

McDonald's ex-owner settles wages lawsuit

By Nancy Isles Nation

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The former owner of seven McDonald's outlets in Marin has reached a \$1.45 million settlement with workers who filed a lawsuit saying they did not get paid wages due to them.

The class-action lawsuit against Michael Magruder and Magruder Inc. was filed in July 2004. Proceeds will be split by as many as about 1,000 minimum-wage workers who were employed at the fast-food restaurants from July 20, 2000 to Dec. 31, 2004.

The restaurants are in Mill Valley, Corte Madera, San Rafael and Novato.

Karen Carrera, one of the attorneys for the plaintiffs, said she and the Legal Aid of Marin lawyers who worked with her will place notices in public buildings and at embassies in Mexico, El Salvador and Guatemala to try to notify former workers who may have returned to their native countries.

After attorneys' fees and administrative costs are taken from the settlement, workers will be paid based on the amount of time they worked at the franchises from a pot of about \$640,000, Carrera said.

According to the lawsuit, Magruder used schemes to force employees to work overtime but not get paid for it. The workers said they faced retaliation if they questioned the wage policies.

Magruder, who sold his McDonald's outlets last summer, has denied all liability in the lawsuit. His lawyers have maintained that he believed he was complying with the state's complicated labor laws. Lawyers said Magruder settled the case because he lacked some of the business records necessary to defend his business practices.

"Magruder and his company are doing their best to comply with it," Carrera said.

Roy Chernus, executive director of Legal Aid of Marin, said he was pleased with the settlement.

"We are delighted that the defendants made a serious attempt with this settlement to compensate the workers for the minimum wage and other legal violations alleged to have occurred while they worked in the McDonald's restaurants here in Marin," Chernus said.

Carrera said it was courageous of the employees to speak up.

"Our clients encourage eligible current and former McDonald's employees to step forward, get paid, and participate in this very important settlement," Carrera said. "It is very important for our clients that those individuals who worked at these restaurants receive a benefit from this case."

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