first round shall be mailed a check in an amount equal to a pro rata
5 share of the amount of the Uncashed First Checks after deductions for postage and handling by the
6 Claims Administrator.

7 Following the Second Distribution, if any, all checks not cashed within 180 days of payment
8 shall be paid to California pro bono law firm, Public Counsel, and approved by the Court, in
9 accordance with Code of Civil Procedure section 384. Should the Court approve Public Counsel as
10 the *cy pres* recipient, the sum of the uncashed checks and any other unpaid residue or unclaimed or
11 abandoned class member funds, plus any interest on that sum, shall be made payable to Public
12 Counsel, pursuant to Cal. Code Civ. Proc., § 384, subd. (b).

13 If the number of Class Members exceeds 6,993 by more than 10 percent, or if the number of
14 wage statements exceeds 73,665 by more than 10 percent, the Gross Settlement Amount will
15 increase by a proportionate percentage for all additional Class Members or wage statements above
16 the 10 percent allowance.

17 s. “PAGA Payment” means the net amount of Fifty Thousand Dollars
18 and No Cents (\$50,000.00) all of which shall be remitted to the California Labor and Workforce
19 Development Agency for the resolution of all Class Members’ claims under the PAGA, California
20 Labor Code Section 2698, *et. seq.*

21 t. “Participating Class Members” means those members of the Class who
22 do not Opt Out.

23 u. “Preliminary Approval Order” means the order of the Court granting
24 preliminary approval of this Settlement Agreement on the terms provided herein or as the same may
25 be modified by subsequent mutual agreement of the Parties with, as appropriate, approval of the
26 Court. The form of Preliminary Approval Order to be submitted is attached hereto as **Exhibit B**.

27 **II. BACKGROUND AND REASONS FOR SETTLEMENT**

28 2. On March 25, 2015, Plaintiff TANIKA TURLEY filed a Complaint in the

1 Superior Court of the State of California, County of San Francisco, entitled *TANIKA TURLEY v.*
2 *CHIPOTLE Inc.*, Case No. CGC-15-544936, on behalf of herself and other non-exempt employees
3 who worked for Defendant in California alleging claims for: 1) failure to pay all earned wages and
4 compensation upon termination in violation of Labor Code sections 201, 202 and 203; (2) unfair
5 business practices in violation of California Business and Professions Code section 17200; and (3)
6 Violation of PAGA. On March 27, 2015, Plaintiff sent by certified mail a letter to the California
7 Labor and Workforce Development Agency (“LWDA”) notifying the agency of her allegations that
8 Defendant violated California Labor Code sections 201 to 203, as set forth in the Complaint. The
9 Lawsuit seeks lost wages, interest, penalties, injunctive relief, attorneys’ fees and expenses.

10 3. On July 23, 2015, Plaintiff TANIKA TURLEY filed a First Amended
11 Complaint (the “FAC”) in the Superior Court of the State of California, County of San Francisco,
12 entitled *TANIKA TURLEY v. CHIPOTLE Inc.*, Case No. CGC-15-544936, on behalf of herself and
13 other non-exempt employees who worked for Defendant in California alleging claims for: 1) failure
14 to pay all earned wages and compensation upon termination in violation of Labor Code sections 201,
15 202 and 203; (2) failure to provide lawful wage statements in violation of Labor Code section 226;
16 (3) failure to provide proper response to document request in violation of Labor Code section 226;
17 (4) failure to provide proper rest breaks in violation of Labor Code section 226.7; (5) failure to
18 provide proper meal breaks in violation of Labor Code section 226.7; (6) unfair business practices in
19 violation of California Business and Professions Code section 17200; and (7) Violation of PAGA.

20 4. Defendant denies all of the allegations in Plaintiff’s operative FAC and
21 maintains that the Court should not certify the class or representative action proposed by Plaintiff,
22 other than for the sole purpose of this Settlement, as set forth in its Answer to FAC and Affirmative
23 Defenses, filed on August 27, 2015.

24 5. The parties agreed to attempt to resolve the matters through mediation and
25 agreed to engage in informal discovery leading up to that mediation. To facilitate mediation in this
26 case, Defendant provided data on the number of paystubs issued, the number of class members, and
27 other relevant class data.

28 6. Using the data analysis, the parties engaged in mediation under the guidance

1 of an experienced wage and hour neutral, Jeff Krivis, Esq. on October 1, 2019. With the mediator's
2 assistance, the Parties reached a settlement and were able to sign a Memorandum of Understanding
3 on or about October 17, 2019.

4 7. Prior to mediation, counsel for Plaintiff informed counsel for Defendant that
5 Plaintiff intended to amend their operative class action complaint to add a new plaintiff and claims
6 for overtime violations (Labor Code §§ 510, 1194 and 1198), unpaid minimum wages (Labor Code
7 §§ 1194, 1194.2, 1197 and 1197.1) and failure to reimburse (Labor Code § 2802). As a condition of
8 settlement, Plaintiff has amended her operative complaint to add a new plaintiff and claims for
9 overtime violations (Labor Code §§ 510, 1194 and 1198), unpaid minimum wages (Labor Code §§
10 1194, 1194.2, 1197 and 1197.1) and failure to reimburse (Labor Code § 2802). The Parties have
11 filed a Stipulation and Order for filing of the TAC with the Court. The Parties have stipulated that
12 no responsive pleading need be filed in response to the TAC as the case has been settled.

13 8. Class Counsel represent that they have conducted a thorough investigation
14 into the facts of this case, and have diligently pursued an investigation of the Class Members' claims
15 against Defendant, including: (1) interviewing Class Members and analyzing the results of Class
16 Member interviews; (2) reviewing relevant policy documents; (3) researching the applicable law and
17 the potential defenses; and (4) reviewing relevant data including time records and pay data. Class
18 Counsel reviewed payroll records for the named plaintiff and other class members and prepared a
19 detailed damage analysis. Based on their own independent investigation and evaluation, Class
20 Counsel are of the opinion that the Settlement is fair, reasonable and adequate and is in the best
21 interest of the Class in light of all known facts and circumstances, including the risk of significant
22 delay, defenses asserted by Defendant, and potential appellate issues. Without admitting any
23 liability, Defendant agrees that the Settlement is fair, reasonable and adequate.

24 9. It is the mutual desire of the Parties to fully, finally, and forever settle,
25 compromise, and discharge all disputes and claims raised in or related in any way to the Action.
26 Thus, the entry of the Final Approval Order in this Action shall release all class claims which were
27 or which could have been alleged in Plaintiff's Complaint. The Parties agree to cooperate and take
28 all steps necessary and appropriate to obtain preliminary and final approval of this Settlement and to

1 effectuate its terms.

2 10. The Court must approve the settlement. The Parties will cooperate in good
3 faith and utilize best efforts to obtain approval, including in the preparation of all paperwork
4 necessary to obtain approval. Absent Court approval there is no settlement.

5 11. Plaintiff's counsel intends to apply to the Court for a fee award, plus expenses
6 and costs incurred. Defendant will not object to a claim for attorney fees of up to 33.33% of the
7 Gross Settlement Amount, actual costs as documented in billing statements of the attorneys for the
8 named Plaintiffs, and a service award to plaintiff Turley of up to \$2,500.00. If the Court believes the
9 fees, costs, or service awards should be reduced, the other terms of the settlement will remain in
10 effect and any such reduction will not affect the remaining terms, other than adjusting the Net
11 Settlement Amount. A reduction to the fees, costs, or service awards is not a ground for rescission.

12 12. Class Members who do not affirmatively opt-out of the settlement will receive
13 a pro-rata share of the Wage Statement Settlement Amount based on pay periods worked during the
14 Class Period.

15 13. If more than 10% of the class members opt-out of the settlement, Defendant
16 may rescind the settlement.

17 14. The Parties and their counsel shall issue no public statements and shall make
18 no comments to media or press with respect to the Action or the settlement at any time (including
19 but not limited to press releases), except as required by law. In addition, the Parties and their counsel
20 shall not make, publish, circulate or cause to be made, published or circulated any statements that
21 represent or suggest any wrongdoing by Defendant, or that this settlement or any order by the Court
22 regarding the settlement represents or implies any wrongdoing by, or any admission of liability by,
23 Defendant, or a finding by the Court of liability or wrongdoing.

24 **III. NO ADMISSION**

25 1. Nothing contained in this Joint Stipulation and the Settlement contemplated in
26 the Joint Stipulation shall be construed or deemed an admission of liability, culpability, negligence,
27 or wrongdoing on the part of Defendant and Defendant denies liability therefor. While Defendant
28 believes that this Action meets the prerequisites for certification of a settlement class, the fact that

1 Defendant seeks approval of this Settlement in the form of a class action shall not be construed as an
2 admission that the underlying action was properly brought as a class action or a representative action
3 under California Business and Professions Code section 17200 or California Labor Code 2699 for
4 purposes other than settlement. Each of the Parties has entered into this Settlement with the
5 intention to avoid further disputes and litigation with the attendant inconvenience and expenses.
6 Settlement of the Action, the negotiation and execution of this Joint Stipulation, and all acts
7 performed or documents executed pursuant to or in furtherance of this Joint Stipulation or the
8 Settlement: (1) are not, shall not be deemed to be, and may not be used as, an admission or evidence
9 of any wrongdoing or liability on the part of Defendant, and each of them; (2) are not, shall not be
10 deemed to be, and may not be used as, an admission or evidence of any fault or omission on the part
11 of Defendant in any civil, criminal, administrative or arbitral proceeding in any court, administrative
12 agency or other tribunal; and (3) are not, shall not be deemed to be, and may not be used as, an
13 admission or evidence of the appropriateness of these or similar claims for class certification or
14 administration other than for purposes of administering this Joint Stipulation. This Joint Stipulation
15 is a settlement document and shall be inadmissible in evidence in any proceeding, except an action
16 or proceeding to approve, interpret, or enforce the terms of the Joint Stipulation.

17 **IV. CERTIFICATION OF A CODE OF CIVIL PROCEDURE SECTION 382 CLASS**

18 2. For Settlement purposes only, the Parties stipulate to conditional certification
19 of the Settlement Class (“Class”), an opt-out class under California Code of Civil Procedure section
20 382, that is defined as follows:

21 The “Class Member” shall consist of any current or former employee
22 of Chipotle who was hired before August 1, 2014 and who worked in
23 California at any time between October 1, 2014 and August 1, 2020
24 (“Class Period”). Each person in the class is a “Class Member,” and all
25 such persons are referred to as the “Class.”

