



# Update Regarding The California Civil Rights Department's Lawsuit Against Riot Games

*October 2022*

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On August 10, 2022, the Los Angeles Superior Court gave preliminary approval of the Amended Consent Decree and Class Action Settlement Agreement in the matter of McCracken, et.al., v. Riot Games, et.al. If the Court gives final approval to the [Amended Consent Decree and Class Action Settlement Agreement](#), current and former female Riot employees (including temporary agency contractors) in the settlement Group/Class will have a right to monetary recovery.

Notices to Current and Former Female Employees and Temporary Contractors at Riot Games were mailed to Group/Class Members on September 23, 2022. Below are some frequently asked questions about the Notices and the lawsuit. If you have any questions that are not answered below, you may find additional information at [riotsettlement.com](http://riotsettlement.com) and you can reach the Claims Administrator at [admin@RiotSettlement.com](mailto:admin@RiotSettlement.com) or at (800) 589-1423.

## 1 | Why did I receive a notice?

The California Civil Rights Department (formerly Department of Fair Employment and Housing or "DFEH") and the California Division of Labor Standards Enforcement ("DLSE") have resolved their Government Enforcement Actions against Riot Games Inc. through a proposed Consent Decree. Private plaintiffs in a related Private Class Action against Riot Games Inc. have also reached a proposed settlement.

According to Riot's records, you may be a "Group/Class Member" as defined by the Consent Decree and proposed class action settlement (collectively, "Settlement"). The Notice to Current and Former Female Employees and Temporary Contractors at Riot Games tells you how you can either participate in this Settlement to receive your share of the settlement proceeds, or how you can exclude yourself from the Settlement.

## 2 | Who are the "Group/Class Members"?

"Group/Class Member" means all current and former female Riot employees, temporary agency contractors who applied for permanent positions, and temporary agency contractors who worked for Riot in California between November 6, 2014 and December 27, 2021.

## 3 | Who are the "Private Plaintiffs"?

"Private Plaintiffs" are the former female Riot employees who filed a private class action against Riot in 2018, on behalf of other female employees. Their claims make up the Private Class Action lawsuit. All of the Private Plaintiffs are also Group/Class Members.

## **4 | What is this lawsuit about?**

DFEH, DLSE, and the Private Plaintiffs brought this lawsuit on behalf of female employees and contractors and the State of California against Riot Games. Plaintiffs claimed that Riot violated equal pay laws, and engaged in harassment, sex discrimination, and retaliation, and related workplace violations.

## **5 | Why is there a settlement?**

The Settlement will resolve the lawsuit. The Parties have considered the expense and length of continued proceedings necessary to continue the Actions through trial and any possible appeals. The Parties have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in any such litigation. Based on that, DFEH, DLSE, and Private Plaintiffs have determined that the Settlement terms are fair, adequate, reasonable, and in the best interests of the Group/Class Members.

## **6 | Am I part of the Settlement?**

This Consent Decree covers all “Group/Class Members,” as explained in FAQ 2 above.

Female in the “Group/Class member(s)” definition includes persons who self-identify as female or who have not identified a gender, but who have a “female-identifying name.” Anyone incorrectly identified as female is encouraged to notify the Claims Administrator. Any current or former Riot employee or temporary contractor may contact the Claims Administrator at [admin@RiotSettlement.com](mailto:admin@RiotSettlement.com) or at (800) 589-1423 to correct, confirm, or otherwise provide information about their gender for purposes of participating in the Settlement.

## **7 | What can I do if I believe I should be part of the Group/Class, but did not receive a Notice?**

Any current or former Riot employee or temporary contractor may contact the Claims Administrator at [admin@RiotSettlement.com](mailto:admin@RiotSettlement.com) or at (800) 589-1423 to correct, confirm or provide any other information about their eligibility for participating in the settlement, including gender or dates of employment.

