

1 Joshua Konecky, Bar No. 182897
2 jkonecky@schneiderwallace.com
3 Nathan Piller, Bar No. 300569
4 npiller@schneiderwallace.com
5 Sarah McCracken, SBN 313198
6 smccracken@schneiderwallace.com
7 SCHNEIDER WALLACE COTTRELL
8 KONECKY LLP
9 2000 Powell Street, Suite 1400
10 Emeryville, CA 94608
11 Telephone: (415) 421-7100
12 Facsimile: (415) 421-7105

13 Attorneys for Plaintiff BARBARA GRADY

14 Shannon R. Boyce, Bar No. 229041
15 sboyce@littler.com
16 LITTLER MENDELSON
17 2049 Century Park East, 5th Floor
18 Los Angeles, California 90067.3107
19 Telephone: 310.553.0308
20 Facsimile: 310.553.5583

21 Attorneys for Defendant
22 RCM TECHNOLOGIES (USA), INC. (SUED
23 HEREIN ERRONEOUSLY AS "RCM
24 TECHNOLOGIES, INC.")

25 ***COUNSEL CONTINUED ON NEXT PAGE***

26 UNITED STATES DISTRICT COURT
27 CENTRAL DISTRICT OF CALIFORNIA

28 BARBARA GRADY,

Plaintiff,

v.

RCM TECHNOLOGIES, INC.,

Defendant.

Case No. 5:22-cv-00842-JLS-SHK
**JOINT STIPULATION OF CLASS
ACTION AND PAGA
SETTLEMENT AND RELEASE**

1 Martha J. Keon, Bar No. 213771
2 mkeon@littler.com
3 **LITTLER MENDELSON, P.C.**
4 Three Parkway
5 1601 Cherry Street, Suite 1400
6 Philadelphia, PA 19072
7 Telephone: 267-402-3050
8 Facsimile: 267-402-3131
9 Attorneys for Defendant
10 RCM TECHNOLOGIES (USA), INC.
11 (SUED HEREIN ERRONEOUSLY AS
12 "RCM TECHNOLOGIES, INC.")
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1 **JOINT STIPULATION OF CLASS ACTION AND PAGA**
2 **SETTLEMENT AND RELEASE**

3 IT IS HEREBY STIPULATED, by and between Plaintiff BARBARA GRADY
4 (“Plaintiff”), individually and on behalf of others similarly situated, and Defendant RCM
5 TECHNOLOGIES (USA), INC. (erroneously named herein as RCM Technologies, Inc.)
6 (“RCM” or “Defendant”) (collectively, the “Parties”), subject to the approval of the
7 Court, that the Action (as defined below) is hereby compromised and settled pursuant to
8 the terms and conditions set forth in this Joint Stipulation of Class Action and PAGA
9 Settlement and Release (“Agreement,” “Settlement,” or “Stipulation”). The Parties
10 further stipulate that the Court shall make and enter judgment, subject to the continuing
11 jurisdiction of the Court as set forth below, and subject to the definitions, recitals, and
12 terms set forth herein which by this reference become an integral part of this Stipulation.

13 **DEFINITIONS**

14 1. “Action” means the putative class and PAGA action entitled *Barbara Grady*
15 *v. RCM Technologies, Inc.*, United States District Court for the Central District of
16 California, Eastern Division, Case Number 5:22-cv-00842-JLS-SHK (originally filed in
17 Los Angeles Superior Court on or about February 7, 2022 and subsequently removed to
18 United States District Court on or about May 19, 2022), and all pleadings filed therein.

19 2. “Agreement,” “Settlement,” or “Stipulation” means this Joint Stipulation of
20 Class Action and PAGA Settlement.

21 3. “Class Counsel” means Schneider Wallace Cottrell Konecky LLP attorneys
22 Joshua Konecky, Nathan Piller, and Sarah McCracken..

23 4. “Class Counsel Award” means the Court-approved attorneys’ fees for Class
24 Counsel’s litigation and resolution of the Action (not to exceed one-third [33.33%] of
25 the Gross Settlement Amount, or Five Hundred Thirty-Three Thousand Three Hundred
26 and Thirty-Three Dollars and Thirty-Three Cents (\$533,333.33)), and the Court
27 approved costs incurred by Class Counsel in connection with this Action (in an amount
28 not to exceed Fifteen Thousand Dollars and No Cents (\$15,000.00)). Defendant shall

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

1 not oppose such an application by Plaintiff for Court approval of attorneys' fees for Class
2 Counsel up to one-third [33.33%] of the Gross Settlement Amount, plus reasonable
3 litigation costs.