26 Excluded from the Class are any California employees that are
27 members of the collective in the currently pending *Turner v. Chipotle*
28 *Mexican Grill, Inc., Case No. 1:14-cv-02612-JLK-CBS* or who have
filed individual arbitrations related to that action, as well as any other
person who has a pending arbitration or lawsuit as of the date hereof.

3. The Parties stipulate that Plaintiff TANIKA TURLEY shall be appointed as
the Class Representative for the Class.

1 4. The Parties stipulate that Harris & Ruble and North Bay Law Group shall be
2 appointed Class Counsel for the Settlement Class.

3 5. The stipulations to certify the Settlement Class are completely contingent
4 upon final approval of this Agreement by the Court and are made for settlement purposes only. If
5 the Settlement is not approved by the Court, is overturned on appeal, or does not become final for
6 any other reason, the Parties agree that the certification of the Settlement Class is void ab initio and
7 that, if necessary, they shall stipulate to decertification of the Settlement Class without prejudice to
8 the propriety of class certification being adjudicated on the merits.

9 **V. TERMS OF THE SETTLEMENT**

10 **A. Gross Settlement Amount**

11 1. In consideration for the release of claims, Defendant shall pay, or cause to be
12 paid the Gross Settlement Amount for payment of all claims, payment of claims administration,
13 attorney fees, attorney expenses, a payment to the LWDA, and service awards for the named
14 plaintiffs.

15 2. The following litigation costs and costs of administration will be deducted
16 from the Gross Settlement Amount: (a) attorneys' fees and recoverable costs; (b) settlement
17 administration fees; (c) a payment to the Labor Workforce Development Agency in the amount of
18 \$50,000; and (d) a service award to named plaintiff Turley not to exceed \$2,500 for her services as
19 Class Representative.

20 3. The "Net Settlement Amount" will equal the net amount available for
21 payment of claims to Class Members (after deducting the above-referenced fees and costs from the
22 Gross Settlement Amount).

23 4. This is a non-reversionary settlement and none of the Gross Settlement
24 Amount will revert to the Defendant.

25 5. The allocation of payment of claims between the class members and tax
26 treatment of such claims shall be 25% wages, 25% interest, and 50% penalties and expense
27 reimbursement.
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1 6. If the number of Class Members exceeds 6,993 by more than 10%, or if the
2 number of wage statements exceeds 73,665 by more than 10%, the Gross Settlement Amount will
3 increase by a proportionate percentage for all additional Class Members or wage statements above
4 the 10 percent allowance.

5 7. This Settlement does not establish a fund for the payment of claims except as
6 expressly provided for herein. The Gross Settlement Amount shall remain in the possession,
7 custody, and control of Defendant until the settlement amounts are distributed as set forth herein.
8 The Gross Settlement Amount shall not be segregated but shall remain in Defendant's general funds
9 until distributed or shall be provided to the Claims Administrator for distribution sufficiently in
10 advance for the Claims Administrator to meet its obligations under the Settlement Agreement.

11 8. In the event that this Settlement Agreement is canceled, rescinded, terminated,
12 voided, or nullified, however that may occur, or the settlement of the Action is barred by operation
13 of law, is invalidated, is not approved or otherwise is ordered not to be carried out by the Court or
14 any court of competent jurisdiction, Defendant will cease to have any obligation to pay or provide
15 any portion of the Gross Settlement Amount to anyone under the terms of this Settlement
16 Agreement.

17 **B. Attorneys' Fees and Costs**

18 9. The Action alleges a potential claim for attorneys' fees and costs pursuant to,
19 inter alia, the California Labor Code. The Parties agree that any and all such claims for attorneys'
20 fees and costs have been settled in this Joint Stipulation subject only to approval by the Court.

21 10. Defendant understands that Class Counsel will apply to the Court for an award
22 of attorneys' fees and costs, which will be scheduled for determination at the final fairness and
23 approval hearing described below. Plaintiff's counsel intends to apply to the Court for a fee award,
24 plus expenses and costs incurred. Defendant will not object to a claim for attorney fees of up to
25 33.33% of the Gross Settlement Amount (\$583,333), costs (up to \$25,000) as documented in billing
26 statements of the attorneys for the named Plaintiffs, and a service award to named plaintiff Turley of
27 up to \$2,500.00. If the Court believes the fees, costs, or service awards should be reduced, the other
28 terms of the settlement will remain in effect and any such reduction will not affect the remaining

1 terms, other than adjusting the Net Settlement Amount. A reduction to the fees, costs, or service
2 awards is not a ground for rescinding the settlement.

3 11. The fee award shall be paid exclusively from the Gross Settlement Amount,
4 and will compensate Class Counsel for all of the work already performed in the Action and all work
5 remaining to be performed in documenting the Settlement, securing Court approval of the
6 Settlement, administering the Settlement, ensuring that the Settlement is fairly administered and
7 implemented, and defending against any appeals, as well as all associated expenses. The litigation
8 costs and expenses shall be those costs and expenses incurred by Plaintiff as set forth on Class
9 Counsel's billing statement, including but not limited to mediation fees, expert and consultant fees,
10 filing fees, attorney service charges, online research charges, travel expenses (including mileage,
11 parking, meals, hotels and flights), copying expenses, deposition expenses, Belaire West class notice
12 expenses (if not covered by the claims administrator bid), courier fees, postage and delivery
13 charges. Neither the Class Representatives, Class Counsel, nor any other Class Member shall seek
14 payment of attorneys' fees or reimbursement of costs or expenses from Defendant except as
15 expressly set forth in this Joint Stipulation.

16 12. The substance of Class Counsel's application for attorneys' fees and costs is
17 not a material part of this Joint Stipulation, and is to be considered separately from the consideration
18 of the fairness, reasonableness, adequacy, and good faith of the settlement of the Action. However,
19 all claims for attorneys' fees and costs or expenses that the Settlement Class may possess against
20 Defendant have been compromised and resolved in this Joint Stipulation. Any proceedings related
21 to Class Counsel's application for attorneys' fees and costs shall not terminate or cancel this Joint
22 Stipulation. If Class Counsel appeals an adverse ruling of the Court regarding its fee and cost
23 application, the ruling of the appellate court (regardless of its substance) shall not constitute a
24 material alteration of a term of this Joint Stipulation. Class Counsel waives and releases any claim
25 for fees and costs in excess of that which are allowed by the Court or on appellate review of the
26 Court's fees and costs decision or otherwise. The amount, if any, by which the finally approved fees
27 and costs are less than the maximum amount which can be sought pursuant to this Agreement shall
28 be a part of the wages and non-wage income provided Class Members in equal proportions.

1 13. No later than fifteen (15) calendar days after the Court's approval of Class
2 Counsel's application for attorneys' fees and costs, Class Counsel shall deliver to the Claims
3 Administrator written instructions that describe the manner and mode of payment of such attorneys'
4 fees and costs (and, in the absence of such instructions, such attorneys' fees and costs shall be sent
5 by wire transfer as set forth below), and fully-executed Form W-9s with respect to all persons or
6 entities to whom some or all of the attorneys' fees and costs shall be paid.

7 14. No later than ten (10) calendar days after the Final Effective Date, Defendant
8 shall wire transfer the Gross Settlement Amount to the Claims Administrator. Assuming the
9 conditions in Paragraph 17 have been met, no later than five (5) calendar days after the receipt of the
10 Gross Settlement Amount from Defendant, the Claims Administrator shall issue a payment to Class
11 Counsel for the amount of attorneys' fees and costs approved by the Court and in accordance with
12 the instructions provided by Class Counsel.

13 15. The Claims Administrator will issue to Class Counsel IRS Form 1099s for the
14 amounts paid for attorneys' fees and costs under this Settlement.

15 **C. Payment to Claims Administrator**

16 16. The fees and expenses of the Claims Administrator are estimated at \$50,000.
17 To the extent that the costs of administration exceed the amount agreed upon, the shortfall will be
18 taken from the Net Settlement Amount and thereby reduce the amount of penalties payable to the
19 Participating Class Members. To the extent the cost of administration is less than the amount agreed
20 upon, the excess shall become part of the Net Settlement Amount and shall increase the amount of
21 penalties payable to the Participating Class Members.

22 17. On or before the date of the Final Approval Hearing, the Claims
23 Administrator shall deliver to counsel for Defendant a fully-executed Form W-9.

24 18. No later than ten (10) calendar days after the Final Effective Date, Defendant
25 shall mail or wire transfer the Gross Settlement Amount to the Claims Administrator. At the time it
26 receives the Gross Settlement, the Claims Administrator may issue a payment to itself for the
27 amount of fees approved by the Court.
28

1 19. Defendant will issue to the Claims Administrator an IRS Form 1099 for the
2 sum paid to it under this Settlement.

3 **D. Class Representative Payments to Class Representatives**

4 20. Defendant understands that Plaintiffs and Class Counsel will apply to the
5 Court for Class Representative Payment, which will be scheduled for determination at the final
6 fairness and approval hearing. Plaintiff and Class Counsel will apply for a Class Representative
7 Payment in an amount up to, but not to exceed, Two Thousand Five Hundred Dollars and No Cents
8 (\$2,500.00) to Plaintiff Turley as Class Representative, which shall be paid exclusively from the
9 Gross Settlement Amount, and will compensate Plaintiff Turley for her services as the Class
10 Representatives. Defendant will not oppose Plaintiff's application for the Class Representative
11 Payment up to the stated amount. The amount, if any, by which the Class Representative Payment
12 are less than the maximum amount which can be sought pursuant to this Agreement shall be part of
13 the Net Settlement Distribution Amount.

14 21. As condition precedent to the payment of this Class Representative Payment,
15 Plaintiff releases any and all claims against Defendant as set forth in the Class Representative
16 Release.

17 22. Any Class Representative Payment awarded by the Court shall be in addition
18 to the payment, if any, Plaintiff may otherwise receive as a Participating Class Member and shall not
19 be subject to payroll tax withholding and deductions for this payment.

20 23. No later than seven (7) calendar days after the receipt of the Gross Settlement
21 Amount from Defendant, the Claims Administrator shall issue the Class Representative Payment to
22 Class Counsel on behalf of Plaintiff in the amount approved by the Court, subject to all authorized
23 and required deductions.

24 24. The Claims Administrator will issue IRS Form 1099-MISC to Plaintiff for the
25 amount of the Class Representative Payment.

