

CITY OF NEW YORK
DEPARTMENT OF CONSUMER AND WORKER PROTECTION

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**New York City Department of Consumer
and Worker Protection,**

Petitioner,

-against-

Chipotle Mexican Grill, Inc.,

Respondent.

CONSENT ORDER

Record Nos. 2018-00094-ENF
2018-00216-ENF
2019-00649-ENF

4249-2022-ADJC

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GENERAL TERMS AND DEFINITIONS

1. The New York City Department of Consumer and Worker Protection (“the Department”) conducted an investigation into Chipotle Mexican Grill, Inc. (together with its direct and indirect subsidiaries, “Respondent” or “Chipotle”) with respect to compliance with the Fair Workweek Law, Subchapters 1 through 6 of Chapter 12 of Title 20 of the New York City Administrative Code and Title 6 Chapter 7, subchapters A and F of the Rules of the City of New York (“FWW Law”) and the Earned Safe and Sick Time Act, Chapter 8 of Title 20 of the New York City Administrative Code and Subchapters A and B of Title 6, Chapter 7 of The Rules of the City of New York (“ESSTA”) (these provisions of the FWW Law and ESSTA are collectively referred to as the “Laws”). This Consent Order (“CO”) sets forth the Department’s conclusions and the agreement between the City of New York (the “City”), acting by and through the Department, and Chipotle (together, “the Parties”).
2. Definitions
 - a. The “Settlement Period” as used herein shall be defined as the period of November 26, 2017 up to and including April 30, 2022.
 - b. “Class Members” as used herein shall be defined as all employees of Chipotle who worked for any part of a week during the Settlement Period as a “fast food employee” as defined in the FWW Law.
 - c. “Current Employees” are Class Members employed by Chipotle on April 30, 2022.
 - d. “Former Employees” are Class Members other than Current Employees.
 - e. Unless otherwise indicated, the terms of this CO are effective when this CO is signed by both Respondent and the Department, and the proceeding before the New York City Office of Administrative Trials and Hearings bearing Record Nos. 2018-00094-ENF, 2018-00216-ENF, and 2019-00649-ENF is dismissed with prejudice, (the “Effective Date”).

- f. Workweek means any week in which a Class Member performed any work for Chipotle as a “fast food employee” as defined in the FWW Law during the Settlement Period.
- 3. As a result of its investigation into compliance at Chipotle locations in New York City, the Department concluded that there is sufficient evidence to support the following charges for violations of the FWW Law and ESSTA during the Settlement Period. There has been no judicial determination of any violation.
 - a. FWW Law, § 20-1221(a): Failing to provide employees with compliant good faith estimates of work schedules.
 - b. FWW Law, § 20-1221(b): Failing to provide employees with written notice of their work schedules no later than 14 days before the first day on the work schedule.
 - c. FWW Law, § 20-1221(d): Requiring employees to work additional hours with less than 14 days’ notice without advance written consent.
 - d. FWW Law, § 20-1222(a): Failing to provide employees premium pay for changes made to the work schedule with less than 14 days’ notice.
 - e. FWW Law, § 20-1231: Requiring employees to work two shifts over a two-day period with fewer than 11 hours between the end of the first shift and the beginning of the second shift (“clopening”), without obtaining employees’ written request or consent or paying \$100 in premium pay.
 - f. § 20-1241: Failing to offer and distribute available shifts to current employees in the form required by law before hiring new employees.
 - g. FWW Law, § 20-1206(a): Failing to maintain records documenting compliance with applicable requirements of the FWW Law for three years.
 - h. ESSTA, Section 20-913(d)(1): Failing to allow employees to use accrued safe/sick time.
 - i. ESSTA Rule 7-211(a): Failing to maintain a compliant written safe time and sick time policy.
- 4. Respondent and the Department on behalf of itself and the City enter into this CO to avoid further litigation and to resolve this matter. The undersigned signatory of Respondent represents and certifies that s/he is duly authorized to enter into this CO with the Department on its behalf.
- 5. The acceptance of this CO by the Department shall not be deemed approval by the Department of any of Respondent’s business practices, and Respondent shall make no representations to the contrary.
- 6. In the event of breach, an action to enforce the terms of this CO shall be filed in the Supreme Court of the State of New York, New York County, which may enter any appropriate order and judgment concerning interpretation, implementation, and enforcement of the terms of this CO. The Parties submit to the jurisdiction of the Court for this purpose. Prior to filing any such lawsuit, the Parties shall attend a non-binding mediation before Martin F. Scheinman within two months of one Party notifying the other of the alleged breach to attempt to resolve it, with the cost of such mediation to be at Chipotle’s sole expense. If Mr. Scheinman – or another individual from Scheinman Arbitration and Mediation Service – is unable to conduct the mediation due to

circumstances not foreseen at the time of entering into the CO, the Parties shall choose a mediator with AAA to conduct the mediation within the time frame above. The condition of pre litigation mediation may only be waived by the mutual written consent of the Parties, provided that mutual written consent to waive mediation is not required if Chipotle, within 60 days from the date a Party has given notice of the alleged breach, has not committed to a timely mediation date offered by the mediator.