4 5. "Class Data" or "Class Lists" means information regarding Class Members
5 that Defendant shall in good faith compile from its records and shall be authorized by
6 the Court to transmit in a secure manner to the Settlement Administrator within fourteen
7 (14) calendar days of preliminary approval. Class Data shall be transmitted by
8 Defendant in Microsoft Excel format and shall include each Class Member's: (i) full
9 name; (ii) last known address; (iii) Social Security number; (iv) the number of
10 Workweeks (as defined herein) worked for Defendant as a Class Member; and (v) the
11 number of Workweeks (as defined herein) worked for Defendant as a PAGA Member.

12 6. "Class," "Class Members," or "Settlement Class" means: All current and
13 former non-exempt employees of Defendant who work or worked for Defendant as a
14 traveling nurse or like hourly position in California during the Class Period and who do
15 not submit a timely and valid request for exclusion from the settlement.

16 7. "Class Period" shall be October 8, 2017 through March 7, 2023.

17 8. "Class Representative Service Award" means the Court-approved amount to
18 be paid to Plaintiff in an amount of up to Fifteen Thousand Dollars and No Cents
19 (\$15,000.00), from which thirty three percent (33%) shall be deemed consideration for
20 a general release and from which sixty-seven percent (67%) shall be for assuming the
21 risks associated with this litigation (including for assuming the risks in the PAGA case).
22 Defendant will not oppose such application.

23 9. "Court" shall mean the United States District Court and such other court as
24 may be presiding over this Action.

25 10. "Defense Counsel" means Martha Keon and Shannon R. Boyce of Littler
26 Mendelson P.C.

27 11. "Effective Date" means the date this Agreement is approved as provided
28 herein and the Court's order granting Final Approval and entry of Judgment or Dismissal

1 becomes final and is no longer appealable. For purposes of this Agreement, “becomes
2 final and is no longer appealable” shall mean the later of: (a) the day after the last date
3 by which a notice of appeal to the Ninth Circuit of the order and judgment finally
4 approving this Agreement may be timely filed and none is filed (i.e., 31 days from notice
5 of entry of judgment); (b) if an appeal is filed, and the appeal is finally disposed of by
6 ruling, dismissal, denial, or in a any other manner that confirms the validity of the order
7 and judgment, the day after the last date for filing a request for further review of the
8 order and judgment approving this Agreement passes, and no further review is requested;
9 or (c) if an appeal is filed and the order approving this Agreement is affirmed and further
10 review of the order is requested, the day after the review is finally resolved and the order
11 and judgment approving this Agreement is affirmed.

12 12. “Employer’s Share of Payroll Taxes” means Defendant’s respective portions
13 of payroll taxes, including, but not limited to FICA and FUTA, on the portion of the
14 Individual Settlement Award that is designated as wages.

15 13. “Final Approval Hearing” means the hearing to be conducted by the Court
16 after the filing by Plaintiff of an appropriate motion and following appropriate notice to
17 Class Members giving Class Members an opportunity to request exclusion from the
18 Settlement Class and Settlement and to object to the Settlement, at which time Plaintiff
19 shall request that the Court finally approve the Settlement, enter the Final Order and
20 Judgment, and take other appropriate action.

21 14. “Final Order and Judgment” means the order and judgment to be entered by the
22 Court upon granting final approval of the Settlement and this Stipulation of Settlement as
23 binding upon the Parties and Participating Class Members. A proposed Final Order and
24 Judgment shall be mutually agreed upon by the Parties and submitted to the Court
25 concurrently with Plaintiff’s Motion for Final Approval of the Settlement.

26 15. “Gross Settlement Amount” or “GSA” means the total amount Defendant
27 shall pay in connection with this Settlement, which shall be inclusive of the Net
28 Settlement Amount, the Class Counsel Award, the Class Representative Service Award,

1 PAGA Payment, and Settlement Administration Costs. Subject to Court approval and
2 the terms of this Stipulation of Settlement, the GSA shall be One Million Six Hundred
3 Thousand Dollars and No Cents (\$1,600,000.00), plus any additional amount required
4 by the Escalator Clause at Paragraph 63 below, should that clause be triggered. The
5 Gross Settlement Amount does not include Defendant's respective shares of payroll
6 taxes for the Individual Settlement Award payments, which shall be paid separately
7 from, and in addition to, the GSA.

8 16. "Individual PAGA Payment" means the amount payable from the PAGA
9 Payment to each PAGA Member.

10 17. "Individual Settlement Award" means the amount payable from the Net
11 Settlement Amount to each Participating Class Member.

12 18. "Net Settlement Amount" or "NSA" means the Gross Settlement Amount,
13 less the Class Counsel Award, Class Representative Service Award, PAGA Payment,
14 and Settlement Administration Costs.