26 **E. Distribution to Participating Class Members**

27 25. The following litigation costs and costs of administration will be deducted
28 from the Gross Settlement Amount: (a) attorneys' fees and recoverable costs; (b) settlement

1 administration fees; (c) a net payment to the Labor Workforce Development Agency in the amount
2 of \$50,000; and (d) a service award to named plaintiff Turley not to exceed \$2,500 as Class
3 Representative.

4 26. The “Net Settlement Amount” will equal the net amount available for
5 payment of claims to Class Members (after deducting the above-referenced fees and costs from the
6 Gross Settlement Amount).

7 27. Class Members who do not affirmatively opt-out of the settlement will receive
8 a pro-rata share of the Wage Statement Settlement Amount based on pay periods worked during the
9 Class Period. After a Second Distribution, if any, all checks not cashed within 180 days of payment
10 shall be paid to Public Counsel, the *cy pres* of Defendant’s selection, in accordance with Code of
11 Civil Procedure section 384.

12 28. The Participating Class Members shall be paid their respective Individual
13 Settlement Payments as provided in this Agreement pursuant to section IX below. The allocation of
14 payment of claims between the class members and tax treatment of such claims shall be 25% wages,
15 25% interest, and 50% penalties and expense reimbursement.

16
17 **F. PAGA Payment**

18 29. The Parties have agreed to allocate Fifty Thousand Dollars and Zero Cents
19 (\$50,000.00) for the resolution of all Class Members’ claims under the California Private Attorney
20 General Act, California Labor Code Section 2698, et. seq. The PAGA Payment will be remitted to
21 the California Labor and Workforce Development Agency.

22 30. This amount is subject to review and approval by the Court as part of the
23 settlement process pursuant to Labor Code section 2699(1)(2). This Settlement is contingent on the
24 Court approving the PAGA release and payment. Plaintiff’s counsel will submit a copy of the
25 Settlement to the LWDA at the same time the Settlement is submitted to the Court in accordance
26 with Labor Code section 2699 (1)(2).

1 31. Within five (5) calendar days after the receipt of the Gross Settlement Amount
2 from Defendant, the Claims Administrator will remit the PAGA Payment to the California Labor
3 and Workforce Development Agency.

4 **VI. APPOINTMENT AND DUTIES OF CLAIMS ADMINISTRATOR**

5 32. The Claims Administrator shall perform the following duties in connection
6 with administration of the Settlement: (1) using the data provided by Defendant to prepare the
7 Notice Materials for each Class Member, as described in section VII.A of this Settlement; (2)
8 mailing the Notice Materials to Class Members; (3) tracking non-delivered Notice Materials and
9 taking reasonable steps to re-send them to Class Members' current addresses; (4) sending out
10 reminder postcards to Class Members; (5) setting up a settlement website which contains copies of
11 all papers and orders filed in connection with preliminary and final approval, including the final
12 Settlement Agreement, Complaint, and Final Judgment; (6) tracking and timely reporting to Class
13 Counsel and Counsel for Defendant about any Opt-Outs/requests for exclusion; (7) calculating and
14 paying the amounts due to each Participating Class Member pursuant to the Settlement; (8) resolving
15 disputes (if any) by Class Members regarding the categorization in Group 1, 2 or 3, or other matters,
16 after timely notice to and consultation with Class Counsel and counsel for Defendant; (10)
17 transmitting funds as required by applicable garnishments and liens; (11) contacting all Participating
18 Class Members who have not cashed their Settlement Checks to remind them to do so before the six-
19 month deadline for doing so expires; (12) transmitting funds to resolve the PAGA claim to the State
20 of California as designated; (13) issuing payments to Class Counsel and Class Representative and
21 associated tax forms; (14) escheating the funds to the agreed upon *cy pres* recipient.

22 33. Any unresolved, material disputes between the parties regarding the Claims
23 Administrator's performance of its duties in this case will be referred to the Court, if necessary,
24 which will have continuing jurisdiction over this Settlement, pursuant to Code of Civil Procedure
25 section 664.6 and Rule 3.769(h) of the California Rules of Court, until all payments and obligations
26 contemplated by this Settlement have been fully carried out.

1 **VII. NOTICE TO THE CLASS OF THE SETTLEMENT**

2 **A. Mailing or Emailing the Notice Packets to the Class Members**

3 34. Within fifteen (15) calendar days after the Court enters its Preliminary
4 Approval Order, Defendant will provide to the Claims Administrator a database that lists, for each
5 Class Member, the individual's name, Social Security Number, last known email and/or address and
6 telephone number; last known email address, and dates of employment with Defendant during the
7 Covered Period. This database will be drawn from Defendant's payroll and other business records
8 and will be in a format acceptable to the Claims Administrator and Defendant. Defendant will
9 consult with the Claims Administrator prior to the date for providing this information to ensure that
10 the format will be acceptable to the Claims Administrator. The data provided to the Claims
11 Administrator and Class Counsel will remain confidential and will not be disclosed to anyone,
12 except as required to applicable tax authorities, pursuant to Defendant's express written consent, or
13 by order of the Court.

14 35. Within fifteen (15) calendar days after Defendant provides the Claims
15 Administrator the information stated pursuant to Paragraph 34, above, the Claims Administrator will
16 email and mail, by first-class mail (as approved by the Court), the Notice Materials to all Class
17 Members at their last known address, unless modified by any updated address information that the
18 Claims Administrator obtains in the course of administration of the Settlement. The email notice
19 will be a short form notice (as approved by the Court) notifying the Class Member of the settlement,
20 advising them that they will be receiving a long form notice by mail and directing them to the claims
21 administrator's website for the relevant documents.

22 36. The Claims Administrator will use standard devices, including the National
23 Change of Address ("NCOA") database or equivalent, to obtain forwarding addresses prior to the
24 initial mailing of the Notice Materials and will use appropriate skip tracing databases ("Skip
25 Tracing") prior to the initial mailing to maximize the probability that the Class Notice will be
26 received by all Class Members. For returned or undeliverable Class Notice Materials, the Claims
27 Administrator will utilize both the NCOA and Skip Tracing on a rolling basis during the week that
28 notices are returned to maximize the probability that the Class Notice will be received by all Class

1 Members. Class Members to whom the Class Notice Materials are resent after having been returned
2 undeliverable to the Claims Administrator shall have ten (10) calendar days thereafter, or until the
3 response deadline has expired, whichever is later, (the “Extended Response Deadline”) to mail, fax
4 or email the request for exclusion (opt out), submit a dispute, submit an objection, or elect a cash
5 payment. Notice Materials that are resent shall inform the recipient of this adjusted deadline. If a
6 Class Member’s Notice Materials are returned to the Claims Administrator more than once as non-
7 deliverable, no additional Notice Materials shall be sent. The Claims Administrator will provide the
8 parties with weekly reports regarding the Skip Tracing efforts to re-mail returned or undeliverable
9 notices.

10 37. Within thirty (30) calendar days after the Claims Administrator mails out the
11 Notice Materials, the Claim Administrator will mail out mutually acceptable reminder postcards (or
12 emails, as appropriate) to Class Members reminding them of their right to submit an Opt-Out Form,
13 object to the settlement, or dispute the Defendant’s employment records used to determine the Class
14 Members’ Gross Individual Settlement Payment.

15 38. The Claims Administrator shall provide regular reports to Class Counsel and
16 Defendant’s counsel as to the mailings of Notice Materials, Opt-Out Forms, and objections prior to
17 the close of the period in which claims can be made.

18 **B. Disputes**

19 39. Defendant’s records will be presumed correct, pursuant to California Evidence
20 Code section 630 (burden of producing evidence), *unless* a Class Member submits a dispute. In that
21 case, there shall be no presumption regarding whether the disputed records are correct or not.
22 Thereafter, the Claims Administrator will evaluate the written and documentary evidence submitted
23 by the Class Member, without regard to any presumption, utilizing its independent judgment,
24 compared to records provided by Defendant, and will make a final determination based on its
25 evaluation of all the evidence presented. In determining whether the dispute will be accepted, the
26 Claims Administrator may provide the submitted dispute and related documents to counsel for the
27 parties for review. The counsel for the parties may provide additional information to the Claims
28 Administrator to aid in the final determination. All determinations will be made no later than fifteen

1 (15) calendar days within receipt of the challenge. Any workweek dispute should be postmarked by
2 no later than sixty (60) calendar days after the initial date of mailing of the Notice Materials, subject
3 to the Extended Response Deadline set forth in Paragraph 36 above for re-mailed notices.

4 **C. Objections to Settlement**

5 40. Subject to the Extended Response Deadline set forth in Paragraph 36 above
6 for re-mailed notices, the Class Members will have sixty (60) calendar days after the date on which
7 the Claims Administrator mails the Class Notice to object to the Settlement by mailing, emailing or
8 faxing to the Claims Administrator, received by email or fax or postmarked by the sixty (60)-day
9 deadline (or Extended Response Deadline, as applicable), a written objection to the Settlement.

10 41. Nevertheless, the Court may entertain subsequently objections or oral
11 argument from a class member or his or her counsel at the final fairness hearing.

12 42. Any Class Member who has elected to opt-out of the Settlement (pursuant to
13 the procedure set forth below) may not submit an objection to the Settlement.

14 43. The Claims Administrator shall provide the Parties a copy of any objections
15 received within three (3) days of receipt. Counsel for the Parties shall file any objections and any
16 response thereto at least seven (7) calendar days before the Final Approval Hearing.

17 **D. Election Not to Participate in the Class Settlement**

18 44. In order for a Class Member to validly and effectively request exclusion from,
19 and opt out of, this Settlement, the Class Member must submit to the Claims Administrator an Opt-
20 Out Form according to the procedures set forth in the Class Notice. Substantial compliance with the
21 requirements set forth in the Class Notice will in most cases be sufficient. To the extent additional
22 information is required, the Claims Administrator will communicate with the Class Member. Subject
23 to the Extended Response Deadline set forth in Paragraph 36 above for re-mailed notices, in order to
24 be valid, the Opt-Out Form must be postmarked for delivery to the Claims Administrator no later
25 than sixty (60) calendar days after the date of mailing of the Class Notice. No request for exclusion
26 will be accepted if postmarked for delivery to the Claims Administrator after the deadline indicated.,
27 subject to the Extended Response Deadline set forth in Paragraph 36 above for re-mailed notices.

