

# Exhibit 1

IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

MAXCIMO SCOTT, JAY ENSOR, MATTHEW  
MEDINA, EUFEMIA JIMENEZ, KRYSTAL  
PARKER, STACY HIGGS, and CHRISTINA JEWEL  
GATELEY, on behalf of themselves and all others  
similarly situated,

Case No. 12 Civ. 8333 (ALC)(SN)

Plaintiffs,

v.

CHIPOTLE MEXICAN GRILL, INC., and  
CHIPOTLE SERVICES, LLC,

Defendants.

**JOINT STIPULATION OF SETTLEMENT AND RELEASE**

This Joint Stipulation of Settlement and Release (the “Agreement” or “Settlement Agreement”) is entered into by and between Named Plaintiffs (as hereinafter defined), on behalf of Collective Members (as hereinafter defined); and Defendants (as hereinafter defined).

**RECITALS**

WHEREAS, Plaintiff Maxcimo Scott filed this class and collective action litigation against Defendants on November 15, 2012 asserting claims under the Fair Labor Standards Act (“FLSA”) and New York Labor Law (“NYLL”);

WHEREAS, Plaintiff Maxcimo Scott was joined by Plaintiffs Jay Ensor, Matthew Medina, Eufemia Jimenez, Krystal Parker, Stacy Higgs, and Christina Jewel Gateley asserting claims under the FLSA and class claims under the NYLL, Missouri Labor Law (“MLL”), C.R.S. 8-4-101, et seq. and Colorado Wage Order No. 29, 7 C.C.R. 1103-1 (“Colorado Wage Laws”), Illinois Minimum Wage Law, 820 Ill. Comp. Stat. § 105/1, et seq., the Illinois Wage Payments and Collections Act, 820 Ill. Comp. Stat. §§ 115/1, et seq. (collectively, “Illinois Wage Laws”), North Carolina’s Wage and Hour Act, N.C. Gen. Stat. § 95-25.1, et seq. (collectively, “North Carolina Wage Laws”), Washington’s Minimum Wage Act, Rev. Code Wash. §§49.46.005, et seq. Washington’s Industrial Welfare Act, Rev. Code Wash. §§49.12.005, et seq.; Washington’s Wage Rebate Act, Rev. Code Wash. §§49.52.050, et seq.; and Washington Administrative Code §§296-126-092 (collectively, “Washington Wage Laws”), and the FLSA;

WHEREAS, Named Plaintiffs sought recovery of, among other things, overtime wages, liquidated damages, attorneys’ fees, and costs;

WHEREAS, Defendants deny Named Plaintiffs' allegations. Nonetheless, without admitting or conceding any liability whatsoever, Defendants have agreed to settle the Litigation on the terms and conditions set forth in this Agreement so as to avoid the burden, expense, and uncertainty of continuing the Litigation;

WHEREAS, Plaintiffs' Counsel (as hereinafter defined) has conducted extensive formal discovery including, but not limited to, interviewing Named Plaintiffs and Collective Members, and reviewing and analyzing hundreds of thousands of documents produced by Defendants, and taking and defending depositions;

WHEREAS, Plaintiffs' Counsel has analyzed and evaluated the merits of the claims made against Defendants in the Litigation, and the impact of this Agreement on Named Plaintiffs and the Collective Members;

WHEREAS, based upon their analysis and their evaluation of a number of factors, and recognizing the substantial risks of continued litigation with respect to certain claims, including the possibility that the Litigation, if not settled now, might result in a recovery that is less favorable to the Collective Members, and that would not occur for several more years, or at all, Plaintiffs' Counsel is satisfied that the terms and conditions of this Agreement are fair, reasonable, and adequate and that this Agreement is in the best interests of the Collective Members.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth in this Agreement, as well as the good and valuable consideration provided for herein, the Parties hereto agree to a full and complete settlement of the Litigation on the following terms and conditions:

## 1. DEFINITIONS

The defined terms set forth herein shall have the meanings ascribed to them below.

- 1.1 **Agreement.** "Agreement" or "Settlement Agreement" shall mean this Joint Stipulation of Settlement and Release, and all exhibits hereto.
- 1.2 **Applicable Workweeks.** "Applicable Workweeks" shall mean the following, as reflected on Defendants' records: weeks worked by a Collective Member for Defendants as an exempt-classified Apprentice at any of Defendants' Chipotle restaurant locations during the Collective Period. The settlement is estimated to include a total of no more than 18,000 Collective Member workweeks.
- 1.3 **Apprentice.** "Apprentice" shall mean the "apprentice manager" or "apprentice" job title held by Named Plaintiffs and Collective Members at various times during their employment within the Collective Period.
- 1.4 **Approval Order.** "Approval Order" shall mean the Order entered by the Court approving the settlement and the manner and timing of providing notice and payment to Collective Members, and entering Judgment pursuant to this Agreement and in accordance with Fed. R. Civ. P. 58.