15 19. "Notice of Objection" means a Class Member's objection to the Settlement. To
16 be valid, an objection must (a) be in writing; (b) be signed by the Class Member; (c) be
17 returned by e-mail, fax, or mail to the Settlement Administrator at the specific address
18 and/or facsimile number in the Settlement Notice; (d) clearly state that the Class Member
19 objects to the settlement and all grounds for the objection; (e) be emailed, faxed, or
20 postmarked on or before the Response Deadline, and (f) include the objector's full name,
21 signature, address, telephone number, and the last four digits of his/her Social Security
22 number. The date of the e-mail, fax, or postmark on the return mailing envelope will be
23 the exclusive means to determine whether a Notice of Objection has been timely
24 submitted. At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to
25 solicit or otherwise encourage or discourage Class Members from submitting a Notice of
26 Objection or filing an appeal from the Final Order and Judgment. Non-Participating Class
27 Members (*i.e.*, Class Members who submit valid Requests for Exclusion) may not
28

1 submit an Objection to the Settlement. If a Class Member submits both a Request for
2 Exclusion and an Objection, the Request for Exclusion will be deemed controlling.

3 20. “PAGA Members” or “PAGA Class” means: All current and former non-
4 exempt employees of Defendant who work or worked for Defendant in California as a
5 traveling nurse or like hourly position during the PAGA Period.

6 21. “PAGA Notice” means the July 22, 2021 letter that Class Counsel sent to the
7 California Labor Workforce Development Agency (“LWDA”) pursuant to Labor Code
8 §2699.3(a)/(c) seeking to exhaust Plaintiff’s administrative remedies under the Labor
9 Code Private Attorneys General Act of 2004 (“PAGA”), Cal. Lab. Code §§2698, *et seq.*

10 22. “PAGA Payment” means the amount of Two Hundred Thousand Dollars and
11 No Cents (\$200,000.00), subject to Court approval, to be paid from the Gross Settlement
12 Amount for satisfaction of Plaintiff and Class Members’ claims under the California
13 Private Attorneys’ General Act of 2004, California Labor Code sections 2698, *et seq.*
14 (“PAGA”). Pursuant to the PAGA, seventy five percent (75%) of the PAGA Payment,
15 or One Hundred Fifty Thousand Hundred Dollars and No Cents (\$150,000.00), will be
16 paid to the LWDA and twenty five percent (25%), or Fifty Thousand Dollars and No
17 Cents (\$50,000.00), will be distributed as the Individual PAGA Payments to Class
18 Members.

19 23. “PAGA Period” shall be July 22, 2020 through March 7, 2023.

20 24. “PAGA Release” or “PAGA Released Claims” means the release by all
21 PAGA Members for all claims for PAGA that arise out of or relate to California Labor
22 Code §§ 201-204, 221-223, 226, 226.7, 510, 512, 1174, 1174.5, 1194, and 1198; and
23 California Code of Regulations, Title 8 § 11040 §§ 3 & 7, 11-12, and under Business &
24 Professions Code §§ 17200-17208, as pled in the PAGA Notice and Class Action and
25 PAGA Complaint, during the PAGA Period. In light of the binding nature of a PAGA
26 judgment on non-party employees pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th
27 969 (2009), Class Members employed by Defendant who exclude themselves from this
28 Settlement shall still receive an Individual PAGA Payment directly from the Settlement

1 Administrator for the amount of each such individual's estimated share of the PAGA
2 Payment as calculated by the Settlement Administrator, and shall not be able to object
3 to or exclude themselves from releasing the PAGA Released Claims against Defendant
4 (*i.e.*, PAGA Members, as defined above).

5 25. "Participating Class Members" means Plaintiff and all other Class Members
6 who do not submit a valid and timely Request for Exclusion, as well as PAGA Members.

7 26. "Preliminary Approval Order" means the order to be issued by the Court
8 approving and authorizing the mailing of the Settlement Notice by the Settlement
9 Administrator, setting the date of the Final Approval Hearing and granting preliminary
10 approval of the Settlement set forth in this Stipulation of Settlement, among other things.
11 A proposed Preliminary Approval Order shall be mutually agreed upon by the Parties
12 and submitted to the Court concurrently with Plaintiff's Motion for Preliminary
13 Approval of the Settlement.

14 27. "Released Claims" includes all claims under state or local law, whether
15 statutory, common law, or administrative law, whether in law or equity, for the claims
16 that were pled in the Complaint, based on or arising out of the factual allegations therein,
17 during the Class Period, including: (a) all claims for failure to pay minimum wages under
18 Cal. Labor Code §§ 204, 1194, 1194.2, and 1198; (b) all claims for failure to pay
19 overtime wages under Cal. Labor Code §§ 204, 510, 1194, and 1199; (c) all claims for
20 failure to authorize and permit required rest breaks under Cal. Labor Code §§ 226.7 and
21 512 and the applicable IWC Wage Orders; (d) all claims for failure to provide required
22 meal periods under Cal. Labor Code §§ 226.7 and 512 and the applicable IWC Wage
23 Order; (e) all claims for failure to maintain accurate employment records under Cal.
24 Labor Code §§ 1174 and 1174.5; (f) all claims for failure to timely pay wages during
25 employment under Cal. Labor Code §§ 204, 210(a), and 216; (g) all claims for failure
26 to pay all wages earned and unpaid at separation under Cal. Labor Code §§ 201-203;
27 (h) all claims for failure to furnish accurate itemized wage statements under Cal. Labor
28 Code §§ 226; (i) violation of California's Unfair Competition Law, Cal. Bus. &

