

**NOTICE OF CLASS ACTION SETTLEMENT**

*Maria Sanchez, et al. v. McDonald's Restaurants of California, Inc., et al.*  
Los Angeles Superior Court Case No. BC499888

**PLEASE READ THIS NOTICE CAREFULLY. THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT A PROPOSED CLASS ACTION SETTLEMENT. YOUR RIGHTS MAY BE AFFECTED BY THIS SETTLEMENT.**

To: All persons currently or formerly employed by McDonald's Restaurants of California, Inc. as non-managerial hourly workers at one or more of McDonald's corporate (i.e. non-franchised) restaurants in California at any time between January 24, 2009 and March 4, 2020 ("Class Members").

**If you fit the description above, YOU ARE A CLASS MEMBER AND ELIGIBLE TO RECEIVE A SETTLEMENT PAYMENT.** If you want to participate in this Class Action Settlement and received a hard copy of this Notice in the mail, no action is required. You will be automatically included in the Settlement and will be mailed a settlement check, if the Court grants final approval to the Settlement.

If you are a Class Member and did NOT receive a hard copy of this Notice in the mail, you must submit a Claim Form to receive your settlement payment. Information about Claim Forms is available below in Section M.

If you do NOT want to participate in the Settlement, then you must take action by July 31, 2020, as described below.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT</b>	
<b>DO NOTHING</b>	To receive your Settlement Payment, you do not need to do anything. Your payment will be mailed to you, automatically, after the Court grants final approval to the Settlement and final judgment is entered. You will be bound by the release of claims against McDonald's described in this Notice and the Settlement Agreement.
<b>EXCLUDE YOURSELF</b>	You may "opt out" of the Settlement, if you do not wish to participate in the Settlement. If you opt out, you will not receive any payment under the Settlement. This is the only option that allows you to pursue your own claims (in your own lawsuit) against McDonald's about the legal claims in this case. <b>If you want to opt out, you must follow the instructions in Section I and mail your request to opt out to the Claims Administrator no later than July 31, 2020. Untimely opt out requests will be rejected.</b>
<b>OBJECT</b>	Submit a written statement to the Claims Administrator no later than July 31, 2020 if you think the Settlement is not fair. See Section J for instructions on how to object. If the Court approves the Settlement over your objections, you will receive a Settlement Payment and be bound by the release of claims against McDonald's described in this Notice and the Settlement Agreement.

## I. OVERVIEW

There is a proposed settlement of claims against McDonald's Restaurants of California, Inc. and McDonald's of Culvr1-Sepulveda (collectively, "McDonald's") in a lawsuit filed in the Superior Court of California, County of Los Angeles ("the Lawsuit"). A complete copy of the Settlement Agreement and other documents in the case, including the Claim Form are available at [www.sanchezvmcdonaldssettlement.com](http://www.sanchezvmcdonaldssettlement.com). This website will be updated periodically to update the Class on developments in the case.

On March 4, 2020, the Court preliminarily approved the settlement and directed that this Notice be distributed to Class Members. A final settlement hearing will be held in Los Angeles Superior Court on August 6, 2020 at 11:00 a.m., to determine whether the settlement should be granted final approval. If the Court grants final approval, the settlement will resolve and release claims you may have against McDonald's as set forth in more detail below and in the Settlement Agreement.

## II. DESCRIPTION OF THE LAWSUIT

This Lawsuit was filed by former employees Maria Sanchez, Ines Mendez Merino, Jonathan Valentin, and David Cruz, on behalf of themselves and the Class Members. The Lawsuit claims that McDonald's failed to: provide required meal periods and rest breaks; pay overtime and minimum wages; pay all wages due to discharged and quitting employees; provide accurate itemized wage statements and maintain required records; and indemnify employees for necessary expenditures. Plaintiffs also allege that McDonald's violated the Unfair Competition Law and contend that they and the aggrieved employees are entitled to recover penalties under the Private Attorneys General Act ("PAGA"), Labor Code §§ 2698 et seq. Plaintiffs sought back wages, liquidated damages, injunctive and declaratory relief, civil penalties, interest, attorneys' fees, and costs. A copy of the Third Amended Complaint is available at [www.sanchezvmcdonaldssettlement.com](http://www.sanchezvmcdonaldssettlement.com).