RESOLUTION OF CLAIMS AND INVESTIGATIONS

7. This CO shall serve as final settlement with respect to any civil penalties owed to the City of New York arising from any violations of the Laws by Chipotle during the Settlement Period. The Department shall not be permitted to seek such civil penalties before an administrative tribunal or any other court or forum, except as may be permitted under the terms of this CO.
8. **Settlement of Investigations and Release of Claims.** This CO shall serve as final settlement and dismissal with prejudice of any Department investigation for all employee relief that may be owed for alleged violations of the Laws or any civil penalties owed under the Laws for the Settlement Period. In addition, this CO shall serve as final settlement and release of any private cause of action under the sections of the Laws listed in Paragraph 3 for any member of the Settlement Class (including any person or organization acting on his or her behalf) who accepts a Settlement Payment and/or Service Award. Class Members shall be notified in clear language in the Settlement Notice that their acceptance of payment pursuant to this CO shall result in such release of individual claims.
9. This CO shall serve as final settlement and release by the City and its Corporation Counsel for any claim for relief under the Laws for the Settlement Period, except for those complaints that concern violations of ESSTA Section 20-918 as set forth in Paragraph 10 below, including but not limited to claims that could be or could have been brought under the pattern or practice provisions of the Laws for the Settlement Period.
10. Following the Effective Date, the Department will not: (i) initiate an investigation, either on its own initiative or as a result of a complaint, into Chipotle's compliance with the FWW Law during the Settlement Period; or (ii) initiate an investigation either on its own initiative or as a result of a complaint into Chipotle's compliance with ESSTA during the Settlement Period. However, the Department may investigate a complaint filed by an individual employee after the Settlement Period that concerns a violation of ESSTA Section 20-918 (retaliation and interference) that occurred during the Settlement Period, and may take any appropriate enforcement action for monetary relief for that individual complainant (the Department represents that as of April 30, 2022, DCWP has not received any such complaint).
11. Nothing in this CO shall be construed to limit the Department's ability to investigate or take enforcement action with respect to any claim for employee relief, penalties, reinstatement, or any other relief for which Chipotle employees may be eligible under Subchapter 7: Wrongful Discharge of Fast Food Employees, Chapter 12 of Title 20 of the

New York City Administrative Code for any time period, whether during the Settlement Period or afterwards.

12. **Pending OATH Proceedings Released.** All proceedings alleging violations of the Laws for the Settlement Period pending before the New York City Office of Administrative Trials and Hearings by the Department against Chipotle, including but not limited to the instant matter bearing Record Nos. 2018-00094-ENF, 2018-00216-ENF, and 2019-00649-ENF, shall be dismissed with prejudice pursuant to this CO. The Parties will cooperate in taking the steps necessary to effectuate said dismissal. Each Party bears its own costs in connection with that matter.

EMPLOYEE RELIEF AND CIVIL PENALTIES

13. **Total Settlement Payment.** In order to resolve the claims and investigations as set forth in this CO, Chipotle shall pay: (1) a total amount of \$1,000,000 to the City in satisfaction of any and all amounts due to the City including but not limited to any civil penalties (the “Civil Penalty Amount”); and (2) \$50 per workweek per Class Member (the “Gross Relief Amount” or “GRA”) who makes a claim, as set forth in Paragraph 17 below.
14. Within fifteen (15) calendar days of the Effective Date, Respondent shall pay the Civil Penalty Amount by wire transfer, using payment instructions to be provided by the Department. Upon making the payment, Respondent shall send proof of payment to ComplianceMonitoring@dcwp.nyc.gov in an email with the adjudication (ADJC) number set forth in the caption of this CO in the subject line.
15. **Settlement Administrator.** The settlement and payments to Class Members will be administered by Arden Claims Service (the “Settlement Administrator”). The Settlement Administrator shall execute a contract with the Parties that incorporates the relevant terms of this CO. Chipotle will pay the Settlement Administrator’s reasonable costs and fees (in addition to, and separately from, the Civil Penalty Amount and the GRA). The Settlement Administrator shall take all reasonable steps to ensure that payments made pursuant to this CO are done in a manner that protects against fraud, mistake, or duplicate payment.
16. **Settlement Payments to Class Members.** Payment to Class Members from the GRA will be calculated based on the number of weeks a Class Member worked for Chipotle for any amount of time as a fast food employee (as defined by the FWW Law) during the Settlement Period, multiplied by \$50, subject to the limitations on the total amount of the GRA in Paragraph 17 (“Settlement Payment”).
17. Settlement Payments to Class Members from the GRA will be on a “claims made” basis, as set forth herein. Current Employees and Complainants (as defined below) will be deemed to have automatically made claims, subject to the opt-out procedures as set forth herein. In order to receive payment from the GRA, Former Employees are required to make claims in accordance with the procedures as set forth herein. Under no circumstances shall

the GRA be more than \$20,000,000 plus \$50 per workweek per Class Member for workweeks from January 1, 2022 through April 30, 2022.

