

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the "Agreement") is made and entered into between the McDonald's USA, LLC, subsidiaries listed in Exhibit A, which operate McDonald's-owned restaurants, and the agents, directors, officers, employees and representatives of the same ("Respondent McOpCo"), McDonald's USA, LLC and its remaining subsidiaries and affiliates, and the agents, directors, officers, employees and representatives of the same ("Respondent McDonald's USA") (collectively, Respondents), and the United States Department of Justice, Civil Rights Division, Office of Special Counsel for Immigration-Related Unfair Employment Practices ("Office of Special Counsel").

WHEREAS, on April 9, 2014, the Office of Special Counsel notified Respondent McDonald's USA that it was initiating an independent investigation, DJ# 197-23-752 (the "OSC Investigation"), to determine whether Respondents engaged in a pattern or practice of discrimination in violation of the unfair immigration-related employment practices provision of 8 U.S.C. § 1324b(a)(6) (the "Act"). The OSC Investigation concerned certain practices of Respondent McOpCo's restaurants, specifically Respondent McOpCo's re-verification practices involving Lawful Permanent Residents.

WHEREAS, the Office of Special Counsel concluded, based upon the OSC Investigation, that there is reasonable cause to believe that Respondent McOpCo committed unfair documentary practices during the employment eligibility re-verification process.

WHEREAS, Respondents deny any engagement in unfair documentary practices in alleged violation of the Act. Respondents also disagree with the Office of Special Counsel's conclusions and do not admit (by this Agreement, any action taken, or otherwise) to violating any provision of the Act, or any other applicable law or regulation.

WHEREAS, the Office of Special Counsel and Respondents wish to resolve the OSC Investigation without further delay or expense and hereby acknowledge that they are voluntarily entering into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, and to fully and finally resolve the OSC Investigation as of the date of this Agreement, the Office of Special Counsel and Respondents agree to the following:

1. Respondents shall pay civil penalties to the United States Treasury in the amount of three hundred and fifty-five thousand dollars (\$355,000).
2. The monies discussed in paragraph 1 shall be paid via the FedWire electronic fund transfer system within twenty-one (21) days after the Effective Date (as defined in paragraph 20) of this Agreement. The Office of Special Counsel shall provide Respondents with fund transfer instructions. On the day of payment, Respondents shall confirm via email to Silvia Dominguez-Reese at Silvia.Dominguez-Reese@usdoj.gov and Jennifer Deines at Jennifer.Deines@usdoj.gov that the payment was made.

3. Respondent McOpCo shall pay backpay in accordance with the Claims Procedure set forth in Exhibit B to eligible employees or former employees who claim to have suffered economic loss, including but not limited to termination or loss of work as a result of the employment eligibility reverification practices alleged by the Office of Special Counsel to be unlawful. To be eligible, the employee or former employee will need to have suffered an economic loss, as described in Exhibit B, during the time period of September 23, 2012 to March 1, 2015.
4. In keeping with the scope of this Agreement, Respondents shall not discriminate on the basis of citizenship status or national origin in violation of the Act.
5. Respondents shall comply with the terms of the Act, which make it an unfair immigration-related employment practice to intimidate, threaten, coerce, or retaliate against any individual for his or her participation in the OSC Investigation or the exercise of any right or privilege secured by 8 U.S.C. § 1324b.
6. For all Respondent McOpCo locations not already doing so as a condition of their access to the Department of Homeland Security's E-Verify program, Respondent McOpCo shall post the Office of Special Counsel's "If You Have The Right to Work" poster ("OSC Poster"), in color and measuring no smaller than 11" x 14," an image of which is available at <http://www.justice.gov/crt/about/osc/htm/worker.php#>, in each Respondent McOpCo restaurant location, in an area it can be seen by employees and job applicants. The OSC Poster will be posted within sixty (60) days after the Effective Date of this Agreement and Respondents shall take reasonable steps to require that it remains posted throughout the Reporting Period (as defined below) and take reasonable steps to make sure those locations comply with such requirement. The OSC Poster shall be posted in at least English and Spanish.
7. For 20 months after the Effective Date of this Agreement (the "Reporting Period"), Respondents shall ensure that all of the Human Resources Consultants that support McOpCo restaurants, employees in Respondent McDonald's USA's Employment Records Group, and Respondent McOpCo General Managers are provided a copy and/or have electronic access to the most current version of the Form I-9, USCIS Employment Eligibility Verification Handbook for Employers (M-274) ("Handbook"), available at www.uscis.gov/I-9Central, and the most current USCIS E-Verify Manual (M-775) ("Manual"), available at: www.uscis.gov/USCIS/Verification/E-Verify/E-Verify_Native_Documents/manual-employer_comp.pdf. Copies of these documents and future revisions of the Form I-9, Handbook, and Manual can be obtained from the United States Citizenship and Immigration Services at www.uscis.gov.
8. Prior to the Effective Date of this Agreement, the Office of Special Counsel has reviewed Respondents' Immigration Compliance Policy, and Respondent McOpCo's Form I-9 and onboarding programs and processes as a condition of entering into this Agreement. Within sixty (60) days of the Effective Date of this Agreement, Respondents shall also provide the Office of Special Counsel with non-privileged documentation, including but not limited to, a written description of all steps taken to ensure that they are not reverifying Permanent Resident Cards (Forms I-551) and additional documentary proof of such steps.