McDonald's denies that it has violated any law, or engaged in any wrongdoing with respect to the Plaintiffs or the Class Members. The Settlement is not an admission of any wrongdoing by McDonald's. By approving the Settlement and issuing this Notice, the Court is not suggesting which side would win or lose this case.

## III. SUMMARY OF THE SETTLEMENT AGREEMENT

### **A. *Who is included in the Proposed Settlement?***

All persons currently or formerly employed by McDonald's Restaurants of California, Inc. ("McDonald's") as non-managerial hourly workers at one or more of McDonald's corporate (i.e., non-franchised) restaurants in California at any time between January 24, 2009 and March 4, 2020. Non-managerial hourly workers include crew members, crew trainers, primary maintenance persons, backup maintenance persons, crew OJEs, shift manager trainees, core crew members, crew chiefs, and MA core shift manager trainees.

### **B. *The "Certified Subclass" and Prior Notice***

Earlier in this Lawsuit, the Court certified a subclass of Class Members, referred to as the "Certified Subclass," which includes:

All persons currently or formerly employed by McDonald's Restaurants of California, Inc. ("McDonald's") as non-managerial hourly workers ("crew members") at one or more of McDonald's corporate (i.e., non-franchised) restaurants in California at any time between January 24, 2009 and March 4, 2020, who worked at least one shift that began on one calendar day and ended the next calendar day (an "overnight shift") followed by a shift that began on the same calendar day that the

overnight shift ended and who were not paid for all time worked in excess of eight hours in a 24-hour period.

**The rights of Certified Subclass Members are also affected by this Settlement.** You may have received a Notice of Certification of Class Action dated March 23, 2017 if you are a Certified Subclass Member. If you timely opted out of the Certified Subclass when you received the March 23, 2017 Notice, you are not a member of the Certified Subclass, but you are still a Class Member. If you do not want to be a Class Member, you should follow the opt-out procedure explained below.

### ***C. Amount and Timing of the Proposed Settlement***

McDonald's will pay \$26,000,000 (twenty-six million dollars, the "Settlement Payment") if the Court grants final approval of the settlement. In addition, McDonald's will separately pay all costs of preparing and distributing the Class Notice and administering the settlement. The Court has approved CPT Group, Inc. to act as the "Claims Administrator," which is sending this Notice to you and which will perform settlement administration duties.

From the total Settlement Payment, the plaintiffs will request that the Court approve the following payments:

- (1) Service fees of up to \$10,000 each for class representatives Maria Sanchez, Ines Mendez Merino, Jonathan Valentin, and David Cruz, and
- (2) One-third of the cash value of the Settlement Payment for attorneys' fees for plaintiffs' counsel (1/3 x \$26,000,000), plus plaintiffs' counsels' actual litigation expenses not to exceed \$1.5 million.

The amounts awarded for service fees, attorneys' fees, and litigation expenses shall be determined by the Court.

The remaining portion of the Settlement Payment is referred to as the "Net Fund." The Claims Administrator will allocate the Net Fund as follows:

#### Initial Distributions.

\$55,471 plus interest to Certified Subclass Members as alleged unpaid overtime wages for work performed between January 24, 2009 and February 28, 2017, based on the formula used by the Court in its July 6, 2017 Statement of Decision for determining the amount of unpaid overtime wages owed to Certified Subclass Members who worked certain overnight shifts;

An additional sum to Certified Subclass Members as alleged unpaid overtime wages and interest for work performed between March 1, 2017 and July 6, 2017, based on the Court's July 6, 2017 formula;

\$175,067.50 to Certified Subclass Members as alleged California Labor Code Private Attorneys General Act ("PAGA") penalties, based on the formula used by the Court for determining the number of pay periods in which Certified Subclass Members experienced overtime violations related to work on overnight shifts;

\$525,202.50 to the California Labor and Workforce Development Agency ("LWDA") as alleged PAGA penalties, based on that same formula.