28 45. Any Class Member who does not properly and timely submit an Opt-Out

1 Form will automatically be bound by all terms and conditions of the Settlement, including its release
2 of claims, if the Settlement is approved by the Court, and be bound by the Final Approval Order,
3 regardless of whether he or she has objected to the Settlement.

4 46. A Class Member who properly and timely submits an Opt-Out Form will not
5 be bound by the Settlement, and will remain free to contest any claim brought by Plaintiff that would
6 have been barred by the Settlement, and nothing in this Settlement will constitute or be construed as
7 a waiver of any defense Defendant has or could assert against such a claim.

8 47. Plaintiff may not opt-out of the Settlement Class.

9 **E. Reports and Declaration by Claims Administrator**

10 48. By no later than fifteen (15) calendar days after expiration of the 60-day
11 deadline for submission of Opt-Out Forms, the Claims Administrator will submit to Class Counsel
12 and Counsel for Defendant a report setting forth the number of individuals who, as of that date, have
13 submitted: (a) valid Opt-Out Forms; or (b) invalid requests to be excluded from the Settlement. In the
14 event that the Claims Administrator subsequently receives an Opt-Out Form, it will promptly
15 distribute an updated report.

16 49. By no later than the date when Plaintiff files her motion for final approval of
17 the Settlement, the Claims Administrator will prepare and submit for filing in support of the motion a
18 declaration attesting to its mailing of the Class Notice, its receipt of requests for exclusion and
19 objections, and its inability to deliver the Class Notice to potential Class Members due to invalid
20 addresses. As applicable, the Claims Administrator will prepare and submit for filing in support of
21 the motion for final approval, any supplemental declaration.

22 **F. Settlement Website**

23 50. The Claims Administrator will create a settlement website which contains
24 copies of all papers and orders filed in connection with preliminary and final approval, including the
25 Class Notice Materials, the final Settlement Agreement, the Motion for Preliminary Approval, any
26 related approval orders (including all orders denying attempts to secure preliminary approval), the
27 operative Complaint, and the Final Judgment, if entered. The website will go “live” and these
28 documents will be posted no later than the date of the initial mailing of the Notice Materials and will

1 remain posted until at least the date of final approval, if that occurs. The Claim Administrator will
2 also post on its website Notice of Final Judgment, if entered.

3 **VIII. RIGHT TO RESCIND**

4 51. In the event that ten percent (10%) or more of the Class Members submit valid
5 requests not to participate in the Settlement, Defendant will have the exclusive right in its sole
6 discretion to rescind the Settlement, and all actions taken in its furtherance will be null and void.
7 Defendant must exercise this right within fifteen (15) days after the date on which the Claims
8 Administrator first informs Defendant that at least ten percent (10%) of the potential Class Members
9 have made valid requests to be excluded from the Settlement.

10 **IX. DISTRIBUTION OF THE SETTLEMENT PAYMENTS**

11 52. Defendant or Class Counsel shall serve the Claims Administrator with notice
12 of the Final Effective Date as soon as possible. No later than fifteen (15) calendar days after the
13 Final Effective Date, the Claims Administrator will prepare and provide counsel for Defendant and
14 Class Counsel with a report summarizing the total Participating Class Members and the Gross
15 Individual Settlement Payment for each Participating Class Member on that list. The sum of the
16 Gross Individual Settlement Payments due to the individuals on that list shall constitute the “Class
17 Settlement Payment.”

18 53. Defendant will cause the Gross Settlement Amount to be wired to the Claims
19 Administrator no later than fifteen (15) calendar days after the Final Effective Date. Within the
20 same fifteen (15) calendar days, Defendant also will provide the Claims Administrator a list
21 identifying all Participating Class Members who have garnishments and liens, the amounts of each
22 individual’s garnishments and liens, and the name and address of the person or entity that is entitled
23 to receive payment of such garnishments and liens.

24 54. Within fifteen (15) calendar days after the receipt of the Gross Settlement
25 Amount from Defendant, the Claims Administrator will distribute to every Participating Class
26 Member his or her Net Individual Settlement Payment. The Claims Administrator shall make
27 appropriate tax reporting and withholdings in accordance with this Agreement and applicable law
28 and regulations.

1 55. The Claims Administrator will timely remit any taxes associated with the
2 settlement payments to the proper authorities, as required by law. In addition, the Claims
3 Administrator will timely prepare and issue an IRS Form 1099-MISC and/or W-2 Form as
4 appropriate to each Participating Class Member to the extent required by law.

5 56. If any Participating Class Member does not cash his or her settlement check(s)
6 within six (6) months after issuance, fifteen (15) calendar days after the check-cashing deadline the
7 Claims Administrator shall escheat the funds to Public Counsel as the *cy pres* recipient hereto,
8 subject to Court approval. The Parties agree that this obligation shall satisfy and fully discharge
9 Defendant's obligations under California Code of Civil Procedure section 384 and the doctrines of
10 *Cy Pres* and *escheat*.

11 **X. RELEASE OF CLAIMS**

12 **A. Released Claims by Class Members Who Do Not Opt Out**

13 57. Class members who do not opt-out of the settlement will be bound by a
14 release of claims.

15 58. The release of claims includes Released Claims which could have been pled
16 based on or reasonably related to the facts and claims alleged in the Complaint, FAC, SAC, or
17 arising out of or reasonably related to the transactions and occurrences pled in the Complaint, FAC,
18 or SAC of which a Class Member does not know or suspect to exist in his or her favor against
19 Defendant as of the date of Final Approval.

20 59. As of the date the Final Approval Order is entered by the Court and except as
21 to such rights or claims as may be created by this Settlement, to the maximum extent allowed by
22 law, each Class Member who has not timely and effectively opted out will be deemed to have
23 released claims as both a matter of contract and judicial procedure as follows, which release shall be
24 incorporated into the Class Notice:

25 Once the settlement is finalized, all Class Members who have not submitted timely
26 and valid Exclusion Letters will release and discharge Defendant, their past or present
27 officers, directors, shareholders, employees, agents, principals, heirs, representatives,
28 accountants, auditors, consultants, insurers and reinsurers, and their respective

1 successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys
2 (the “Released Parties”) from all claims, demands, rights, liabilities and causes of
3 action that were or could have been asserted (whether in tort, contract or otherwise)
4 for violation of the California Labor Code, the California Business and Professions
5 Code, the applicable Industrial Welfare Commission Orders or any similar state or
6 federal law, whether for economic damages, non-economic damages, liquidated
7 damages, punitive damages, restitution, penalties, other monies, or other relief based
8 on any facts, transactions, events, policies, occurrences, acts, disclosures, statements,
9 omissions or failures to act pled or arising out of or reasonably related to the facts,
10 transactions, and occurrences pled in the Complaint, the First Amended Complaint,
11 the Second Amended Complaint, or the Third Amended Complaint which are or
12 could be the basis of claims for: (1) unpaid wages; (2) unpaid minimum wages; (3)
13 unpaid or underpaid overtime wages; (4) failure to provide meal periods and claims
14 regarding meal period premium pay; (5) failure to provide rest periods and claims
15 regarding rest period premium pay; (6) failure to reimburse expenses; (7) failure to
16 provide accurate wage statements; (8) failure to timely pay wages upon termination
17 and during employment; (9) claims for unfair competition arising from the facts
18 alleged in the operative complaints; and (10) related claims for penalties pursuant to
19 the Labor Code Private Attorneys General Act of 2004 (“PAGA) for California Labor
20 Code sections 201, 202, and 203 (collectively, the “Released Claims”). The release
21 will exclude claims for vested benefits, wrongful termination (apart from that of
22 Plaintiff Turley and any other named Plaintiff who will execute general releases of
23 claims under Civil Code section 1542), unemployment insurance, disability, workers’
24 compensation, and claims outside of the Class Period.

25 60. The Gross Individual Settlement Payment to Participating Class Members will
26 not result in any additional benefit payments beyond those provided by this Agreement to Plaintiff
27 and Participating Class Members. Participating Class Members will be deemed to have waived all
28

1 such claims for benefits premised upon the Gross Individual Settlement Payments to them, whether
2 known or unknown by them, as part of their Released Claims under this Agreement.

3 **B. Released Claims by the Class Representative**

4 61. As of the date the Final Approval Order is entered by the Court and except as
5 to such rights or claims as may be created by this Settlement, to the maximum extent allowed by
6 law, the Class Representatives will be deemed to have released claims as follows:

7 The Class Representative hereby fully and finally releases and discharges the
8 Released Parties (defined in Paragraph 59, above) from any and all of the Released
9 Claims (defined in Paragraph 59, above) and from any and all claims, charges,
10 complaints, liens, demands, causes of action, obligations, damages and liabilities,
11 known or unknown, suspected or unsuspected, that the Class Representative had, now
12 has, or may hereafter claim to have against the Released Parties arising out of, or
13 relating in any way to, the Class Representative's hiring by, employment with,
14 separation of employment with, or otherwise relating to the Released Parties, arising
15 or accruing from the beginning of time up through the date of the Final Approval
16 Hearing ("Class Representative's Released Period") with the exception of any other
17 claims which cannot be released by law ("Class Representative's Released Claims").

18 **With respect to the Class Representative's Released Claims only**, the Parties
19 stipulate and agree that, upon the Effective Date, the Class Representative waives California Civil
20 Code Section 1542, which provides:

21 A general release does not extend to claims that the creditor or
22 releasing party does not know or suspect to exist in his or her favor at
23 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.

24 **XI. DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

25 62. The Parties shall submit this Joint Stipulation to the Court in support of
26 Plaintiff's Motion for Preliminary Approval and determination by the Court as to its fairness,
27 adequacy, and reasonableness. As soon as reasonably possible upon execution of this Joint
28

1 Stipulation, the Parties shall apply to the Court for the entry of an Order Granting Preliminary
2 Approval of the Settlement and Notice which shall provide for, among other things, the following:

3 a. Scheduling a final fairness and approval hearing on the question of
4 whether the proposed Settlement should be finally approved as fair, reasonable and adequate as to
5 the Settlement Class.

6 b. Approving as to form and content the proposed Class Notice described
7 herein;

8 c. Directing the mailing of the Class Notice by first class mail to the
9 Class Members;

10 d. Preliminarily approving the Settlement;

11 e. Preliminary certifying the Class for settlement purposes only; and

12 f. Approving Alan Harris, David Garrett and Priya Mohan of Harris &
13 Ruble as Class Counsel, Plaintiffs as Class Representatives, and an administrator mutually agreed to
14 by the Parties and approved by the court, as Claims Administrator.