- 1.5 Claims Administrator.** “Claims Administrator” shall mean the entity selected by the Parties to provide notice to the Collective Members, calculate settlement shares, and administer payment of the settlement to Collective Members in accordance with this Agreement. Rust Consulting has been selected to serve as the Claims Administrator.
- 1.6 Court.** “Court” shall mean the United States District Court for the Southern District of New York.
- 1.7 Collective Fund.** “Collective Fund” shall mean One Million Nine Hundred Thousand Dollars (\$1,900,000.00) taken from the Total Settlement Amount to cover payments to Collective Members, approved service awards, Employer Payroll Taxes associated with W-2 portions of Collective Members’ settlement payments, and settlement administration costs.
- 1.8 Collective Period.** “Collective Period” shall mean three years prior to the date of the filing of a Collective Member’s consent to join form in this Litigation plus any applicable tolling period, through the date of settlement approval.
- 1.9 Defendants.** “Defendants” shall mean Chipotle Mexican Grill, Inc. and Chipotle Services, LLC.
- 1.10 Defendants’ Counsel.** “Defendants’ Counsel” shall mean Kendra N. Beckwith with Messner Reeves LLP and Elizabeth Bulat Turner with Martenson, Hasbrouck & Simon LLP.
- 1.11 Collective; Collective Member.** “Collective” shall mean: (1) all persons who joined the Litigation by filing consent to join forms; (2) who worked as an Apprentice for Defendants; and (3) who have not been dismissed by the Court. A member of the Collective is a “Collective Member.” For avoidance of doubt, employees who did not work for Defendants as an Apprentice are not Collective Members. Individuals who are also members of the *Alvarez v. Chipotle Mexican Grill, Inc., et al.*, No. 2:17-cv-04095-KM-JBC (D. N.J.) settlement collective may be Collective Members and may make claims from both the *Scott* settlement and the *Alvarez* settlement.
- 1.12 “Employer Payroll Taxes”** means all taxes and withholdings from earned income an employer is required to make in order to make payments for FICA, FUTA, and SUTA obligations.
- 1.13 Individual Settlement Amount.** “Individual Settlement Amount” shall mean the amount offered to each Collective Member pursuant to Section 3 of this Agreement.
- 1.14 Litigation.** “Litigation” shall mean *Scott v. Chipotle Mexican Grill, Inc.*, No. 12-cv-8333 (ALC)(SN) (S.D.N.Y).
- 1.15 Named Plaintiffs.** “Named Plaintiffs” shall mean Maxcimo Scott, Jay Ensor, Matthew Medina, Eufemia Jimenez, Krystal Parker, Stacy Higgs, and Christina Jewel Gateley.

- 1.16 Net Collective Fund.** “Net Collective Fund” shall mean the Collective Fund less Court approved service awards and settlement administration costs.
- 1.17 Notice of Calculation.** “Notice of Calculation” shall mean the proposed Notice advising Collective Members of their estimated pro rata settlement share and their employment dates and opt-in dates on which that calculation is based, attached hereto as Exhibit A.
- 1.18 Notice of Calculation Period.** “Notice of Calculation Period” shall mean: (1) the forty-five (45) day period<sup>1</sup> from the issuance of the Notice of Calculation; or (2) the thirty (30) day period from the re-issuance of the Notice of Calculation, whichever is greater, pursuant to Section 2 of this Agreement.
- 1.19 Parties.** “Parties” shall refer to Named Plaintiffs and Defendants.
- 1.20 Plaintiffs’ Counsel.** “Plaintiffs’ Counsel” shall mean Outten & Golden LLP; Shavitz Law Group, P.A.; and Fitapelli & Schaffer, LLP.
- 1.21 Qualified Settlement Fund.** “Qualified Settlement Fund” or “QSF” shall mean the account established by the Claims Administrator from the Total Settlement Amount paid by Defendants. The QSF will be controlled by the Claims Administrator subject to the terms of this Agreement and the Court’s order(s). Interest, if any, earned on any monies in the QSF will revert to Defendants and any taxes thereon will be paid by Defendants.
- 1.22 Reserve Fund.** “Reserve Fund” shall mean the One Hundred Thousand Dollars (\$100,000.00) set aside from the Net Collective Fund to cover potential errors and omissions, including disputes related to Applicable Workweeks used to calculate Individual Settlement Amounts.
- 1.23 Settlement.** The “Settlement” shall mean the settlement embodied in this Agreement, and all exhibits.
- 1.24 Settlement Administration Expenses.** “Settlement Administration Expenses” are those expenses incurred and charged by the Claims Administrator in effectuating the Settlement.
- 1.25 Total Settlement Amount.** The “Total Settlement Amount” shall be the settlement amount Defendants are directed to pay by the Court in the Approval Order of up to Eight Million Dollars and Zero Cents (\$8,000,000.00).
- 1.26 Unclaimed Funds.** “Unclaimed Funds” shall mean amounts remaining in the Collective Fund six (6) months after the first or second mailing of the settlement checks to claimants, whichever is later.

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<sup>1</sup> Unless otherwise indicated, all time periods provided by this Agreement are stated in calendar days, not business days.

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