Non-PAGA Payments to Class Members. 80% of the Net Fund remaining after the Initial Distributions above will be allocated to Class Members for payments associated with Class Members' non-PAGA claims as follows:

- Forty percent (40%) to Class Members for alleged back pay and interest associated with missed, late, and/or shortened meal periods and rest breaks, to be distributed to Class Members based on the number of weeks worked by that Class Member between January 24, 2009 and June 1, 2020;
- Ten percent (10%) to Class Members for alleged back pay, expenses, interest, and liquidated damages associated with the Class Members' time and expense of maintaining their work uniforms, to be distributed to Class Members based on the number of weeks worked by that Class Member between January 24, 2009 and June 1, 2020;
- Fifteen percent (15%) to Certified Subclass Members for additional alleged back pay and interest associated with unpaid overtime to be distributed to Certified Subclass Members based on the number of weeks worked by that Class Member between January 24, 2009 and June 1, 2020;
- Twenty percent (20%) to Class Members whose employment with McDonald's terminated between January 24, 2009 and June 1, 2020 for alleged waiting time penalties and interest. These amounts shall be allocated among terminated Class Members as set forth in the Settlement Agreement.
- Fifteen percent (15%) to Class Members for alleged wage statement penalties and interest, to be distributed to Class Members based on the number of weeks worked by that Class Member within the time frames specified in the Settlement Agreement.

PAGA Payments to Class Members and the LWDA. The Claims Administrator will allocate 20% of the Net Fund remaining after the Initial Distributions above as follows:

Seventy-five percent (75%) to the LWDA for the LWDA portion of alleged penalties under PAGA.

Twenty-five percent (25%) to Class Members for the aggrieved-employee portion of alleged penalties under PAGA. The aggrieved-employee portion will be allocated to Class Members, Certified Subclass Members, and Class Members whose employment with McDonald's terminated between March 13, 2013 and June 1, 2020 as specified in the Settlement Agreement.

No payments to plaintiffs, Class Members, Certified Subclass Members, plaintiffs' counsel, or the State of California will be made until after the Effective Date as defined in the Settlement Agreement.

#### ***D. Injunctive Relief***

McDonald's has also agreed to change or continue certain practices at its corporate-owned restaurants in California, including by: (1) paying the required one-hour wage premium to each crew member for each day that McDonald's does not provide that crew member with full, timely meal periods and rest breaks; (2) permitting all crew members to leave restaurant premises during meal periods, except to the extent necessary to ensure crew member safety; (3) tracking meal periods and rest breaks; and (4) providing additional work uniforms to crew members when their uniforms become worn out or damaged (including by grease or oil stains). McDonald's has further agreed to provide trainings to managers and crew members at California corporate-owned restaurants on the requirements of California law. The specific provisions are set forth in the Settlement Agreement, which you may review at [www.sanchezvmcdonaldssettlement.com](http://www.sanchezvmcdonaldssettlement.com).

#### ***E. Calculation of Individual Class Member Awards***

Each Class Member's share of the Settlement Payment will be based on the allocations described above. In calculating those amounts, the Claims Administrator has relied on work records provided by McDonald's.

This amount is only an estimate, and the actual amount you receive may be more or less than the estimated amount. Taxes and withholdings will be deducted from your individual payment of the settlement funds.