18. **Service Awards.** In addition, additional “Service Awards” may be made from the GRA to individuals who presented claims to the Department on or before November 22, 2021 (“Complainants”). The number of Complainants shall not exceed 160 Employees, and the total amount of Service Awards shall not exceed \$400,000. DCWP shall set the level of Service Awards, but the maximum amount any one Complainant can receive shall be \$4,000. The Department shall provide the Settlement Administrator the first and last name, Service Award amount, and other appropriate identifying information within thirty (30) calendar days of the Effective Date. The Department shall also certify and provide corroboration to the Settlement Administrator that each Complainant receiving a Service Award made a documented complaint of a violation covered by this CO to the Department on or before November 22, 2021 in order for such Complainant to be eligible for a Service Award. The Settlement Administrator may reject a Service Award to a Complainant for whom DCWP does not provide corroboration satisfactory to the Settlement Administrator that the individual made a documented complaint of a violation covered by this CO to the Department prior to November 22, 2021. The Settlement Administrator shall keep all Complainant information and documentation strictly confidential and shall not reveal it to Chipotle.
19. **Tax Treatment.** For withholding tax characterization purposes and payment of taxes, payments to Class Members shall be deemed and are allocated by the Parties as follows:
- a. 6.4% as wages to represent unpaid premium pay per section 20-1222(a) of the Fair Workweek Law, from which appropriate taxes and other withholdings will be deducted and which will be reported on an IRS Form W-2; and
 - b. 93.6% as statutory damages as provided by section 20-1208 of the Fair Workweek Law and section 20-924(d) of the Earned Safe and Sick Time Act, which will be reported on an IRS Form 1099.

If required by IRS regulations, the Settlement Administrator will distribute Forms W-2 and/or Forms 1099 to Class Members at times and in the manner required by the IRS and consistent with this CO. Each individual Class Member will be solely responsible for his or her own tax payment obligations and any interest and penalties due on income received pursuant to this CO. Chipotle will be responsible for the employer portion of payroll taxes on the payments defined as wages in the CO, which will not be paid from the GRA and which Chipotle will fund separately in an amount the SA will calculate. Chipotle and the SA will arrange for the payment of the employer portion of payroll taxes by Chipotle on Settlement Payments received by Class Members.

Nothing herein shall prevent the Settlement Administrator from responding to a subpoena or request for information, or otherwise cooperating, in any governmental investigation or audit, including but not limited to any investigation or audit conducted by Federal, State, or local taxing authorities. Provided, however, that the Settlement Administrator shall give notice to the Department and to Chipotle within five (5) days of receipt of such subpoena

or other request, in order to provide the Parties a reasonable period of time in which to seek to quash, limit, object to, or move for a protective order. Should either party do so, the Settlement Administrator shall not produce such information until a determination on, or withdrawal of, that Party's submission.

Nothing in this CO shall limit Chipotle, as a public company, from taking any actions to comply with its disclosure and filing obligations under the federal securities laws and New York Stock Exchange regulations.

20. In accordance with Section 20-1204 of the FWW Law, which governs this Paragraph, Chipotle shall not take any adverse action against an employee that penalizes such employee for, or is reasonably likely to deter such employee from, exercising or attempting to exercise their rights under the CO. DCWP retains all statutory rights under Section 20-1204 of the FWW Law.

NOTICE AND CLAIMS PROCEDURE

21. Within ten (10) calendar days of the Effective Date, the Settlement Administrator will establish and control a Qualified Settlement Fund ("QSF") into which the GRA will be deposited, subject to the terms of this CO.
22. **Settlement Administrator Website and Telephone Number.** Within thirty (30) calendar days of the Effective Date, the Settlement Administrator shall:
- a. Establish a Settlement Website. The Settlement Website address will be www.ChipotleFairWorkweekSettlement.com, or another substantially similar website address agreed to by the Parties. The text of the website shall be drafted by the Settlement Administrator to provide plain-language information about the terms of this CO, and shall contain a description of the claim procedures set forth herein, a link to this CO, contact information for the Settlement Administrator (including the telephone number and email address established by the Settlement Administrator, per Paragraph 22.b), a form to complete and submit an electronic claim form through the website (for which the Settlement Administrator shall utilize claimant ID numbers and whatever other standard methods it customarily uses to ensure only those who received a Settlement Notice can utilize the website claim form) a form to submit a request for a replacement check or a payment by direct deposit through the website, and a statement that Class Members can contact the Settlement Administrator with questions. The Settlement Website shall be maintained for one hundred eighty (180) calendar days after the end of the Notice Period, as defined below. Versions of the website shall be available in English and Spanish.
 - b. Establish a telephone number and email address that Class Members may contact with questions about the settlement process, or to raise issues with their Settlement Payment amount, or to request a Settlement Notice upon verifying their identity by

providing information to the Settlement Administrator in accordance with the Settlement Administrator's standard procedures for verification and fraud prevention. The email address shall also be used to accept claim forms. The Settlement Administrator shall ensure Class Members who speak Spanish can effectively communicate with the Settlement Administrator, consistent with the Settlement Administrator's normal practices. The telephone number and email address shall be maintained for one hundred eighty (180) calendar days after the end of the Notice Period, as defined below.