15 63. After the Preliminary Approval Order is entered by the Court, and prior to the
16 deadline for objections, Plaintiff shall file the motion for an award of attorneys' fees and costs to be
17 heard on the same hearing date as set by the Court for the final fairness and approval hearing.

18 **XII. DUTIES OF THE PARTIES REGARDING FINAL COURT APPROVAL**

19 64. In connection with the final approval by the Court of the Settlement, the
20 Parties will submit a proposed Order Granting Final Approval of the Class Action Settlement and
21 Final Judgment substantially in the form attached as **Exhibits C and D**, respectively, which shall
22 provide, among other things, as follows:

23 a. Approving the Settlement, adjudging the terms thereof to be fair,
24 reasonable and adequate, and directing consummation of its terms and provisions;

25 b. Approving Class Counsel's application for an award of attorneys' fees
26 and reimbursement of costs;

27 c. Approving the Class Representative's service payment;

28 d. Certifying the Settlement Class for purposes of this Settlement only;

1 e. Entering Judgment pursuant to California Rules of Court, rule 3.769(h)
2 which retains jurisdiction and permanently bars the Class Members who do not timely and validly
3 exclude themselves from the Settlement from prosecuting any and all Released Claims against the
4 Released Parties, and permanently bars the Class Representative from prosecuting any and all Class
5 Representative's Released Claims against the Released Parties. Notice of the Final Judgment shall
6 be given by Plaintiff to Defendant as set forth in the Class Notice, which notice shall satisfy the
7 requirements of California Rules of Court, rule 3.771;

8 f. Dismissing the remainder of Plaintiffs' individual claims, with
9 prejudice.

10 **XIII. EFFECT OF NON-APPROVAL**

11 65. If this Agreement is not preliminarily or finally approved by the Court and/or
12 if a Final Approval Order is not entered or if Defendant exercises the option to rescind (*e.g.*, because
13 the Court does not approve the settlement, or the opt-outs from the Class exceed five percent and
14 Defendant revokes the Agreement), this Agreement shall be null and void. In such event, (1)
15 nothing in this Agreement shall be construed as a determination, admission, or concession of any
16 issue in the Action, and nothing in this Joint Stipulation may be offered into evidence in any trial on
17 the merits of the claims asserted in the Complaint filed in the Action or in any subsequent pleading;
18 (2) the Parties expressly reserve their rights with respect to the prosecution and defense of the Action
19 as if this Agreement never existed; and (3) Defendant shall be responsible for any costs for Notice or
20 claims administration incurred by the Claims Administrator through that date. If there is any
21 reduction in the attorneys' fees or costs awards or the Class Representative Payments, such reduction
22 may be appealed but is not a basis for rendering this Agreement void, voidable and/or unenforceable.

23 **XIV. CONFIDENTIALITY PRECEDING MOTION FOR PRELIMINARY APPROVAL**

24 66. Except for disclosures authorized by Defendant or necessary to prepare the
25 motion for preliminary approval, the terms of this Settlement shall remain confidential until they are
26 presented to the Superior Court in connection with the motion for preliminary approval. The Parties
27 and their counsel shall issue no public statements and shall make no comments to media or press
28 with respect to the Action or the settlement at any time (including but not limited to press releases),

1 except as required by law. In addition, the Parties and their counsel shall not make, publish, circulate
2 or cause to be made, published or circulated any statements that represent or suggest any
3 wrongdoing by Defendant, or that this settlement or any order by the Court regarding the settlement
4 represents or implies any wrongdoing by, or any admission of liability by, Defendant, or a finding by
5 the Court of liability or wrongdoing.

6 **XV. MUTUAL FULL COOPERATION**

7 67. The Parties will fully cooperate with each other and use their best efforts,
8 including all efforts contemplated by this Settlement and any other efforts that may become
9 necessary or ordered by the Court, or otherwise, to accomplish the terms of this Settlement in
10 accordance with the terms of the parties' memorandum of understanding, including but not limited
11 to, executing such documents and taking such other action as may reasonably be necessary to obtain
12 preliminary and final approval of this Settlement and to implement its terms.

13 **XVI. NO PRIOR ASSIGNMENTS**

14 68. The Parties represent, covenant, and warrant that they have not directly or
15 indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any
16 person or entity any portion of any claims, causes of action, demands, rights and liabilities of every
17 nature and description released under this Settlement.

18 **XVII. NOTICES**

19 69. Unless otherwise specifically provided by this Settlement, all notices,
20 demands or other communications given under this Settlement will be in writing and be deemed to
21 have been duly given as of the third business day after mailing by United States registered or
22 certified mail, return-receipt requested, addressed as follows:

23 **To Plaintiff and the Settlement Class:**

24 ALAN HARRIS
25 PRIYA MOHAN
26 DAVID GARRETT
27 HARRIS & RUBLE
28 655 North Central Avenue, 17th Floor
Glendale, CA 91203
Telephone: 323.962.3777

David Harris
North Bay Law Group

1 116 E. Blithedale Ave., Ste. 2
2 Mill Valley, CA 94941
3 Telephone: (415) 388-8788
4 Facsimile: (415) 388-8770
5 dsh@northbaylawgroup.com

6 **To Defendant:**

7 Angela C. Agrusa
8 angela.agrusa@us.dlapiper.com
9 Levi W. Heath
10 levi.heath@us.dlapiper.com
11 Steve L. Hernández
12 Steve.hernandez@dlapiper.com
13 DLA PIPER LLP (US)
14 2000 Avenue of the Stars
15 Suite 400 North Tower
16 Los Angeles, California 90067-4704
17 Tel: (310) 595-3000
18 Fax: (310) 595-3300

19 MESSNER REEVES LLP
20 Charles C. Cavanagh
21 1430 Wynkoop Street, Suite 300
22 Denver, Colorado 80202
23 Telephone: 303.623.1800
24 Facsimile: 303.623.0552

25 **XVIII. CONSTRUCTION**

26 70. This Settlement is the result of lengthy, arms-length negotiations between the
27 Parties. This Settlement will not be construed in favor of or against any Party by reason of the extent
28 to which any Party or her or its counsel participated in the drafting of this Settlement.

29 **XIX. CAPTIONS AND INTERPRETATIONS**

30 71. Paragraph and section titles, headings, or captions contained in this Settlement
31 are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or
32 describe the scope of this Settlement or any of its provisions. Each term of this Settlement is
33 contractual and not merely a recital, except for those set forth in Section I, above.

34 **XX. MODIFICATION**

35 72. The material terms of this Settlement may not be changed, altered, or
36 modified, except in writing and signed by the Parties and approved by the Court. This Settlement
37 may be amended through Stipulation signed by counsel for all Parties to correct typographical errors
38 or to address non-material administrative issues as directed by the Court. This Settlement may not

1 be discharged except by performance in accordance with its terms or by a writing signed by the
2 Parties.

3 **XXI. APPLICABLE LAW**

4 73. All terms and conditions of this Agreement will be governed by and
5 interpreted according to the laws of the State of California, without giving effect to any conflict of
6 law or choice of law principles.

7 **XXII. INTEGRATION CLAUSE**

8 74. This Settlement and all the attached Exhibits, which by this reference are
9 incorporated into this Settlement, constitutes the entire agreement between the Parties relating to the
10 Settlement and transactions contemplated by the Settlement. All prior or contemporaneous
11 agreements, understandings, representations, and statements, whether oral or written and whether by
12 a Party or a Party's counsel, are merged into this Settlement. No rights under this Settlement may be
13 waived except in writing.

14 **XXIII. BINDING ON ASSIGNS**

15 75. This Settlement will be binding upon and will inure to the benefit of the
16 Parties and their respective heirs, trustees, executors, administrators, successors and assigns.

17 **XXIV. CLASS MEMBER SIGNATORIES**

18 76. It is agreed that because the members of the Class are so numerous, it is
19 impossible or impractical to have each Class Member who does not timely and validly opt-out
20 execute this Settlement. The Class Notice will inform all Class Members of the binding nature of
21 the release contained herein will have the same force and effect as if this Settlement were executed
22 by each Class Member who does not timely and validly opt-out.

23 **XXV. COUNTERPARTS**

24 77. This Settlement may be executed in counterparts, and when each Party has
25 signed and delivered at least one such counterpart, each counterpart will be deemed an original, and,
26 when taken together with other signed counterparts, will constitute one Settlement, which will be
27 binding upon and effective as to all Parties.
28

1 78. This Settlement may be signed by facsimile signature or digital signature,
2 each of which will have the same force and effect as an original signature.

3 **XXVI. PARTIES' AUTHORITY TO SIGN**

4 79. The signatories to this Settlement hereby represent that they are fully
5 authorized to enter into this Settlement on behalf of themselves or their respective principals.

6 **EXECUTION BY PARTIES AND COUNSEL**

7 The Parties and their counsel hereby execute this document to evidence their
8 acceptance of and agreement to the Settlement.

9
10 Dated: _____, 2020

TANIKA TURLEY
Plaintiff

11
12
13
14 Dated: _____, 2020

ALAN HARRIS
PRIYA MOHAN
DAVID GARRETT
HARRIS & RUBLE
Attorneys for Plaintiff and Settlement Class

15
16
17
18
19 Dated: September 4 _____, 2020



CHIPOTLE INC.
Defendant
By: Michael M. McGawn,
Deputy General Counsel - Operations

20
21
22
23
24 Dated: September 4 _____, 2020



ANGELA AGRUSA
LEVI W. HEATH
STEVE L. HERNÁNDEZ
DLA PIPER LLP (US)
Attorneys for Defendant

1 78. This Settlement may be signed by facsimile signature or digital signature,
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6 **EXECUTION BY PARTIES AND COUNSEL**

7 The Parties and their counsel hereby execute this document to evidence their
8 acceptance of and agreement to the Settlement.

9
10 Dated: 9/4/2020, 2020

DocuSigned by:
Tanika Turley
7A0A25AE485E490...
TANIKA TURLEY
Plaintiff

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13
14 Dated: 9/4/2020, 2020

DocuSigned by:
David garrett
3D6B537E9643467...
ALAN HARRIS
PRIYA MOHAN
DAVID GARRETT
HARRIS & RUBLE
Attorneys for Plaintiff and Settlement Class

15
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19 Dated: _____, 2020

CHIPOTLE INC.
Defendant
By: Roger Theodoredis, CLO/General Counsel

20
21
22
23 Dated: _____, 2020

ANGELA AGRUSA
LEVI W. HEATH
STEVE L. HERNÁNDEZ
DLA PIPER LLP (US)
Attorneys for Defendant

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Dated: 9/4/2020, 2020

DocuSigned by:
David Harris
5A5DB35CB2914AC...