1 Professions Code §§ 17200, *et seq.*; and (j) civil penalties under the Private Attorneys
2 General Act (California Labor Code sections 2698, *et seq.*, including incorporated or
3 related claims based on alleged violations of California Labor Code §§ 201-204, 221-
4 223, 226, 226.7, 510, 512, 1174, 1174.5, 1194, and 1198; and California Code of
5 Regulations, Title 8 § 11040 §§ 3 & 7, 11-12, and under Business & Professions Code
6 §§ 17200-17208).

7 28. “Released Parties” means Defendant and its affiliated companies, owners,
8 parents, members, subsidiaries, related companies and business concerns, past and
9 present, including successors and predecessors, and each of them, as well as each of their
10 clients for whom Class Members performed services, insurers, partners, trustees,
11 directors, shareholders, officers, agents, attorneys, servants and employees, past and
12 present, and each of them.

13 29. “Request for Exclusion” means a written statement submitted by a Class
14 Member indicating a request to be excluded from the Settlement. The Request for
15 Exclusion must be in writing and (i) be signed by the Class Member;
16 (ii) contain the name, address, telephone number, and the last four digits of the Social
17 Security number of the Class Member requesting exclusion; (iii) clearly state that the Class
18 Member does not wish to be included in the Settlement; (iv) be returned by e-mail, fax, or
19 mail to the Settlement Administrator at the specific email address, mailing address, and/or
20 facsimile number; and (v) be e-mailed, faxed, or postmarked on or before the Response
21 Deadline. The date of the e-mail, fax, or postmark on the return mailing envelope will be
22 the exclusive means to determine whether a Request for Exclusion has been timely
23 submitted. A Class Member who does not request exclusion from the Settlement will be
24 deemed a Participating Class Member and will be bound by all terms of the Settlement, if
25 the Settlement is granted final approval by the Court. Any Class Member who validly
26 requests to be excluded from the Settlement will no longer be a member of the Settlement
27 Class and will not have any right to object, appeal, or comment on the Settlement, but will
28 remain as PAGA Member(s), and will receive an Individual PAGA Payment for the

1 PAGA Released Claims if he or she is a PAGA Member. No later than ten (10) calendar
2 days after the Response Deadline, the Settlement Administrator shall provide Class
3 Counsel and Defense Counsel with a complete list of all Class Members who submitted a
4 timely and valid Request for Exclusion.

5 30. "Response Deadline" means the deadline by which Class Members must e-
6 mail, fax, or mail to the Settlement Administrator a valid Request for Exclusion, Notice
7 of Objection, or Workweek Dispute. The Response Deadline will be forty-five (45)
8 calendar days from the initial mailing of the Settlement Notices by the Settlement
9 Administrator unless the 45th day falls on a Sunday or Federal holiday, in which case
10 the Response Deadline will be extended to the next day on which the U.S. Postal Service
11 is open. The Response Deadline may also be extended by express agreement between
12 Class Counsel and Defense Counsel. Under no circumstances, however, will the
13 Administrator have the unilateral authority to extend the deadline for Class Members to
14 submit a Request for Exclusion, Notice of Objection, or Workweek Dispute to the
15 settlement.

16 31. "Settlement" means the final and complete disposition of the Action pursuant
17 to this Stipulation of Settlement.

18 32. "Settlement Administrator" or "Administrator" means the third-party
19 settlement administrator agreed to by the Parties, to be approved by the Court for
20 purposes of administering this settlement. The Parties each represent that they will not
21 have any financial interest in the Settlement Administrator or otherwise have a
22 relationship with the Settlement Administrator that could create a conflict of interest.

23 33. "Settlement Administration Costs" means the reasonable costs and fees of
24 administering the Settlement to be paid from the Gross Settlement Amount, which are
25 currently estimated not to exceed \$31,050 (the final amount subject to Court approval),
26 including, but not limited to: (i) printing, emailing (where applicable), mailing and re-
27 mailing (if necessary) of Settlement Notices to Class Members; (ii) preparing and
28 submitting to Class Members and government entities all appropriate tax filings and

forms; (iii) computing the amount of and distributing Individual Settlement Awards, the Class Representative Service Award, and the Class Counsel Award; (iv) processing and validating Requests for Exclusion; (v) establishing a Qualified Settlement Fund, as defined by the Internal Revenue Code; (vi) calculating and remitting to the appropriate government agencies all employer and employee payroll tax obligations arising from the Settlement and preparing and submitting filings required by law in connection with the payments required by the Settlement; (vii) transmitting uncashed Individual Settlement Award payments to the designated and Court-approved *cy pres* beneficiary or the State Controller's Office, Unclaimed Property Division in the name of all Class Members who did not cash their check to be held on behalf of the Class Member; and (viii) printing and mailing of all mandated Class Action Fairness Act (CAFA) Settlement Notices.