23. Attached hereto as Exhibit A are template Settlement Notices, which the Settlement Administrator may modify as necessary to perform its duties under the CO, with the consent of all Parties, including by preparing the Claim Form. The Settlement Administrator shall customize the Settlement Notice sent to each Class Member to include that individual's name, Claimant Number, Settlement Payment amount, and number of weeks worked. The Settlement Notice for Former Employees will contain a claim form and instructions for filing a claim by mail or email, or online through the website, and the deadline for filing a claim. The Settlement Administrator shall provide the appropriate Settlement Notice by email and U.S. Mail to each Class Member.
24. **Class Data.** Within 10 days of the Effective Date, Chipotle will provide, in a format acceptable to the Settlement Administrator, for each Class Member: (1) the first and last name, (2) unique employee identification number, (3) last known mailing address, (4) last known personal email, (5) last known cell phone number, (6) Social Security number, (7) workweek data necessary to calculate settlement payments, and (8) employment status as of April 30, 2022 (the "Class Data"). The Settlement Administrator shall keep the Class Data confidential and will not share it with any other party, including but not limited to the Department.
25. **Data Provided to the Department.** Within 25 days after Chipotle provides the Class Data, the Settlement Administrator shall calculate Settlement Payments for the Class Members and shall provide to the Department in writing the first and last initials, last four digits of the social security number, gross Settlement Payment amount for each Class Member, and information sufficient to show tax withholding amounts and net payment amounts. The Settlement Administrator shall confirm to the Department the first and last name of any Class Member in response to an inquiry by the Department concerning any Class Member who contacts the Department for assistance if the Department is unable to ascertain the Class Member's identity from the information it has, and the Settlement Administrator shall not reveal the identity of any such Class Member to Chipotle. The Settlement Administrator shall also notify the Department and Chipotle in writing of the total amount for Current Employees' and Complainants' Settlement Payments and Service Awards. This writing shall include aggregate dollar amounts only, and shall not include any information that would reveal the identities of Complainants.
26. **Depositing to QSF and Carve Out.** Within 15 days of receiving such aggregate calculation from the Settlement Administrator, Chipotle will deposit into the QSF:

- a. An amount sufficient to pay the Settlement Payments (plus the amount of the employer portion of payroll taxes on the payments defined as wages in the CO) and Service Awards of Current Employees and Complainants; and
- b. \$300,000, which is referred to as the “Carve Out.” The Carve Out amount shall be allocated for any disputed claims that may result from (1) an error by Chipotle in the Class Data or by the Settlement Administrator, (2) a dispute over a Class Member’s workweeks worked for Chipotle, or (3) a late claim filed by a Former Employee after the Notice Period, as defined below, ends. In the event of such a dispute, the Settlement Administrator shall obtain the information necessary from the necessary Class Member and/or individual to resolve such a dispute, and shall solicit input from the Parties as to how to resolve the dispute. The Settlement Administrator shall provide the first and last name of the Class Member and any other relevant information to the Department and Chipotle in connection with this process. A late-filed claim may only be accepted by the Settlement Administrator and paid from the QSF if the lateness was due to error outside the Former Employee’s control, the Former Employee did not receive the Settlement Notice, or the Former Employee could not reasonably have filed a claim within the Notice Period, as defined below. Upon obtaining the necessary information, the Settlement Administrator shall notify the Parties in writing of its recommended resolution. To the extent the Parties have a dispute over the Settlement Administrator’s recommended resolution, such dispute shall be resolved with the assistance of Martin Scheinman, whose fee shall be paid by Chipotle, unless Scheinman finds that the Department’s position is frivolous, in which case the fee shall be paid by the Department. For purposes of this Paragraph, frivolous shall mean, lacking a supportable basis, an action which is without merit and cannot be supported by a reasonable argument, and/or is undertaken to unnecessarily delay or harass. Any money in the Carve Out that is remaining one hundred eighty (180) days after the end of the Notice Period, as defined below, other than money for situations that are actively in dispute, shall be returned to Chipotle. Any money for situations that are actively in dispute as of this time period shall be returned to Chipotle as of the resolution of such dispute, if the resolution of such dispute requires it. The Settlement Administrator shall inform the Parties if the Carve Out amount is insufficient to cover any resolved disputes or late claims and the additional amount needed to do so (such additional amount is referred to as the “Additional Carve Out.”). Within fourteen (14) days thereafter, Chipotle shall deposit into the QSF the Additional Carve Out. However, under no circumstances will the Additional Carve Out cause Chipotle to deposit into the QSF more than the Gross Relief Amount, as set forth in Paragraph 17.

27. **Distribution of Settlement Notices and Reminders.** Within 30 days of Chipotle providing the Class Data to the Settlement Administrator, the Settlement Administrator shall distribute the Settlement Notice to Employees as follows:
- a. *Distribution of Settlement Notice.* The Settlement Notice shall be emailed (from the Settlement Administrator’s email address, as set forth in Paragraph 22.b) and

mailed to Employees at their last known email and mailing address as provided in the Class Data.