DAVID HARRIS
NORTH BAY LAW GROUP
Attorneys for Plaintiff and Settlement Class

Exhibit A

IMPORTANT LEGAL NOTICE

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

TANIKA TURLEY and CHRISTOPHER THOMPSON, individually and on behalf of all others similarly situated,

Plaintiff,

v.

CHIPOTLE SERVICES, LLC,

Defendants.

CASE NO. CGC-15-544936

**NOTICE OF PRIVATE ATTORNEY
GENERAL ACT (“PAGA”) AND
CLASS ACTION SETTLEMENT
AND SETTLEMENT HEARING**

TO: ALL CURRENT AND FORMER NON-EXEMPT EMPLOYEES OF DEFENDANT THAT WERE HIRED BEFORE AUGUST 1, 2014, AND WORKED IN CALIFORNIA AT ANY TIME FROM OCTOBER 1, 2014 THROUGH AUGUST 1, 2020.

**A PROPOSED SETTLEMENT AFFECTS YOUR RIGHTS.
PLEASE READ THIS NOTICE CAREFULLY.**

A proposed settlement of the above-captioned class action (“the Litigation”) filed in the San Francisco County Superior Court (“the Court”) has been reached by the parties and has been granted preliminary approval by the Court supervising the Litigation.

The Maximum Gross Settlement Amount is \$1,750,000. Plaintiffs will ask that the \$1,750,000 cash payment be used to cover up to \$583,333 in attorney’s fees, up to \$25,000 in litigation costs, an estimated \$50,000 in settlement administration costs, up to \$2,500 in a total enhancement payment to the class representative, and \$50,000 to the Labor and Workforce Development Agency as penalties under the California Labor Code. The remainder of the cash payment, estimated to be \$1,039,167, would then be distributed to the Class, estimated to include approximately 7,000 members, based on the number of workweeks worked in the Class Period.

The proposed settlement will resolve all claims for “Settlement Class Members,” defined as follows:

The “Class Member” shall consist of any current or former employee of Chipotle who was hired before August 1, 2014 and who worked in California at any time between October 1, 2014 and August 1, 2020 (“Class Period”). Each person in the class is a “Class Member,” and all such persons are referred to as the “Class.”

Excluded from the Class are any California employees that are members of the collective action in the currently pending *Turner v. Chipotle Mexican Grill, Inc.*, Case No. 1:14-cv-02612-JLK-CBS or who have filed individual arbitrations related to that action, as well as any other person who has a pending arbitration or lawsuit as of August 1, 2020.

The Court has ordered that this Notice of Class Action Settlement and Settlement Hearing (the “Class Notice”) be sent to you because you may be a Settlement Class Member. The purpose of

this Class Notice is to inform you of the settlement of this Litigation and your legal rights under the Amended Class Action Settlement Agreement and Release of Claims (the “Settlement Agreement”).

PARTICIPATION

3. To receive a payment from the settlement, you need not take any action, except that you should update the Claims Administrator with your new address if you move. If you do nothing, and the settlement receives final approval, you will be mailed a check from the settlement at your address of record. If the Court grants final approval of the Settlement, the Court will enter judgment, the Settlement will bind all Class Members who have not opted out, and the judgment will bar all Class Members from bringing any claims released in the Settlement. The release is described below.

EXCLUSIONS

4. The only way for you to be part of any other lawsuit or arbitration against Chipotle involving the legal claims that are being released in this settlement (see paragraph 19) is to submit the enclosed Request for Exclusion from Class Action (an “Exclusion Form”) to the Court-appointed settlement administrator (the “Settlement Administrator”) postmarked no later than **[Exclusion Deadline], 2020 [60 days from mailing]**. This is called an “Opt Out”. Alternatively, you can submit your own written request for exclusion. Detailed instructions for requesting exclusion are set forth in paragraph 27 below.

OBJECTIONS

5. If you wish to object to the settlement, you must submit an Objection to the Settlement Administrator (an “Objection”), and supporting papers, to the Settlement Administrator (who will send copies to the Court and counsel) postmarked no later than **[Objection Deadline], 2020 [60 days from mailing]**. Alternatively you can appear at the final approval hearing for the settlement. Detailed instructions for submitting an objection are set forth below.

PRELIMINARY APPROVAL

6. A hearing on the final determination of the adequacy, reasonableness and fairness of the settlement will be held **at _____ a.m./p.m. on _____, 2020** in Department 304 of the San Francisco County Superior Court located at Civic Center Courthouse, 400 McAllister Street, San Francisco, CA 94102. **You are not required to attend this hearing.**

SUMMARY OF LITIGATION

7. On March 25, 2015, Plaintiff Tanika Turley (“Turley”) filed a complaint against Chipotle with class claims under the California Labor Code and Private Attorneys General Act of 2004 (“PAGA”), California Labor Code sections 2699, 2699.3, and 2699.5. Turley alleged that Chipotle had failed timely to pay wages – including all earned wages, final wages, and wages owing on account of interrupted meal periods and rest breaks – to its employees. Turley has also alleged unfair business practices, failure to reimburse expenses, failure to keep accurate records

and that Chipotle provided improper wage statements to them and other current and former Chipotle employees (the “Allegations,” collectively).

On or about May 23, 2018, Turley filed a Motion for Class Certification for wage statements, meal breaks, rest breaks and continuing wages. On November 2, 2018, the Court granted certification of a “wage statement subclass, narrowed to individuals who did not sign arbitration agreements”. The Court ordered the parties to “confer on the precise wording of the class definition and should consider whether it includes (i) individuals hired before August 1, 2014 or October 2, 2014, and (ii) whether it ends March 30, 2015, or some other date, e.g. in April, 2015.” The Court denied the Motion for Class Certification for the meal breaks, rest breaks and continuing wages. Subsequently, the Parties agreed that the class definition should include individuals hired before August 1, 2014 and end on March 30, 2015.

8. After an exchange of relevant information, Chipotle and Turley agreed to enter into private mediation before a mediator to try and resolve the claims. A mediation was held on October 1, 2019, and the parties reached the settlement that was denied preliminary approval by the Court. Based upon the guidance of the Court, in consultation with the mediator, and following a Mandatory Settlement Conference, the parties entered into a revised settlement, which is memorialized in the Settlement Agreement that is on file with the Court, and whose terms are generally summarized in this Class Notice.

9. You have received this Class Notice because Chipotle records show you were employed as a Settlement Class Member and your rights may be affected by this settlement.

POSITIONS OF THE PARTIES

10. Chipotle has denied and continues to deny each of the Allegations in the Litigation. Chipotle contends that all of its employees have been provided meal and rest breaks and compensated in compliance with the law, and that its conduct was not willful with respect to any alleged failure to pay any penalties. Chipotle alleges that all employees hired after August 1, 2014, executed valid arbitration agreements. Chipotle has repeatedly asserted and continues to assert defenses to the Allegations in the Litigation, and has expressly denied and continues to deny any wrongdoing or legal liability arising out of any of the facts or conduct alleged in the Litigation. Neither the settlement nor any action taken to carry out the settlement may be construed as or may be used as an admission, concession or indication by or against Chipotle of any fault, wrongdoing or liability whatsoever, including any concession that certification of a class other than for purposes of this settlement would be appropriate in this or any other case.

11. Counsel for the Settlement Class (“Class Counsel”) has extensively investigated and researched the facts and circumstances underlying the issues raised in the Litigation, and the law applicable thereto. Class Counsel recognizes the expense and length of continued proceedings necessary to continue the Litigation against Chipotle through trial and through any possible appeals. Class Counsel has also taken into account the uncertainty and the risk of the outcome of further litigation, including the risk that the class might not be certified, as well as the difficulties and delays generally inherent in such litigation.

12. Class Counsel is also aware of the burdens of proof necessary to establish liability for the Allegations, of Chipotle’s defenses thereto, and of the difficulties in establishing damages for the

Settlement Class Members. Class Counsel has also taken into account the extensive settlement negotiations conducted by the parties. Based on the foregoing, Class Counsel believes the settlement is fair, adequate and reasonable and in the best interests of the Settlement Class Members.

13. Chipotle has also extensively investigated and researched the facts and circumstances underlying the issues raised in the Litigation, and the law applicable thereto. Although Chipotle believes it has meritorious defenses to the Allegations, Chipotle has concluded that the further defense of this Litigation would be lengthy and expensive for all parties. Chipotle has, therefore, agreed to settle this Litigation in the manner and upon the terms set forth in the Settlement Agreement to put to rest all claims that are or could have been asserted against it in the Litigation.

14. The Court has not ruled on the merits of the Settlement Class Members' claims. The Court has certified the Settlement Class for settlement purposes only.

PRELIMINARY APPROVAL OF THE SETTLEMENT

15. On [*date of preliminary approval*], for purposes of the settlement, the Court held a preliminary approval hearing during which it preliminarily certified a Settlement Class defined as follows:

The Class shall consist of any current or former employee of Chipotle who was hired before August 1, 2014 and who worked in California at any time between October 1, 2014 and August 1, 2020 ("Class Period"). Each person in the class is a "Class Member," and all such persons are referred to as the "Class."

Excluded from the Class are any California employees that are members of the collective action in the currently pending *Turner v. Chipotle Mexican Grill, Inc.*, Case No. 1:14-cv-02612-JLK-CBS or who have filed individual arbitrations related to that action, as well as any other person who has a pending arbitration or lawsuit as of August 1, 2020.

16. At the preliminary approval hearing, the Court appointed the following attorneys as Class Counsel to represent the Settlement Class in this Litigation:

Alan Harris
David Garrett
HARRIS & RUBLE
655 N. Central Ave., 17th Floor
Glendale, CA 91203
Telephone: (323) 962-3777
Email: HarrisA@harrisandruble.com
DGarrett@harrisandruble.com

David Harris
NORTH BAY LAW GROUP
116 E. Blithedale Ave., Ste. 2
Mill Valley, CA 94941
Telephone: (415) 388-8788
Email: dsh@northbaylawgroup.com

17. If you are a Settlement Class Member, you will be bound by the settlement if it is approved, unless you exclude yourself in the manner described below.