9. During the Reporting Period, Respondents shall obtain written approval from the Office of Special Counsel prior to implementing any changes to their Immigration Compliance Policy, and Respondent McOpCo's Form I-9 and onboarding programs and processes referenced in paragraph 8, to the extent that such changes involve employment eligibility verification and reverification. Respondents will send any proposed changes to the Office of Special Counsel no later than twenty-one (21) days in advance of its intended implementation date, and the Office of Special Counsel will notify Respondents no later than fourteen (14) days after receiving such proposed changes in writing of any concerns with the proposed changes. The parties will discuss any disputes about the proposed changes in advance of their implementation. The 21-day notice requirement is not applicable where Respondents implement changes in training, onboarding platforms or processes in a good faith effort to comply with other legal obligations, but in such circumstances Respondents will provide notice as soon as is practicable but no later than 7 days after the implementation of the proposed changes.
10. Within one hundred and seventy (170) days after the Effective Date of this Agreement, the Human Resources Consultants that support Respondent McOpCo's restaurants, and People Managers and General Managers of Respondent McOpCo's restaurants will undertake one of the Office of Special Counsel's training sessions, as specified below, relating to the obligation to comply with 8 U.S.C. § 1324b, the appropriate use of E-Verify (where applicable), and the employment eligibility verification and reverification process.
- (a) The training for Human Resources Consultants and General Managers will take place as follows : 1) at least 600 Human Resources Consultants and General Managers will view one (1) of twelve (12) live remote webinar presentations that will be held by the Office of Special Counsel on the dates set forth on Exhibit C ; 2) no more than 500 Human Resources Consultants and General Managers will view one (1) of five (5) regularly-scheduled monthly Office of Special Counsel Employer webinars; 3) no more than 500 General Managers will view a recorded webinar presentation. If any of the presentations listed on Exhibit C are postponed or rescheduled, the parties will work in good faith to find mutually acceptable alternate dates. If the Office of Special Counsel must reschedule a training in Exhibit C, Respondent will be in compliance with this Agreement for managers who participate in the rescheduled training(s). Any Human Resources Consultants and General Managers who have not participated in the regularly-scheduled monthly webinars or recorded webinars must complete a live webinar listed on Exhibit C. The training for People Managers will consist of viewing a recorded webinar presentation.
- (b) All employees will be paid their normal rate of pay during the training session that they attend. Respondents shall bear the costs associated with employees traveling to attend the training.
- (c) During the Reporting Period, any new or returning Human Resources Consultants that support Respondent McOpCo's restaurants, and People Managers and General


Managers of Respondent McOpCo's restaurants who did not previously view the training, will undergo the recorded training specified in subparagraph (a) above within forty-five (45) days of taking on such responsibility.