- b. *Notice to Current Employees.* Current Employees and Complainants shall have a check with their Settlement Payment enclosed with their mailed Settlement Notice. The checks shall contain a notice and agreement on the back notifying Current Employees and Complainants of the release of their private causes of action, as set forth in Paragraph 8. Current Employees and Complainants shall receive attached to their mailed Settlement Notice a Direct Deposit Authorization Form, instructing the employee on the steps to take to return the Direct Deposit Authorization Form to the Settlement Administrator to receive direct deposit of the Settlement Payment instead of a check (for which the SA will issue a stop payment upon receipt of the Direct Deposit Form, if the check has not been cashed or deposited; if the check has been cashed or deposited, the SA will take no further action towards Direct Deposit). The Direct Deposit Authorization Form shall also contain notice and agreement notifying them of the release of their private causes of action, as set forth in Paragraph 8. The emailed version of the Settlement Notice shall provide the mailing address to which the check was sent, and instructions for a Current Employee or Complainant to submit a request through the Settlement Website for a direct deposit or to void and re-issue a check to a new address.
- c. *Reminder Notice to Current Employees.* 30 days after the date of mailing, the Settlement Administrator shall send a reminder text message (if a telephone number which receives text messages is in the Class Data) and email (if a valid email address is in the Class Data) to any Current Employee who has not cashed a Settlement Payment check or submitted a request for a direct deposit or re-issuance of a check. The text message shall state: “Our records show you have not cashed the check mailed to you from the NYC Dep’t of Consumer & Worker Protection’s Fair Workweek settlement with Chipotle. Visit www.ChipotleFairWorkweekSettlement.com to learn more or request a replacement payment.” The email shall contain the text of the original Settlement Notice emailed to the Current Employee or Complainant, and shall state at the top of the email: “Our records show that you have not cashed the check mailed to the address below from the NYC Dep’t of Consumer & Worker Protection’s Fair Workweek settlement with Chipotle. Visit www.ChipotleFairWorkweekSettlement.com to learn more or request a replacement payment.”
- d. *Claims by Former Employees.* Former Employees shall have 90 days from the date of mailing (the “Notice Period”) to file a claim in accordance with the procedures stated in the Settlement Notice. Former Employees may file claims through a webform on the Settlement Administrator’s website (per Paragraph 22.a, above), by email (to the Settlement Administrator’s email address) or by mail. The Settlement Notice must be postmarked (if filed by mail) or timestamped (if filed online or by email) within the Notice Period for a claim to be valid. Any untimely claim will not be valid, unless determined to be so pursuant to Paragraph 26.b.
- e. *Skip Trace for Former Employees.* The Settlement Administrator shall perform one skip trace for any returned Settlement Notice for any Class Member and shall

forward return mail to any forwarding address. For such Former Employee, claims will be deemed to be timely if filed within 90 days from the date of such remailing. 90 days after the last such remailing (i.e. the end of the period by which any Former Employee received notice pursuant to this Paragraph 27.e) shall be referred to as the “Extended Notice Period.”

- f. *Reminder Notices to Former Employees.* 30 days after the date of mailing, the Settlement Administrator shall send a reminder text (if a telephone number which receives texts is in the Class Data) and email (if a valid email address is in the Class Data) to Former Employees. The text message shall state: “Our records show you have not filed a claim to receive money from the NYC Dep’t of Consumer & Worker Protection’s Fair Workweek settlement with Chipotle. Visit www.ChipotleFairWorkweekSettlement.com to learn more. The deadline is [last day of Notice Period].” The email shall contain the text of the original Settlement Notice emailed to the Current Employee or Complainant, and shall state at the top of the email: “Our records show you have not filed a claim to receive money from the NYC Dep’t of Consumer & Worker Protection’s Fair Workweek settlement with Chipotle. Visit www.ChipotleFairWorkweekSettlement.com to learn more. The deadline is [last day of Notice Period].”
28. **Claims Updates.** The Settlement Administrator shall provide updates to the Department and Chipotle 30 days after distributing the Settlement Notice, 60 days after distributing the Settlement Notice, at the end of the Notice Period, and at the end of the Extended Notice Period. The update shall indicate the aggregate number of individuals, and aggregate corresponding amount of Settlement Payments, who have filed claims to date, broken down between those who were automatically deemed to have filed claims (Current Employees and Complainants) and those who must affirmatively file claims (Former Employees).
29. **List of Claims Made.** Within 15 days after the end of the Extended Notice Period, and again within 15 days after the 180-day period set forth in Paragraph 33, the Settlement Administrator shall provide to the Department and to Chipotle, the first and last name and last four digits of the social security number for each Class Member, and for each Class Member who accepted or claimed a Settlement Payment, the amount of any Settlement Payment received or claimed, the date of the Class Member’s request, and the date and method of receipt (i.e. by check or direct deposit). The Settlement Administrator shall update this list as necessary upon resolving any disputes resulting in additional payments from the Carve Out. The Settlement Administrator shall provide to the Department only the first and last name and last four digits of the social security number for each Complainant who received a Service Award, the amount of the Service Award received, and the date and method of receipt (i.e. by check or direct deposit). The Settlement Administrator shall keep this Complainant information strictly confidential and shall not reveal it to Chipotle.
30. Within 15 days after the end of the Extended Notice Period, the Settlement Administrator will inform Chipotle and the Department of the sum of Former Employees’ claims and information sufficient to show tax withholding amounts and net payment amounts.

Within 15 days thereafter, Chipotle will deposit into the QSF an amount sufficient to pay such amount.