SUMMARY OF SETTLEMENT TERMS

18. Settlement Amount. The Settlement Agreement provides that Chipotle will pay the Maximum Gross Settlement Amount of \$1,750,000.00. Plaintiffs will ask that the \$1,750,000 cash payment be used to cover up to \$583,333 in attorney's fees, up to \$25,000 in litigation costs, an estimated \$50,000 in settlement administration costs, up to \$2,500 in total enhancement payments to the class representative, and \$50,000 to the Labor and Workforce Development Agency as penalties under the California Labor Code. The remainder of the cash payment, estimated to be \$1,039,167, would then be distributed to the Class, estimated to include approximately 7,000 members, based on the number of workweeks worked in the Class Period. Therefore, the average check to be mailed to each Settlement Class Member would be \$148 each.

After the following Court-approved deductions from the Maximum Gross Settlement Amount, the amount remaining will be distributed to Settlement Class Members pursuant to a Court-approved plan of allocation based on the number of weeks worked ("Workweeks") during the Class Period, as detailed below:

(a) Deductions. The following deductions will be made from the Maximum Gross Settlement Amount:

(i) Settlement Administration. The Court has tentatively approved a payment to the Settlement Administrator, [TBD], currently estimated not to exceed \$50,000, as settlement administration expenses to notify the Class and process corrections, objections, and exclusions.

(ii) Attorney's Fees and Expenses. The Court has appointed Harris & Ruble as Class Counsel. Class Counsel has been prosecuting the Litigation on behalf of the Settlement Class on a contingency fee basis (that is, without being paid to date) while advancing litigation costs and expenses. Class Counsel has requested from the Court payment not to exceed 33.33% of the total settlement amount for attorney's fees (\$583,333). Class Counsel has also requested from the Court reimbursement of the actual expenses they have advanced, currently estimated in an amount no more than \$25,000. Payments will be subject to the Court's approval and will be deducted from the settlement amount. The amounts approved will constitute full compensation for all legal fees and expenses of Class Counsel in the Litigation, including any work they do in the future. These attorney's fees are within the range of fees awarded to Class Counsel under similar circumstances in litigation of this type. Settlement Class Members are not personally responsible for any fees or expenses.

(iii) Enhancement Payment to Class Representative Plaintiff. Class Counsel will also seek an "Enhancement Payment" for Plaintiff Turley for acting as the representative on behalf of the Settlement Class in the amount of \$2,500. If approved by the Court, this amount will be paid from the settlement amount to compensate the Plaintiff as class representative plaintiff for services she provided on behalf of the Settlement Class, including initiating and prosecuting this Litigation on behalf of the Settlement Class, as well as reviewing documents and attending strategy sessions and other meetings with Class Counsel.

(iv) PAGA Payment. A net payment of \$50,000 shall be allocated to pay all applicable penalties under California Labor Code's Private Attorneys General Act of 2004 ("PAGA"), California Labor Code sections 2699, 2699.3, and 2699.5.

(b) Payment to Final Settlement Class Members: Plan of Allocation. The balance of the Maximum Gross Settlement Amount, after the deductions described above, will be available for distribution to final Settlement Class Members.

Class Members do not have to submit claims forms or take any action to participate.

Class Members who do not affirmatively opt-out of the settlement will receive a check for a pro-rata share of the Net Settlement Amount based on pay periods worked during the Class Period. All checks shall be good for 180 days from the date of mailing. Following the expiration of 180 days, the Claims Administrator shall inform the parties of the total amount of uncashed checks. If the amount of uncashed checks exceeds \$27,500, then a second round of checks will be mailed to any Settlement Class Member who cashed their checks during the first round. The amount of each check in the Second Distribution shall be equal to a pro rata share of the amount of Uncashed Checks after deductions for postage and handling by the Claims Administrator. Following the Second Distribution, if any, the parties propose that all checks not cashed within 180 days of payment shall be paid to the California pro bono law firm, Public Counsel, as the *cy pres* recipient, subject to Court approval, in accordance with Code of Civil Procedure §384, subd. (b).

(c) Payments for Employee and Employer Taxes. The allocation of payment of claims and tax treatment of such claims shall be 25% wages, 25% interest, and 50% penalties. From the portion which is allocated as wages shall be withheld the employee's share of payroll and income taxes and all other applicable deductions or withholding required by law or expressly authorized by the Class Member, including payments of any garnishments and liens. IRS Forms 1099 and W2 (and any equivalent California form) will be distributed to the final Settlement Class Members (those who have not excluded themselves) reflecting the payments they receive under the settlement. Interest and penalties shall be reported as such (Form 1099 reporting) to the taxing authorities. Final Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the settlement. Final Settlement Class Members are solely responsible for, and waive any claim against Chipotle arising from, any and all tax liability accruing from the receipt of these settlement payments.

19. Release. If finally approved by the Court, the settlement will be binding on all Class Members who do not exclude themselves from the settlement and will bar them from bringing certain claims against Chipotle described below. Effective as of the Final Effective Date, the settlement shall resolve and the class shall release all claims for wages, statutory and civil penalties, damages and liquidated damages, interest, fees and costs that were stated in the Complaints and any Amended Complaints and/or those based upon the factual allegations in the operative Complaints to the maximum extent allowed by law, during the Class Period as follows:

Once the settlement is finalized, all Class Members who have not submitted timely and valid Exclusion Letters will release and discharge Defendant, their past or present officers, directors, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys (the "Released Parties") from all claims, demands, rights, liabilities and causes of action that were or could have been asserted (whether in tort, contract or otherwise) for violation of the California Labor Code, the California Business and Professions Code, the applicable Industrial Welfare

Commission Orders or any similar state or federal law, whether for economic damages, non-economic damages, liquidated damages, punitive damages, restitution, penalties, other monies, or other relief based on any facts, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act pled or arising out of or reasonably related to the facts, transactions, and occurrences pled in the Complaint, the First Amended Complaint, Second Amended Complaint or the Third Amended Complaint, which are or could be the basis of claims for: (1) unpaid wages; (2) unpaid minimum wages; (3) unpaid or underpaid overtime wages; (4) failure to provide meal periods and claims regarding meal period premium pay; (5) failure to provide rest periods and claims regarding rest period premium pay; (6) failure to reimburse expenses; (7) failure to provide accurate wage statements; (8) failure to timely pay wages upon termination and during employment; (9) claims for unfair competition arising from the facts alleged in the operative complaints; and (10) related claims for penalties pursuant to the Labor Code Private Attorneys General Act of 2004 (“PAGA) for California Labor Code sections 201, 202, and 203 (collectively, “Released Claims”). The release will exclude claims for vested benefits, wrongful termination (apart from that of Plaintiff Turley and any other named Plaintiff who will execute general releases of claims under Civil Code section 1542), unemployment insurance, disability, workers’ compensation, and claims outside of the Class Period. The Gross Individual Settlement Payment to Participating Class Members will not result in any additional benefit payments beyond those provided by this Agreement to Plaintiff and Participating Class Members. Participating Class Members will be deemed to have waived all such claims for benefits premised upon the Gross Individual Settlement Payments to them, whether known or unknown by them, as part of their Released Claims under this Agreement.

20. Condition of Settlement. This settlement is conditioned upon the Court entering a final approval order at or following the final approval hearing approving the Settlement Agreement as fair, reasonable, adequate and in the best interests of the Settlement Class.

PROCEDURE FOR SEEKING MONETARY RECOVERY

21. **To receive a payment from the settlement, you need not take any action, except that you should update the Claims Administrator with your new address if you move. If you do nothing, you will receive either a check from the settlement if it receives final approval. Settlement Class Members will receive a cash payment based upon their Workweeks. If the Court grants final approval of the Settlement, the Court will enter judgment, the Settlement will bind all Class Members who have not opted out, and the judgment will bar all Class Members from bringing any claims released in the Settlement.**

22. A Workweek Correction Form is enclosed. (If you need an extra copy, contact the Settlement Administrator at the address or telephone number above). If any information in your Form is incorrect, please make corrections and mail the completed Form postmarked by **[60 days from mailing]** to the Settlement Administrator at the following address:

Turley v. Chipotle

c/o [_____]

P.O. Box [_____]

[Address]

[Phone Number]

[Fax Number]

23. For example, if your address is incorrect, please indicate your correct address. Also, please provide your telephone number and any other requested information if it is not already filled in. If you wish to have confirmation that the Settlement Administrator has received your Form, please send your Form to the Settlement Administrator by certified U.S. Mail with a return-receipt request. **You need not do anything or return the Form if all the information is correct.**

24. If you believe the number of Workweeks listed on the Correction Form is incorrect, you may indicate what you believe is the correct number of Workweeks on the Correction Form. You may also send any documents or other information that support your belief. The Settlement Administrator will resolve any dispute regarding the dates you worked for, based on Chipotle records and any information that you provide. The number of Workweeks is presumed to be correct unless the documents you submit are company records from Chipotle.

25. If you are a Class Member and you do not elect to exclude yourself from this settlement through the exclusion procedure described in paragraph 27 below, you will be bound by all of the provisions of the Settlement Agreement, including a full release of claims that will prevent you from separately suing Chipotle or any of the other parties released by the Settlement Agreement for the matters being settled in this case (see paragraph 19 of this Notice). The checks hereunder will be mailed approximately three months after final approval, if granted. The checks will be negotiable for 180 days after they are issued.

26. AGAIN, IF YOU DO NOTHING, YOU WILL RECEIVE A SHARE OF THE SETTLEMENT AMOUNT IF GRANTED FINAL APPROVAL, AND YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT, INCLUDING THE RELEASE.

PROCEDURE FOR EXCLUDING YOURSELF FROM THE SETTLEMENT

27. Class Members may exclude themselves from the Settlement Class by submitting an enclosed copy of the Exclusion Form to the Settlement Administrator at the address listed in paragraph 22, above, postmarked on or before [redacted], 2020 [last day of Exclusion Period]. To exclude yourself, you must complete the Exclusion Form in its entirety, or in the alternative, submit a letter to the Settlement Administrator which includes your name (and former names, if any), current address, telephone number and a signed statement in substantially the same form as follows: "Please exclude me from the proposed Settlement Class in *Turley v. Chipotle*, Case No. CGC-15-544936." Persons who submit valid and timely Exclusion Forms will not participate in the settlement and will not be bound by either the settlement or the Court's final approval order in this Litigation. Do not file the Exclusion Form with the Court.