## **8 | What does the Settlement provide?**

- If you worked as an employee and do not exclude yourself: \$15,000 - \$35,000
- If you worked as a temporary agency contractor and do not exclude yourself: \$5,000 - \$10,000
- If you worked as an employee or temporary agency contractor, regardless of whether you exclude yourself: \$2,500 – \$5,000 (“Minimum Payment”)

You may also receive an additional \$40,000 if you worked as an employee in or before 2015 and do not exclude yourself. You may also receive an additional payment based on the number of months that you worked during the liability period if you do not exclude yourself. Your payment may be reduced if you previously received money from a settlement agreement or severance agreement with Riot. The Claims Administrator calculates these amounts, as described further in FAQ 17. If you have questions or concerns about the amount you are receiving, you may reach them at [admin@RiotSettlement.com](mailto:admin@RiotSettlement.com) or at (800) 589-1423.

## 9 | **If I received a Notice, what are my next steps?**

You should carefully read the Notice to Current and Former Female Employees and Temporary Contractors at Riot Games, and the enclosed Release forms. **Please do not ignore these forms or throw them away.**

You have the option to 1) remain part of the Private Class Action and receive the settlement benefits; 2) exclude yourself (“opt out”) from the Private Class Action, in which case the Claims Administrator will contact you to confirm whether you wish to fully participate in the Government Enforcement Actions; or 3) remain part of the Private Class Action but submit an objection of the Private Class Action to the court.

## 10 | **What am I giving up to get a Settlement benefit?**

If you do nothing, you will remain fully part of Private Class Action Settlement and Government Enforcement Actions, and receive the payments explained above. In exchange for these payments, you will automatically agree to give up the legal claims specified in the Release form.

## 11 | **How do I get a Settlement benefit?**

Group/Class Members who do not opt out will receive a check for their Payment after the Court’s final approval of the Consent Decree and Class Action Settlement (if approved by the Court). Checks will be mailed by the Claims Administrator to the last known address for each Group/Class Member. You must cash your check within 120 days of mailing.

## 12 | **Will the Settlement benefit impact Medicare/Medicaid payments, other government benefits or my taxes?**

The receipt of this settlement may impact certain benefits you may receive from the state or federal government. Group/Class Members should consult with financial advisors or case workers to determine what, if any, impact this settlement may have on such benefits.

If you receive Medicare or Medicaid, it could impact your Payment. If you received Medicare or Medicaid, please contact the Claims Administrator at [admin@RiotSettlement.com](mailto:admin@RiotSettlement.com) or at (800) 589-1423 for further details on how this may impact your settlement and for an additional required questionnaire.

Approximately 50% of each Group/Class Member’s Payment shall be deemed wages for which the employee will be responsible for state and federal withholding taxes or any other applicable payroll deductions and shall be reported on IRS Form W-2 for Riot employees. The other 50% of such Payment represents the payment of damages for alleged emotional distress and/or physical injuries, penalties and interest and shall be reported on IRS Form 1099. W-2 and 1099 forms shall be provided to each respective Group/Class Members and applicable governmental authorities. Group/Class Members should consult with their tax advisors concerning the tax consequences of any payments they receive.

## 13 | How do I exclude myself?

You have a right to exclude yourself (or “opt out”) from the Private Class Action Settlement. By excluding yourself, you will keep any claims against Riot you have individually. However, by excluding yourself, you will not be able to object to the Private Class Action Settlement, and may only receive the “Minimum Payment,” as described above.

To exclude yourself, you must submit a signed, written request to be excluded (“Notice of Opt-Out”) to the Claims Administrator, **by November 22, 2022**. The requirements of the request are further detailed in the Notice to Current and Former Female Employees and Temporary Contractors at Riot Games. If you timely submitted a Notice of Opt-Out, but later decide that you would like to participate in the Private Class Action Settlement, you may withdraw your Notice of Opt-Out by submitting a “Rescission of Opt-out” statement to the Claims Administrator, as described in the Notice to Current and Former Female Employees and Temporary Contractors at Riot Games.