31. Within 15 days after the QSF is funded for all claims, the Settlement Administrator shall distribute Settlement Payments to Former Employees who have made claims, using the payment method requested by the Former Employee in the claim form.
32. For any Settlement Payment mailing returned as undeliverable, or any Settlement Payment direct deposit which is not successfully transmitted, the Settlement Administrator shall send one text message (if a telephone number which receives text messages is in the Class Data) and one email (if a valid email address is in the Class Data) to the corresponding Class Member soliciting an alternative method of payment (either an address for a check or correct back account information). If the Settlement Administrator is unable to reach the Class Member using either method, then the Settlement Administrator shall perform a skip trace for any updated address, and reissue the Settlement Payment by mail to any newly identified address, if found.
33. **Unclaimed Payments.** Settlement Payment checks mailed to Class Members shall remain valid for one hundred eighty (180) days, unless voided by the Settlement Administrator pursuant to this Agreement. A Current Employee or Complainant who does not receive a Settlement Payment may request a replacement Settlement Payment within the one hundred (180) day period where the check is valid, as may a Former Employee who filed a timely claim but did not receive the corresponding Settlement Payment. One hundred eighty (180) days after the mailing of checks, the Settlement Administrator will transfer any Settlement Payments that were issued to a Class Member and not deposited or cashed by such Class Member to Chipotle. However, if any Class Member did not deposit or cash such check seeks to do so after the timeframes set forth in this CO, nothing herein prevents the Department and Chipotle from reaching a separate agreement to reissue such check pursuant to the same payment and release terms set forth herein.
34. Any and all monies from the GRA not claimed (or deposited, cashed, or otherwise accepted) by Class Members shall remain with or revert to Chipotle.
35. For all payments Chipotle makes to the QSF, on the same day as the payment is made, the Settlement Administrator shall confirm receipt of payment by sending an email to the Department at ComplianceMonitoring@dcwp.nyc.gov and [\[REDACTED\]](#)
36. The Settlement Administrator must maintain adequate records of its activities, consistent with its normal practices and industry standards.
37. **Confidentiality.** The Department shall keep the information provided by the Settlement Administrator pursuant to Paragraphs 25, 29, 30 and 33 (“Confidential Information”) in the strictest confidence, and will not provide such information to any third party. The Department agrees that (a) no more than four Department employees will have access to the Confidential Information at a given time (and if one of these individuals is replaced in their duties, the Department shall inform Chipotle of the replacement individual who will then have access, and the original individual will no longer have access) and (b) any person

given access to the Confidential Information will be required to sign the acknowledgment attached hereto as Exhibit C prior to being given access to Confidential Information (“Designated Persons”), and that the Department shall inform Chipotle of the identity of any Designated Persons before making the designation. The Department shall use at least the same degree of care to protect the Confidential Information as is used by the Department in protecting its own proprietary, confidential, or otherwise non-public information. The Department shall safeguard Confidential Information from unauthorized disclosure by means including but not limited to: (a) maintaining all Confidential Information in folder(s) configured so that only Designated Persons are given permissions to access such folder(s); (b) storing Confidential Information, including any copies or backups of the Confidential Information made by the Department, in a secure environment and using an encrypted format using at least a 128-bit key; (c) where possible, storing Confidential Information in electronic form only and instructing any Designated Persons accessing Confidential Information not to make or print copies of Confidential Information unless necessary; (d) transferring the Confidential Information within the Department’s computing environment using encrypted protocols such as SSL, step, or scup; (e) storing, entering, or using Confidential Information only in software and other technical products that have cleared a security review conducted by the New York City Department of Information Technology and Telecommunications and the New York City Cyber Command; (f) using up-to-date antivirus software to guard against viruses, worms, Trojan horses, or other malware that may permit unauthorized accessibility of the Confidential Information; (g) notifying Chipotle in writing immediately upon discovery of any unauthorized access to Confidential Information; and (h) notifying Chipotle in writing immediately upon discovery of any unauthorized disclosure (intentional or unintentional) of Confidential Information to anyone other than a Designated Person. Breach of this Paragraph shall be considered a material breach of this CO, and that for any breach of this Paragraph, in addition to any and all remedies available under law and equity, Chipotle may seek injunctive relief.

COMPLIANCE

38. Chipotle shall comply with the Laws, and shall adopt (if not already adopted) and follow (if not already followed) written policies, procedures, and practices to address compliance with the Laws. On or before the Effective Date, Respondent shall adopt (if not already adopted) a written safe/sick time policy that incorporates the minimum requirements of Section 7-211 of the ESSTA Rules and distribute it (if not already distributed) to all Chipotle employees.
39. Respondent shall post (if not already posted) the notices entitled “NYC FAST FOOD WORKERS’ RIGHTS” and the Notice of Employee Rights to safe and sick leave, which are available on the Department’s website, at all Chipotle locations in New York City in a conspicuous place, accessible to employees, where notices to employees are customarily posted pursuant to state or federal laws. A copy of each notice shall be posted in English, in Spanish, and in any other language(s) spoken as a primary language by at least five percent of employees at any particular location, provided that the Department has made such a translation available.

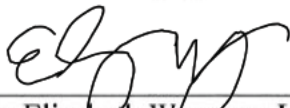
40. Within fifteen (15) calendar days of the Effective Date, Respondent shall post the Notice attached to this CO as Exhibit B in a conspicuous place accessible to Employees at each location at which Respondent conducts business where notices to employees are customarily posted. The Notice shall remain posted for two years, and Respondent shall take reasonable steps to ensure that such Notice is not altered, defaced, or covered by other material.
41. Nothing in Paragraphs 20 or 38-40 shall give rise to a cause of action for breach of this CO in the Supreme Court of the State of New York, New York County (as set forth in Paragraph 6). All alleged violations of the Laws involving Chipotle shall be solely resolved through the methods and means set forth in the Laws.

MISCELLANEOUS

42. This CO may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall be deemed to be one and the same document. A signed copy of this CO transmitted by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this CO for all purposes.
43. Nothing in this CO shall be construed to limit Respondent's responsibilities under the Laws, subject to the terms of this CO.

AGREED TO BY THE CITY OF NEW YORK
BY AND THROUGH THE DEPARTMENT
OF CONSUMER AND WORKER
PROTECTION

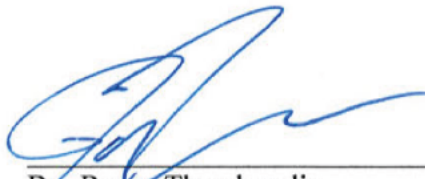
Vilda Vera Mayuga, Commissioner



By: Elizabeth Wagoner, Legal Director
Office of Labor Policy & Standards
Department of Consumer and Worker
Protection
42 Broadway, 9th floor
New York, NY 10004

Date: 8/8/2022

AGREED TO BY CHIPOTLE MEXICAN
GRILL, INC.