PROCEDURE FOR OBJECTING TO THE SETTLEMENT

28. If you are a Settlement Class Member and believe that the Settlement Agreement should not be finally approved by the Court for any reason, or if you object to the proposed Enhancement Payments to the Class Representative Plaintiffs or the attorneys' fees and expenses to Class Counsel and want the Court to consider your objection, then on or before [redacted] 2020, [last day of Exclusion Period] you must mail, email or fax a written objection in which you state

the basis of your objection with to Settlement Administrator at the address listed in paragraph 22. Any written objection must include your name, signature and address, and a statement of the basis for each objection asserted. All objections or other correspondence must state the name of the case, *Turley v. Chipotle*, Case No. CGC-15-544936. Any Settlement Class Member who has elected not to participate by following the procedure set forth above in paragraph 27, may not submit an objection to the Settlement.

29. You may also appear at the hearing scheduled for _____ a.m./p.m. on _____, 2020 in Department 304 of the San Francisco County Superior Court located at Civic Center Courthouse, 400 McAllister Street, San Francisco, California, 94102, to have your objection heard by the Court. If you object to the settlement, you will remain a Settlement Class Member, and if the Court approves the settlement, you will be bound by the terms of the Settlement Agreement in the same way as Settlement Class Members who do not object. An objecting party shall *not* be required to do either of the following: (1) to appear, either personally or through counsel, at the hearing on the motion for final approval for that party's objection to be considered; or (2) to file or serve a notice of intention to appear at the hearing on the motion for final approval of the settlement.

HEARING ON THE SETTLEMENT

30. Notwithstanding the statements above, **you are not required to attend the final approval hearing.**

31. Again, the final approval hearing on the adequacy, reasonableness and fairness of the settlement will be held at _____ a.m./p.m. on _____, 2020 in Department 304 of the San Francisco County Superior Court located at Civic Center Courthouse, 400 McAllister Street San Francisco, California, 94102. Either Class Counsel or the Settlement Administrator will give notice to any objecting party of any continuance of the hearing of the motion for final approval.

32. You may object, personally or through an attorney, to the settlement by mailing your objection and following the procedures outlined in paragraphs 28-29, above.

33. Any Settlement Class Member who does not object in the manner provided above shall be deemed to have approved the settlement and to have waived such objections and shall be forever foreclosed from making any objections (by appeal or otherwise) to the settlement.

CHANGE OF ADDRESS

34. If you move after receiving this Class Notice, if it was misaddressed or if for any reason you want your payment or future correspondence concerning this Litigation and the settlement to be sent to a different address, you should send your current preferred address to the Settlement Administrator.

ADDITIONAL INFORMATION

35. This Class Notice is only a summary of the Litigation and the Settlement Agreement. For a more detailed statement of the matters involved in the Litigation and the settlement, you may

refer to the pleadings, the Settlement Agreement, and other papers filed in the Litigation (including the Plaintiff's motion for preliminary approval of the Settlement Agreement and supporting papers), which may be inspected at the Office of the Clerk of the Superior Court of California, County of San Francisco, located at Civic Center Courthouse, 400 McAllister Street, San Francisco, California, 94102, during regular business hours of each court day. The case file may also be viewed online and downloaded for free at the court's website at <https://webapps.sftc.org/captcha/captcha.dll?referrer=https://webapps.sftc.org/ci/CaseInfo.dll?>. The Settlement Agreement is attached as Exhibit 1 to the Declaration of Alan Harris filed on _____, 2020. The Settlement Administrator will also post relevant documents on its website at _____, including the Settlement Agreement, the Court Order(s) and Final Judgment, if entered.

36. All inquiries by Settlement Class Members regarding this Class Notice and/or the Settlement Agreement, should be directed to the Settlement Administrator or Class Counsel.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR JUDGE WITH INQUIRIES.

<p>WORKWEEK & ADDRESS CORRECTION FORM Chipotle Services, LLC San Francisco County Superior Court – Case No. CGC-15-544936</p>
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To be mailed a payment from this settlement, you need not take any action. You do not need to return this Workweek Correction Form. If you do nothing, a payment from the settlement amount will be sent to you at the address below if the settlement receives final approval. You will also give up your rights to be part of any other lawsuit involving the same legal claims as the ones in this Litigation, and will release all such claims. You need only return this Workweek & Address Correction Form if you wish to (i) correct your mailing information below or (ii) challenge the accuracy of the information below regarding your total pay periods worked during the Class Period. You should also update the Claims Administrator with your new address if you move.

THE DEADLINE FOR SUBMITTING THIS FORM IS [INSERT DATE 60 DAYS FROM MAILING OF NOTICE]. You may contact the Claims Administrator at a later date to update address information, but a delay in updating your address may result in mail or payments being sent to the wrong address.

I. SETTLEMENT CLASS MEMBER IDENTIFICATION

Please Make any Name/Address Corrections Below:

<<First>> <<Last>>

<<Address1>>

<<Address2>>

<<City>> <<State>> <Zip>>

Please correct my address only. I do not dispute my workweeks. (Check box and sign here if you are only correcting your address.)

Dated: _____

_____ (Signature)

II. GENERAL INFORMATION

The Class includes all current and former non-exempt employees of Defendant, who were hired *before* August 1, 2014 and who worked in California at any time during the Class Period. “Class Period” shall be from October 1, 2014 through August 1, 2020.

YOU WILL SUFFER NO RETALIATION OR ADVERSE ACTION FOR PARTICIPATING IN THIS SETTLEMENT.

This final approval hearing on the adequacy, reasonableness and fairness of the settlement will be held at _____ a.m./p.m. on _____, 2020 in Department 304 of the San Francisco County Superior Court located at Civic Center Courthouse, 400 McAllister Street, San Francisco, CA 94102. **You are not required to attend this hearing.**

III. YOUR CLAIM INFORMATION

According to payroll records maintained by Chipotle, the total number of pay periods you worked at Chipotle as an employee in California during the Covered Period (“Workweeks”), is: Workweeks.

Based on your workweeks, the total class members’ workweeks, and the net settlement fund, we estimate your share of the settlement will be approximately \$ if you do not submit a Workweek Correction Form.

IV. IF YOU DISPUTE THE INFORMATION ABOVE

Please complete this Section only if you disagree with the information listed in Section III above.

I dispute the Workweek information in Section III. I believe I worked Workweeks at Chipotle during the time frame referenced above.

If there is a dispute about whether the Workweek information set forth in Section III is accurate, the dispute will be resolved by the Settlement Administrator. If you believe the number of Workweeks as listed in Section III is incorrect, please check the box below and send this signed and completed Form along with copies of any documents (please retain the originals for your records) that support your belief that the information set forth above is incorrect to the Settlement Administrator at the following address:

Turley v. Chipotle
c/o [Claims Administrator Name]
P.O. Box [____]
[Address]
[Phone Number]
[Fax Number]

Again, you need not take any action to participate in the settlement and you will be bound by the other provisions of the Settlement Agreement approved by the Court. If you make any corrections or dispute the number of Workweeks shown, this Workweek Correction Form will be deemed submitted by you when sent by first class mail and postmarked prior to the deadline. Do not submit this form to the Court.

I dispute my workweeks.

I declare that the foregoing information is true and accurate, and that I have read and understand the Class Notice that was mailed with this Workweek & Address Correction Form.

Dated: _____

(Signature)

REQUEST FOR EXCLUSION FROM CLASS ACTION

TANIKA TURLEY and CHRISTOPHER THOMPSON, individually and on behalf of all others similarly situated,

Plaintiff,

v.

CHIPOTLE SERVICES, LLC; a Colorado business entity,

Defendants.

CASE NO. CGC-15-544936

REQUEST FOR EXCLUSION FROM CLASS ACTION SETTLEMENT

PLEASE READ CAREFULLY

SUBMIT THIS FORM NO LATER THAN _____, 2020 [60 days from mailing] ONLY IF YOU DO NOT WISH TO PARTICIPATE IN THIS SETTLEMENT. THIS EXCLUSION FORM SHOULD BE MAILED TO THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING ADDRESS:

Turley v. Chipotle

c/o [Claims Administrator Name]

P.O. Box [_____]

[Address]

[Number]

DO NOT SUBMIT THIS EXCLUSION FORM IF YOU WISH TO PARTICIPATE IN THIS SETTLEMENT. DO NOT FILE THIS EXCLUSION FORM WITH THE COURT.

I do not wish to participate in this class action and choose to exclude myself from this settlement. I understand that by excluding myself, I will be unable to receive any benefits under the Settlement.

Signature

Date

Print Name

List any former names

Address

City, State, Zip Code

[PROPOSED] EMAIL NOTICE TO CLASS MEMBERS

Sender Name: [Phoenix] Settlement Administrators

Subject: Class Action Settlement Notice - Turley v. Chipotle

Dear Class Member,

You are receiving this email because you may be a member of a class on whose behalf this class action lawsuit has been brought.

You have the right to know about a proposed settlement of a class action lawsuit, and about all of your options, before the Court decides whether to approve the settlement. If the Court approves the settlement and after objections and appeals are resolved, a Claims Administrator appointed by the Court will distribute payments provided in the settlement.

The Class Notice Settlement Materials are being mailed to you at your last known address. The Class Notice Settlement Materials explain the lawsuit, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to receive them. If you **do not** receive a notice in the mail, or if your address has changed since you worked for Chipotle, please reply to this email to let the Claims Administrator know your current address so that you may receive the Class Settlement Notice Materials.

Additionally, copies of all papers filed in connection with preliminary and final approval, including the Proposed Settlement, the Motion for Preliminary Approval of Class Action Settlement, Order Granting Preliminary Approval to the Settlement, any orders denying attempts to secure preliminary approval, other California cases relating to Chipotle, and Class Notice Settlement Materials may be viewed on the settlement administrator's website at: <<Insert web address>>.

The Court in charge of this case is the San Francisco Superior Court, and the case is known as *Turley v. Chipotle Services, LLC*, Case No. CGC-15-544936. You can view all of the case pleadings without charge on the website for the Superior Court at <https://www.sfsuperiorcourt.org/online-services>.

If you have any questions or desire any additional information, please contact the Claims Administrator at [800-523-5773].

Thank you.

Settlement Administrator
[Phoenix Settlement Administrators]