If you exclude yourself from the Private Class Action Settlement, the Claims Administrator will reach out to you to confirm whether you want to fully participate in the Government Enforcement Actions, as will be explained by the Claims Administrator at that time. Group/Class Members who opt out of participating in the Private Class Action Settlement will nevertheless receive the \$2,500 or \$5,000 Minimum Payment and will be deemed to have fully and finally resolved PAGA claims.

## 14 | How do I object to the Settlement?

If you are unhappy with the Private Class Action Settlement, you may object to the Settlement by submitting your objection in writing to the Court by November 22, 2022. You can give reasons why you think the Court should not approve the Settlement, and it will decide if it will approve or reject the Settlement. The Court is unable to change the terms of the Settlement and can only approve the Settlement or deny approval. If the Court denies approval of the Settlement, the Private Class Action will continue in litigation. Any objection must be in writing and timely, as described in the Notice to Current and Former Female Employees and Temporary Contractors at Riot Games.

The Government Enforcement Actions cannot be objected to, and regardless of objections to the Private Class Action, the Government Enforcement Actions will still be settled.

You cannot both opt out and object to the Settlement.

## 15 | How do I correct information about the dates of my work?

If you disagree with your dates of employment included in the Notice to Current and Former Female Employees and Temporary Contractors at Riot Games, you must complete and send a notice of dispute to the Claims Administrator, together with any written documentation supporting your dispute. This documentation could include official records, pay stubs, weekly schedules or personal logs. You must submit this information to the Claims Administrator by November 22, 2022.

The Claims Administrator shall make the final determination regarding the dispute based on the written documentation submitted by you and any materials submitted by counsel for all Parties within five (5) calendar days of receipt of the notice of dispute and supporting written documentation, and no later than prior to the Final Approval Hearing. The Claims Administrator will inform you of the final determination.

## 16 | Can I participate in the Settlement if I have signed an agreement releasing my claims?

If you have already signed an agreement releasing claims against Riot, such as a settlement or severance agreement, you cannot participate in, object to, or opt out of the Private Class Action Settlement.

However, you can still participate in the Government Enforcement Actions and receive the Minimum Payment, and potentially receive additional monetary relief offset by the amount you previously received. The Claims Administrator will contact you about whether you wish to fully participate in the Government Enforcement Actions. You may also receive additional funds, depending on your settlement or severance agreement.

## 17 | How is my payment of the Settlement Fund calculated?

A minimum of \$80 million is allocated to the for the Group/Class Members and PAGA claims as the Settlement Fund. Each Group/Class Member is eligible to receive a distribution based on their role as an employee or temporary agency contractor and their tenure with Riot.

Your settlement payment will be the sum total of your specific Minimum Payment, Additional Payment, Tenure Payment, and Pre-Acquisition Payment (if applicable), which will be calculated as follows:

- **Minimum Payment**
  - Employees will receive \$5,000.
  - Temporary Agency Contractors will receive \$2,500.
- **Additional Payment**
  - Employees hired after January 1, 2019 will receive \$15,000.
  - Employees hired after January 1, 2016 but before January 1, 2019 will receive \$25,000.
  - Employees hired before January 1, 2016 will receive \$35,000.
  - Temporary Agency Contractors hired after January 1, 2019 will receive \$5,000.
  - Temporary Agency Contractors hired after January 1, 2016 but before January 1, 2019 will receive \$7,500.
  - Temporary Agency Contractors hired before January 1, 2016 will receive \$10,000.
- **Pre-Acquisition Payment**
  - Only employees hired before January 1, 2015 will receive an additional \$40,000.
- **Tenure Payment:** After allocating the Minimum Payment, the Additional Payments, the Pre-Acquisition payment and the \$3 million distribution to the DLSE for the PAGA allocation, the remainder of the Settlement Fund will be distributed as follows:
  - Employees will receive 1 point per month for the number of months they worked at Riot in California during the class period.
  - Temporary agency contractors will receive 0.5 point per month for the number of months they worked for Riot in California during the class period.
  - Group/Class Members will then receive a payment equivalent to their total number of points multiplied by the Tenure Fund Share Value, which will be determined after the court awards attorneys' fees and costs and claims administration costs.