By: Roger Theodoreis
General Counsel, Chipotle Mexican Grill, Inc.
610 Newport Center Drive
Newport Beach, CA 92660

Date: 8/8/22



DEPARTMENT OF CONSUMER AND
WORKER PROTECTION (DCWP)

42 Broadway
New York, NY 10004

nyc.gov/dcwp

Exhibit A

To: [ELIGIBLE EMPLOYEE NAME]

Claimant Number: [XX]

DCWP Adjudication Number: [4249-2022-ADJC]

Important Notice:

You are eligible to receive money as part of a settlement agreement.

Action Required

Results of Workplace Investigation

The NYC Department of Consumer and Worker Protection (DCWP) has recently completed an investigation into Chipotle Mexican Grill. DCWP opened the investigation due to complaints of violations of NYC worker protections from employees. As a result of its investigation, DCWP concluded that there is sufficient evidence to support the following charges for violations of NYC's Fair Workweek (FWW) Law and NYC's Earned Sick and Safe Time Act (ESSTA, also known as Paid Safe and Sick Leave Law) from November 26, 2017 to April 30, 2022. There has been no judicial determination of any violation.

- Failing to provide employees with compliant good faith estimates of work schedules.
(FWW Law, Section 20-1221(a))
- Failing to give employees their work schedules 14 days in advance.
(FWW Law, Section 20-1221(b))
- Requiring employees to work additional hours with less than 14 days' notice and without their advance written consent.
(FWW Law, Section 20-1221(d))
- Failing to pay premium pay for schedule changes made with less than 14 days' notice.
(FWW Law, Section 20-1222(a))
- Requiring employees to work "clopening" shifts without obtaining employees' written request or consent or paying the required \$100 premium.
(FWW Law, Section 20-1231)
- Failing to offer available shifts to current employees in the form required by law before hiring new employees.
(FWW Law, Section 20-1241)
- Failing to allow employees to use accrued safe and sick leave and failing to maintain a compliant written safe and sick time policy.
(ESSTA, Section 20-913(d)(1) and ESSTA, Rule 7-211(a))

About the Settlement

The settlement will compensate you for these violations. You and other workers will receive \$50 for each week you worked at Chipotle in an hourly position from November 26, 2017 to April 30, 2022.

The amount owed to you for [XX] weeks of work is [\$XX]. Of this, 6.4% will be considered wages from which taxes and other withholdings will be deducted.

[For complainants only]

In addition, you will receive a service award of [\$XX] as a complainant in the case.

Enclosed are checks payable to you for the amounts outlined above. Please cash these checks within 180 days of the date printed on them.

We encourage you to cash these checks. If you do, you will release all private rights of action, and you will not be able to file a private case against Chipotle for violations listed above for work performed on or before April 30, 2022.

Accepting this money **does not** affect your right to file a complaint with DCWP, or to file a private case, for:

- Retaliation you may have experienced for exercising the rights described above; OR
- Violations that occurred on or after May 1, 2022; OR
- Reductions in your work hours after July 4, 2021 that you did not agree to or request.

Assistance

For more information about the settlement:

- Contact the Settlement Administrator at [XX].

To report a violation not covered by the settlement, contact DCWP:

- Visit nyc.gov/workers OR
- Email OLPS@dcwp.nyc.gov OR
- Call 311 and say “Fair Workweek Law” or “Paid Safe and Sick Leave”

Enclosure

[SPANISH TRANSLATION TO BE PREPARED AND ENCLOSED WITH EACH NOTICE]



DEPARTMENT OF CONSUMER AND
WORKER PROTECTION (DCWP)

42 Broadway
New York, NY 10004

nyc.gov/dcwp

To: [ELIGIBLE EMPLOYEE NAME]

Claimant Number: [XX]

DCWP Adjudication Number: [4249-2022-ADJC]

Important Notice:

You are eligible to receive money as part of a settlement agreement.

Action Required

Results of Workplace Investigation

The NYC Department of Consumer and Worker Protection (DCWP) has recently completed an investigation into Chipotle Mexican Grill. DCWP opened the investigation due to complaints of violations of NYC worker protections from employees. As a result of its investigation, DCWP concluded that there is sufficient evidence to support the following charges for violations of NYC's Fair Workweek (FWW) Law and NYC's Earned Sick and Safe Time Act (ESSTA, also known as Paid Safe and Sick Leave Law) from November 26, 2017 to April 30, 2022. There has been no judicial determination of any violation.

- Failing to provide employees with compliant good faith estimates of work schedules.
(FWW Law, Section 20-1221(a))
- Failing to give employees their work schedules 14 days in advance.
(FWW Law, Section 20-1221(b))
- Requiring employees to work additional hours with less than 14 days' notice and without their advance written consent.
(FWW Law, Section 20-1221(d))
- Failing to pay premium pay for schedule changes made with less than 14 days' notice.
(FWW Law, Section 20-1222(a))
- Requiring employees to work "clopening" shifts without obtaining employees' written request or consent or paying the required \$100 premium.
(FWW Law, Section 20-1231)
- Failing to offer available shifts to current employees in the form required by law before hiring new employees.
(FWW Law, Section 20-1241)
- Failing to allow employees to use accrued safe and sick leave and failing to maintain a compliant written safe and sick time policy.
(ESSTA, Section 20-913(d)(1) and ESSTA, Rule 7-211(a))

About the Settlement

The settlement will compensate you for these violations. You and other workers will receive \$50 for each week you worked at Chipotle in an hourly position from November 26, 2017 to April 30, 2022.