## ***F. Tax Matters***

For tax purposes, 55% of the amount distributed to each class member will be treated as payment of lost wages (and shall be subject to any required withholdings, payroll taxes, deductions, and contributions), 10% will be treated as interest, and 35% will be allocated to alleged civil or statutory penalties or liquidated damages. The Claims Administrator, McDonald's and its counsel, Plaintiffs and Class Counsel, and the Court cannot provide you with tax advice. Accordingly, you should consult with your tax advisor concerning the tax consequences and treatment of payments under this Settlement. Each class member remains personally responsible for ensuring the proper payment of all taxes due, as determined by the applicable taxing authority. If you do not have or submit a valid Social Security Number or Individual Taxpayer Identification Number (ITIN), federal law requires that backup withholding be applied to your payment.

## ***G. Releases***

If the Court approves the Settlement, the Court will enter judgment and the Settlement Agreement will bind all Class Members who have not timely opted out of the Settlement, and will bar all such Class Members from bringing certain claims against McDonald's. You will be giving up or "releasing" the claims described below:

As explained in more detail in the Settlement Agreement, upon the Effective Date of the Settlement each Class Member will waive, release, acquit and forever discharge McDonald's and all Released Parties from any and all Settled Claims. The Settled Claims are any and all claims that were alleged in this Lawsuit, arise out of or are related to the allegations and claims alleged in the Lawsuit, and/or could have been alleged based on the facts, matters, transactions, or occurrences alleged in the Lawsuit related to McDonald's corporate-owned (i.e., non-franchised) restaurants in California at any time between January 24, 2009 and June 1, 2020.

**The information provided in this Class Notice is only a summary.** The terms of the Settlement Agreement are the binding terms of this settlement, and all such terms, including the releases that will bind you as a class member if you do not opt out, are set forth fully in the Settlement Agreement that is on file with the Court and also can be found at [www.sanchezvmcdonaldssettlement.com](http://www.sanchezvmcdonaldssettlement.com). If the settlement is not approved by the Court or does not become final for some other reason, the litigation against McDonald's will continue.

## ***H. How to Dispute Your Stated Dates of Employment***

If you do not agree with the dates of your employment stated above, you must submit a written, signed statement explaining why the dates are incorrect, along with any supporting documents, to the Claims Administrator at the address provided below by no later than July 31, 2020. No challenge will be considered if postmarked after July 31, 2020. If you file a timely challenge, the Claims Administrator will evaluate your challenge, and its decision will be final and binding.

## ***I. How to Exclude Yourself or Opt Out of the Settlement***

If you do not wish to participate in the settlement, you may exclude yourself by "opting out." If you opt out, you will not receive any money from the settlement with McDonald's, and you will not release any of your claims.

To opt out, you must send a letter that includes your name, telephone number, current address, and the last four digits of your Social Security number, along with the following statement: "I, [NAME], voluntarily

choose not to participate in the settlement of the Class Action against McDonald's Restaurants of California, Inc., and hereby waive any rights I may have to participate in the settlement in the state court lawsuit entitled *Maria Sanchez, et al. v. McDonald's Restaurants of California, Inc.*, Los Angeles Superior Court Case No. BC499888." You must sign the statement and it must be postmarked by July 31, 2020. The statement should be mailed to the following address:

Sanchez, et al. v. McDonald's Restaurants of California, Inc.  
c/o CPT Group, Inc.  
50 Corporate Park  
Irvine, CA 92606

**No opt-out statement will be valid if postmarked after July 31, 2020. Requests to opt out that do not include all required information will be deemed null, void, and ineffective.**

If a class member files an opt-out statement and a Claim Form, the opt-out statement will be deemed invalid and the class member's Claim Form and release of claims will be valid and controlling.