34. "Settlement Notice" means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit 1**, which shall be subject to Court approval and which the Settlement Administrator shall mail to each Class Member containing: (i) information regarding the nature of the Action; (ii) a summary of the Settlement's principal terms; (iii) the Class definitions; (iv) the total number of Workweeks the respective Class Member worked for Defendant during the Class Period and PAGA Period (according to Defendant's best available records, and as further set forth in the definition of "Workweeks" herein); (v) the Class Member's estimated Individual Settlement Award, as well as the formula for calculating the Individual Settlement Award; (vi) the dates which comprise the Class and PAGA Periods; (vii) instructions on how to submit disputes regarding Workweeks, Requests for Exclusion, and/or Notices of Objection; (viii) the Response Deadline; and (ix) the claims to be released pursuant to the Settlement of the Action.

35. "Workweeks" means the number of Workweeks worked by each Class Member for Defendant as a non-exempt traveling nurse or like hourly position in California during the Class Period (or, where used as part of the PAGA Payment calculation, during the PAGA Period).¹ For purposes of payment, a Workweek shall be

1 defined as any workweek in which the Class Member worked at least one shift. To the
2 extent Defendant does not have information about weeks worked readily available due
3 to gaps in electronic or paper time records, Defendant shall use its best available
4 information, including extrapolations where necessary, to compute actual Workweeks,
5 and shall provide that information to the Settlement Administrator.

6 36. "Workweek Dispute" means a written statement that a Class Member
7 disputes the number of Workweeks, as defined herein, listed on his/her Settlement
8 Notice. Any such Workweek Dispute must be e-mailed, faxed or mailed to the
9 Settlement Administrator by the Response Deadline. The date of the e-mail, fax, or
10 postmark on the mailing envelope will be the exclusive means to determine whether a
11 Workweek Dispute has been timely submitted. A valid Workweek Dispute must be in
12 writing and contain: (i) the Class Member's full name, signature, address, telephone
13 number, and the last four digits of his/her Social Security number; (ii) the number of
14 Workweeks the Class Member contends is correct; and (iii) any evidence supporting
15 his/her contention. The dates of employment identified for each Class Member in the
16 applicable Class Lists and the number of Workweeks for each Class Member as defined
17 herein will be presumed to be correct, unless a particular Class Member proves otherwise
18 to the Settlement Administrator by credible evidence. All Workweek Disputes will be
19 resolved and decided by the Settlement Administrator, with consultation with Defense
20 Counsel and Class Counsel as appropriate. If the Workweek Dispute cannot be resolved
21 by the Settlement Administrator, then it shall be resolved by the Court.

22 37. "Workweek Value" means the value of each compensable Workweek, as
23 determined by the formula set forth herein.

24 **RECITALS**

25 38. This Settlement is made and entered into by and between Plaintiff and
26 Defendant, and is subject to the terms and conditions hereof, and to the Court's approval.
27 The Parties expressly acknowledge that this Agreement is entered into solely for the
28 purpose of compromising significantly disputed claims and that nothing herein is an

1 admission of liability or wrongdoing by Defendant or the other Released Parties. The
2 Released Parties deny that they are liable to Plaintiff or the Class Members and deny that
3 they have violated any law.

4 39. Pleading History.

5 a. On July 22, 2021, Plaintiff submitted the PAGA Notice to the LWDA for
6 the purpose of complying with California Labor Code § 2699.3's notice
7 requirement.

8 b. Thereafter, the parties entered into a tolling agreement under which
9 Defendant agreed to toll the statute of limitation effective October 8, 2021,
10 on all claims based on alleged off-the-clock or meal or rest period
11 violations under the California Labor Code, California Industrial Welfare
12 Commission Wage Orders or Section 17200 of the California Business and
13 Professions Code asserted on behalf of Plaintiff, the Class Members, and
14 the aggrieved employees alleged herein. The purpose of the tolling
15 agreement was to facilitate settlement discussions; however, the parties did
16 not resolve the claims and Plaintiff thereafter provided notice to Defendant
17 that she would file a class action complaint.

18 c. On February 7, 2022, Plaintiff filed a class action and PAGA lawsuit in the
19 Superior Court for the State of California, County of San Bernardino.

20 d. On May 19, 2022, Defendant filed a Notice of Removal to the United
21 States District Court, Central District of California.