The amount owed to you for [XX] weeks of work is [\$XX]. Of this, 6.4% will be considered wages from which taxes and other withholdings will be deducted.

To receive this money, you must submit a Claim Form. You may do this by:

- Visiting www.ChipotleFairWorkweekSettlement.com and filling out the online Claim Form. The website will ask you for your Claimant Number. **Your Claimant Number is [XX].**
- Filling out the Claim Form attached to this Notice and returning it by email to [XX@XX] or by U.S. Mail to [XX].

We encourage you to file a claim. If you do, you will release all private rights of action, and you will not be able to file a private case against Chipotle for violations listed above for work performed on or before April 30, 2022.

Accepting this money **does not** affect your right to file a complaint with DCWP, or to file a private case, for:

- Retaliation you may have experienced for exercising the rights described above; OR
- Violations that occurred on or after May 1, 2022; OR
- Reductions in your work hours after July 4, 2021 that you did not agree to or request.

Assistance

For more information about the settlement:

- Contact the Settlement Administrator at [XX].

To report a violation not covered by the settlement, contact DCWP:

- Visit nyc.gov/workers OR
- Email OLPS@dcwp.nyc.gov OR
- Call 311 and say “Fair Workweek Law” or “Paid Safe and Sick Leave”

Enclosure

[SPANISH TRANSLATION TO BE PREPARED AND ENCLOSED WITH EACH NOTICE]

Important Notice:

Chipotle employees may be eligible to receive money as part of a settlement agreement.

The NYC Department of Consumer and Worker Protection (DCWP) has recently completed an investigation of Chipotle Mexican Grill. DCWP opened the investigation due to complaints from employees of violations of NYC's Fair Workweek Law and NYC's Earned Safe and Sick Time Act (Paid Safe and Sick Leave Law).



Under the settlement, covered employees are eligible to receive \$50 for each week worked at Chipotle in an hourly position in New York City from November 26, 2017 to April 30, 2022. Covered employees will be sent a Notice in the mail to the last address listed with Chipotle in Workday, advising them of next steps and legal consequences, which should be read carefully.

Covered employees who were employed by Chipotle as of April 30, 2022 will be sent a check in the mail to the last address listed with Chipotle in Workday.

Covered employees who no longer worked for Chipotle as of April 30, 2022 must file a claim to be sent a payment.

For more information, to update your contact information, or to file a claim:

- Visit **ChipotleFairWorkweekSettlement.com** OR
- Call the Settlement Administrator at _____

Aviso importante:

Los empleados de Chipotle pueden ser elegibles para recibir dinero como parte de un acuerdo de conciliación.

El Departamento de Protección al Consumidor y al Trabajador (Department of Consumer and Worker Protection, DCWP) de NYC recientemente completó una investigación de Chipotle Mexican Grill. El DCWP inició la investigación al recibir quejas de los empleados por violaciones de la Ley de Semana Laboral Justa de NYC y de la Ley de Licencia Devengada por Enfermedad y Seguridad de NYC (Ley de Pago por Ausencia Laboral debido a Seguridad y Enfermedad).



\$50

Los empleados cubiertos por el acuerdo son elegibles de recibir \$50 por cada semana que trabajaron en Chipotle en una posición de pago por hora en NYC desde el 26 de noviembre de 2017 hasta el 30 de abril de 2022. A todos los empleados cubiertos se les enviará un aviso por correo a la última dirección que Chipotle tenga registrada para ellos en Workday, informándoles de los próximos pasos y de las consecuencias legales, que deberán leer detenidamente.

A los empleados cubiertos que fueron contratados por Chipotle a partir del 30 de abril de 2022 se les enviará un cheque por correo a la última dirección que Chipotle tenga registrada para ellos en Workday.

Los empleados cubiertos que ya no trabajen para Chipotle a partir del 30 de abril de 2022 deben presentar un reclamo para que se les envíe el pago.

Para obtener más información, actualizar su información de contacto o presentar un reclamo:

- Visite **ChipotleFairWorkweekSettlement.com** O

- Llame al administrador del acuerdo al _____

Exhibit C

ACKNOWLEDGMENT RE: RECEIPT OF CONFIDENTIAL INFORMATION

I, _____ [NAME], declare that:

1. I am _____ [POSITION AND EMPLOYER].
2. I understand that I will have access to confidential personal identifying information (“Confidential Information”) under the terms of the CO between the New York City Department of Consumer and Worker Protection and Chipotle Mexican Grill, Inc.
3. I will hold in confidence, will not disclose to anyone other than those persons specifically authorized by the CO, and will not copy or use for purposes other than in furtherance of purposes set forth in the CO, Confidential Information to which I have access.
4. I agree to subject myself to the jurisdiction of the courts of the State of New York, County of New York, including federal courts located therein, for the purpose of proceedings relating to my performance under, compliance with, or violation of the CO.
5. I understand that disclosure of materials designated as “Confidential” in violation of the CO constitutes a material breach of the CO.

DATED: _____

Signature

Name

Address

City, State, Zip Code

Telephone Number