### **J. How to Object to the Settlement**

If you do not opt out but believe that the Court should not approve the settlement for any reason, you may object to the proposed settlement. To object, you must submit a written statement or appear at the final settlement hearing to explain your objection. Your written statement must include your full name, current address, phone number, and the last four digits of your Social Security number. The written statement should also include the name of this action (*Maria Sanchez, et al. v. McDonald's Restaurants of California, Inc.*, Los Angeles Superior Court Case No. BC499888), a statement that you wish to object to the settlement, and the reasons that you object to the settlement. You must sign the statement. If you intend to appear at the final approval hearing and wish to speak at the hearing, you should include that in your statement. You do not have to be represented by a lawyer to object. However, if you choose to retain a lawyer to represent you, you will be solely responsible for any attorneys' fees and costs incurred.

Your objection must be mailed to the Settlement Administrator at the following address:

Sanchez, et al. v. McDonald's Restaurants of California, Inc.  
c/o CPT Group, Inc.  
50 Corporate Park  
Irvine, CA 92606

All objections must be postmarked no later than July 31, 2020. Class members who do not submit a written statement of objection or appear at the final settlement hearing to explain their objections will have waived their objections and will be fully bound by the settlement.

### **K. Hearing on the Settlement**

The Court has scheduled a final settlement approval hearing at the Los Angeles Superior Court, Spring Street Courthouse, Department 11, 312 North Spring Street, Los Angeles, CA 90012 at August 6, 2020 at 11:00 a.m. The Court will review the proposed settlement and decide whether it is fair, reasonable, and adequate, and whether it should be finally approved. You are welcome, but not required, to attend this hearing, whether you agree with or object to the proposed settlement.

The date of the final approval hearing may be changed without further notice to the Class. Before attending, please confirm the date of this hearing by contacting the Claims Administrator.

If the Court grants final approval of the settlement, notice of final judgment will be posted on the Claims Administrator's website ([www.sanchezvmcdonaldssettlement.com](http://www.sanchezvmcdonaldssettlement.com)) within seven calendar days after entry of the final order and judgment.

#### ***L. Your Contact Information***

If your mailing address has changed, or if any of your contact information changes before the final distribution, you are responsible for providing your updated information to the Claims Administrator.

#### ***M. Who is required to submit a Claim Form?***

If you received a paper copy of this Class Notice in the mail, you do not need to submit a Claim Form to recover a share of the settlement.

Any Class Member who did **not** receive a hard copy of the Class Notice by mail **must** submit a Claim Form to the Claims Administrator to participate in the settlement. If you believe you are a Class Member and did not receive a hard copy of this Class Notice in the mail, you may download a Claim Form from [www.sanchezvmcdonaldssettlement.com](http://www.sanchezvmcdonaldssettlement.com) or may request a Claim Form from the Claims Administrator at:

Sanchez, et al. v. McDonald's Restaurants of California, Inc.  
c/o CPT Group, Inc.  
50 Corporate Park  
Irvine, CA 92606

Your completed Claim Form must be mailed to the Claims Administrator **no later than July 31, 2020** for you to be eligible to recover a share of the settlement.

#### ***N. More Information***

If you have any questions or would like more information, contact Matern Law Group, PC at (855) 201-5143 or [info@maternlawgroup.com](mailto:info@maternlawgroup.com). You may also contact any of the counsel for plaintiffs listed below.

MATTHEW J. MATERN  
LAUNA ADOLPH  
Matern Law Group, PC  
1230 Rosecrans Avenue,  
Suite 200  
Manhattan Beach, California  
90266  
Telephone: (310) 531-1900

MICHAEL RUBIN  
BARBARA J. CHISHOLM  
AMANDA C. LYNCH  
Altshuler Berzon LLP  
177 Post St., Suite 300  
San Francisco, CA 94108  
Telephone: (415) 421-7151

JOSEPH M. SELLERS  
Cohen Milstein Sellers &  
Toll PLLC  
1100 New York Ave NW,  
Suite 500  
Washington, DC 20005  
Telephone: (202) 408-4600

**PLEASE DO NOT CONTACT THE COURT OR MCDONALD'S COUNSEL ABOUT THIS NOTICE**