22 40. Investigation. Plaintiff's counsel diligently investigated the proposed Class
23 Members' claims against Defendant, including applicable defenses and the applicable
24 law, through the exchange of informal discovery and legal argument. After Plaintiff filed
25 the Complaint, the Parties agreed to participate in private mediation.

26 41. Data Production. In connection with the mediation, Defendant produced
27 documents for Plaintiff's review. Defendant also produced data relating to the number
28 of Class Members, the type of service provided, job title, hours worked, hourly rate, and

1 number of wage statements issued to each Class Member, which allowed Plaintiff to
2 conduct a full damage analysis.

3 42. Mediation. On December 7, 2022, Defendant and Plaintiff participated in a
4 full-day mediation with Michael Loeb, Esq. That evening, Mr. Loeb issued a mediator's
5 proposal. The Parties accepted the mediator's proposal, now confirmed in this long-
6 form Stipulation of Settlement.

7 43. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class
8 Counsel recognize the expense and length of continued proceedings necessary to litigate
9 Plaintiff's disputes in the Action through trial and through any possible appeals. Plaintiff
10 also has taken into account the uncertainty and risks of the outcome of further litigation,
11 and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel
12 are also aware of the burdens of proof necessary to establish liability for the claims
13 asserted in the Action, both generally and in response to Defendant's defenses thereto,
14 and the difficulties in establishing damages, penalties, restitution, and other relief sought
15 in the Action. Plaintiff and Class Counsel also have taken into account Defendant's
16 agreement to enter into a settlement that confers substantial benefits upon the Class
17 Members. Based on the foregoing, Plaintiff and Class Counsel have determined that the
18 Settlement set forth in this Stipulation of Settlement is fair, adequate, and reasonable and
19 is in the best interests of all Class Members.

20 44. Defendant's Position. Defendant has concluded that further defense of the
21 Action would be protracted and expensive. Substantial amounts of Defendant's time,
22 energy, and resources have been, and unless this Settlement is completed, shall continue to
23 be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken
24 into account the risks of further litigation in reaching its decision to enter into this
25 Settlement. Defendant denies Plaintiff's allegations, and will stipulate for settlement
26 purposes only that Plaintiff is a suitable class representative or aggrieved employee, and
27 reserves all rights in the event this settlement is not approved, including the right to
28 contest suitability for class certification on any basis. This Stipulation of Settlement is a

1 compromise of disputed claims. Nothing contained in this Stipulation of Settlement, no
2 documents referred to herein, and no action taken to carry out this Stipulation of
3 Settlement, shall be construed or used as an admission by or against Defendant as to the
4 merits or lack thereof of the claims asserted in the Action. In the event this Settlement does
5 not obtain final approval, Defendant retains all rights to defend itself in this matter and to
6 take any actions in defense of itself that are available to Defendant.

7 **CLASS CERTIFICATION**

8 45. Solely for purposes of settling the Action, and not for purposes of class
9 certification should the Settlement not be approved or for any other reason, the Parties
10 stipulate and agree that the requisites for establishing class certification with respect to
11 the Settlement Class have been met and are met. More specifically, for purposes of
12 settlement only, the Parties stipulate and agree that:

- 13 a. The Settlement Class is ascertainable and so numerous as to make it
14 impracticable to join all Class Members;
- 15 b. There are common questions of law and fact;
- 16 c. Plaintiff's claims are typical of the claims of the Class Members;
- 17 d. Plaintiff and Class Counsel will fairly and adequately protect the interests
18 of the Class Members;
- 19 e. The prosecution of separate actions by individual Class Members would
20 create the risk of inconsistent or varying adjudications, which would
21 establish incompatible standards of conduct; and
- 22 f. Questions of law and fact common to the Class Members predominate
23 over any questions affecting any individual Class Member, and a class
24 action is superior to other available means for the fair and efficient
25 adjudication of the controversy.

26 46. Should this Settlement not be approved or be terminated, all stipulations set
27 forth in the immediately preceding Paragraph shall be null and void and shall not be
28 admissible for any purpose whatsoever.

1 **TERMS OF SETTLEMENT**

2 NOW THEREFORE, in consideration of the mutual covenants, promises, and
3 agreements set forth herein, the Parties agree, subject to the Court's approval, as follows:

4 47. Binding Settlement. This Settlement shall bind the Parties, all Participating
5 Class Members, and PAGA Members, subject to the terms and conditions hereof and the
6 Court's approval.