- (d) Respondents will compile and maintain attendance records listing the individuals who attend each training session described in this paragraph including their full name, title, and the date of the training, and send written assurance that the records have been compiled and are being maintained via email to Silvia.Dominguez-Reese@usdoj.gov and Jennifer.Deines@usdoj.gov within seven (7) days of the conclusion of all training sessions.
11. During the Reporting Period, the Office of Special Counsel may make requests for documents and information directly bearing on Respondents' compliance with the Agreement, and will act in good faith to ensure that any such requests balance the potential burden of the request against the scope and magnitude of any compliance concerns. Respondents will comply with the Office of Special Counsel requests within a reasonable period of time not to exceed 30 (thirty) days unless Respondents provide specific written reasons prior to the 30th (thirtieth) day as to why they cannot respond within that timeframe and provide another specific timeframe, not to exceed an additional 30 (thirty) days, within which they will respond. Notwithstanding this paragraph, the Office of Special Counsel retains all of the statutory rights to obtain information and conduct on-site inspections of Respondent McOpCo's locations that it would have absent this Agreement.
12. If during the Reporting Period the Office of Special Counsel has reasonable cause to believe that Respondents are in violation of any provision of this Agreement, the Office of Special Counsel will notify Respondents of the purported violation without opening a new formal independent investigation. Respondents will then be given a reasonable amount of time, not to exceed sixty (60) days after the date they are notified by the Office of Special Counsel, in which to cure the violation to the satisfaction of the Office of Special Counsel before Respondents are deemed by the Office of Special Counsel to be in violation of this Agreement, unless Respondents provide specific written reasons prior to the Office of Special Counsel's deadline explaining why they cannot cure the violation within that timeframe. If Respondents provide such written notice, the Office of Special Counsel will provide another specific timeframe, not to exceed an additional 30 days, within which Respondents must cure the alleged violation to the satisfaction of the Office of Special Counsel.
13. This Agreement does not affect the right of any individual to file a charge with the Office of Special Counsel alleging an unfair immigration-related employment practice against Respondents, or the authority of the Office of Special Counsel to investigate or file a complaint on behalf of any such individual, or the authority of the Office of Special Counsel to conduct an independent investigation of Respondent McOpCo's employment practices other than the alleged reverification practices that were the subject of the OSC Investigation.

14. Subject to paragraph 13, the Office of Special Counsel waives and releases Respondents, their licensees, parents, and successors, but not including any franchisees, from all claims and causes of action under 8 U.S.C. § 1324b pertaining to the OSC Investigation through the date this Agreement is signed by all parties. The Office of Special Counsel further agrees that the OSC Investigation shall be resolved upon the execution of this Agreement.
15. This Agreement may be enforced in the United States District Court for the Northern District of Illinois.
16. The Office of Special Counsel and Respondents agree that, as of the Effective Date of this Agreement, litigation concerning the OSC Investigation is not reasonably foreseeable. To the extent that any Party previously implemented a litigation hold to preserve documents, electronically stored information, or things related to this matter, the party is no longer required to maintain such a litigation hold. Nothing in this paragraph relieves any Party of any other obligations imposed by this Agreement.
17. Should any provision of this Agreement be declared or determined by any court to be illegal or invalid, the validity of the remaining parts, terms, or provisions shall not be affected thereby and said illegal or invalid part, term, or provision shall be deemed not to be a part of this Agreement. Respondents and the Office of Special Counsel shall not, individually or in combination with another, seek to have any court declare or determine that any provision of this Agreement is invalid.
18. The Office of Special Counsel and Respondents shall bear their own costs, attorneys' fees and other expenses incurred in this action.
19. This Agreement may be executed in multiple counterparts, each of which together shall be considered an original but all of which shall constitute one agreement. The parties shall be bound by facsimile signatures.
20. The effective date of the Agreement will be the date on which a copy of the fully-signed Agreement is received (electronically or as a hard copy) by the Office of Special Counsel and Respondents (the "Effective Date").

Respondents

By:

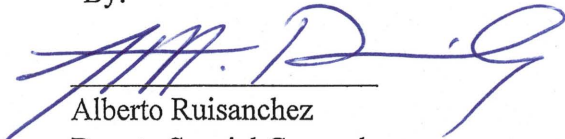


Jerome N. Krulewitch
McDonald's USA, LLC, U.S.
Senior Vice President and Assistant Secretary
McOpCo Service Company
Vice President and Assistant Secretary

Dated: 11/19/15

Office of Special Counsel for Immigration-Related Unfair Employment Practices

By:



Alberto Ruisanchez
Deputy Special Counsel

Dated: 11-19-15

Jodi Danis
Special Litigation Counsel

Silvia Dominguez-Reese
Jennifer Deines
Trial Attorneys