7 48. Settlement Consideration. Defendant shall pay the sum of the Gross
8 Settlement Amount of One Million Six Hundred Thousand Dollars (\$1,600,000.00), plus
9 any amount required by the Escalator Clause at Paragraph 63 below, if that clause is
10 triggered, as specified in this Agreement in full satisfaction of all claims arising from the
11 Action, which shall be used to pay: (1) Individual Settlement Payments; (2) Class
12 Counsel Award; (3) Class Representative Service Award; (4) Settlement Administration
13 Costs to the Settlement Administrator; and (5) the PAGA Settlement Amount (including
14 LWDA payment). The Parties agree that this is a non-reversionary Settlement and that
15 no portion of the Gross Settlement Amount shall revert to Defendant. With the express
16 exception of employer-side payroll taxes to be paid by Defendant, in no event will
17 Defendant, or any of the Released Parties be required to pay more than the Gross
18 Settlement Amount.

19 49. PAGA Settlement Amount. Subject to Court approval, the Parties agree that
20 the amount of Two Hundred Thousand Dollars (\$200,000.00) of the Gross Settlement
21 Amount shall be designated for satisfaction of claims for civil penalties under the PAGA.
22 The Settlement Administration shall pay seventy-five percent (75%) of the PAGA
23 Settlement Amount, i.e., the sum of One Hundred Fifty Thousand Dollars (\$150,000.00),
24 to the LWDA. The remaining twenty-five percent (25%), i.e., the sum of Fifty Thousand
25 Dollars (\$50,000.00), shall be part of the Net Settlement Amount to be distributed to
26 Settlement Aggrieved Employees— as per this Agreement.

27 50. Tax Liability. The Parties make no representations as to the tax treatment or
28 legal effect of the payments specified herein, and Participating Class Members and PAGA

Members are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Participating Class Members and PAGA Members, as well as Class Counsel, understand and agree that they shall be solely and legally responsible for the payment of all applicable taxes and penalties assessed on the payments specified herein.

51. Circular 230 Disclaimer. The Parties acknowledge and agree that (i) no provision of this Stipulation of Settlement, and no written communication or disclosure between or among the Parties, Class Counsel or Defense Counsel and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Stipulation of Settlement, (b) has not entered into this Stipulation of Settlement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other party to avoid any tax penalty that may be imposed on the acknowledging party; and (iii) no attorney or advisor to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Stipulation of Settlement.

52. Preliminary Approval of Settlement. Class Counsel will reserve a date for a hearing on Plaintiff's Motion for Preliminary Approval to take place at a time mutually agreed to by the Parties so that the Parties may request provisional certification of the Settlement Classes for settlement purposes only and the setting of a Final Approval Hearing date. The Parties agree to work diligently and cooperatively to have this Settlement presented to the Court for preliminary approval. Plaintiff shall provide

1 Defense Counsel with a reasonable opportunity to review and provide comments on the
2 draft Preliminary Approval pleadings, including the proposed Order, prior to Plaintiff
3 submitting the Motion for Preliminary Approval to the Court.

4 53. Release by All Participating Class Members. All Participating Class
5 Members, including Plaintiff, shall be deemed to have released their respective Released
6 Claims against the Released Parties upon the date on which the payment of the Gross
7 Settlement Amount is made by Defendant. Plaintiff and Class Members who do not
8 submit a valid Request for Exclusion will be deemed to have fully, finally and forever
9 released, settled, compromised, relinquished, and discharged with respect to all of the
10 Released Parties for any and all Released Claims that accrued during the Class Period.
11 Each Participating Class Member (*i.e.*, each Class Member who has not submitted a valid
12 Request for Exclusion) fully releases and discharges the Released Parties as to all Released
13 Claims during the Class Period.

14 54. PAGA Release by LWDA and All PAGA Members. All PAGA Members,
15 including Plaintiff, and the LWDA, shall be deemed to have released their respective
16 PAGA Released Claims against the Released Parties upon the date on which the
17 payment of the Gross Settlement Amount is made by Defendant. It is understood that
18 Class Members and PAGA Members will not have the opportunity to request exclusion
19 from, or object to, the PAGA Release. Further, all Class Members, the LWDA, and
20 PAGA Members are bound by the PAGA Release regardless of whether they cash and/or
21 otherwise negotiate an Individual PAGA Payment.

22 55. Additional Release and Waiver of Claims by Plaintiff. In addition to the release
23 of Released Claims and PAGA Released Claims against the Released Parties, as set forth
24 above, Plaintiff, in her individual capacity, agrees to release the Released Parties from any
25 and all claims, known and unknown, under federal, state and/or local law, statute,
26 ordinance, regulation, common law, or other source of law, arising as of the date of
27 execution of this Agreement including but not limited to claims arising from or related to
28 her employment with Defendant and her compensation while an employee of Defendant

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

1 (“Plaintiff’s Released Claims”). Plaintiff’s Released Claims include all claims, whether
2 known or unknown. Even if Plaintiff discovers facts in addition to or different from
3 those that she now knows or believes to be true with respect to the subject matter of
4 Plaintiff’s Released Claims, those claims will remain released and forever barred. To
5 effect a full and complete general release as described above, Plaintiff expressly waives
6 and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of
7 California, and does so understanding and acknowledging the significance and
8 consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the
9 State of California states as follows:

10 **A general release does not extend to claims that the creditor or**
11 **releasing party does not know or suspect to exist in his or her**
12 **favor at the time of executing the release and that, if known by**
13 **him or her, would have materially affected his or her settlement**
14 **with the debtor or released party.**

15 Thus, notwithstanding the provisions of Section 1542, and to implement a full and
16 complete release and discharge of the Released Parties, Plaintiff expressly acknowledges
17 this Stipulation of Settlement is intended to include in its effect, without limitation, all
18 claims Plaintiff does not know or suspect to exist in Plaintiff’s favor at the time of signing
19 this Stipulation of Settlement, and that this Stipulation of Settlement contemplates the
20 extinguishment of any such claims. Plaintiff warrants that she has read this Stipulation of
21 Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff
22 has consulted with or had the opportunity to consult with counsel of Plaintiff’s choosing
23 about this Stipulation of Settlement and specifically about the waiver of section 1542,
24 and that Plaintiff understands this Stipulation of Settlement and the section 1542 waiver,
25 and so Plaintiff freely and knowingly enters into this Stipulation of Settlement. Plaintiff
26 further acknowledges that Plaintiff later may discover facts different from or in addition
27 to those Plaintiff now know or believe to be true regarding the matters released or
28 described in this Stipulation of Settlement, and even so Plaintiff agrees that the releases
and agreements contained in this Stipulation of Settlement shall remain effective in all
JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

1 respects notwithstanding any later discovery of any different or additional facts. Plaintiff
2 expressly assumes any and all risk of any mistake in connection with the true facts
3 involved in the matters, disputes, or controversies released or described in this Stipulation
4 of Settlement or with regard to any facts now unknown to Plaintiff relating thereto.

5 56. Settlement Administration.

6 a. Within fourteen (14) calendar days of entry of the Preliminary Approval
7 Order, Defendant shall provide the Settlement Administrator with the Class List for
8 purposes of emailing (where applicable) and mailing the Settlement Notices to Class
9 Members. The Administrator must maintain the Class List as private and confidential,
10 use the Class List only for purposes of this Settlement, and restrict access to the Class
11 List to Administrator employees who need access to the Class Data. However, the
12 Administrator may share an individual Class Member's Class Data with both RCM
13 Counsel and Class Counsel simultaneously (and in no event share only with Class
14 Counsel) in response to affirmative outreach from the individual Class Member and only
15 the amount of that Class Member's Class Data as is necessary to resolve the issue and
16 as necessary for Class Counsel to fulfill their duties to the Class with respect to this
17 Settlement. Class Counsel shall not use Class Data to solicit clients or for any reason
18 other than the administration of the Settlement. Defendant has a continuing duty to
19 immediately notify the Administrator and Class Counsel if it discovers that the Class
20 Data omitted a Class Member and to provide corrected Class Data as soon as reasonably
21 feasible. Without any extension of the deadline by which Defendant must send the Class
22 Data to the Administrator, the Parties and their counsel will expeditiously use best
23 efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or
24 omitted Class Data.

25 i. Notice by First Class U.S. Mail. Upon receipt of the Class List, the
26 Settlement Administrator shall perform a search based on the National Change of Address
27 Database maintained by the United States Postal Service to update and correct any known
28 or identifiable address changes. Within twenty-eight (28) calendar days after receiving the

1 Class List from Defendant as provided herein, the Settlement Administrator shall mail
2 copies of the Settlement Notice to all Class Members via regular First-Class U.S. Mail. The
3 Settlement Administrator shall exercise its best judgment to determine the current mailing
4 address for each Class Member. The address identified by the Settlement Administrator as
5 the current mailing address shall be presumed to be the most current mailing address for
6 each Class Member. The Parties agree that this procedure for notice complies with due
7 process.

8 ii. Undeliverable Settlement Notices. Any Settlement Notice returned to
9 the Settlement Administrator as non-deliverable on or before the Response Deadline shall
10 be re-mailed to the forwarding address affixed thereto within fifteen (15) calendar days of
11 receipt of the returned Settlement Notice by the Settlement Administrator. If no
12 forwarding address is provided, the Settlement Administrator shall attempt to determine a
13 correct address by the use of skip-tracing, or other type of automated search, using the
14 name, address and/or Social Security number of the Class Member involved, and shall
15 then perform a re-mailing to the Class Member whose Settlement Notice was returned as
16 non-deliverable within five (5) calendar days of receipt of the returned Settlement Notice
17 by the Settlement Administrator, assuming another mailing address is identified by the
18 Settlement Administrator. Class Members who are sent a re-mailed Settlement Notice
19 shall have their Response Deadline extended by fifteen (15) calendar days from the date
20 the Settlement Administrator re-mails the Settlement Notice. In the event a re-mailed
21 Settlement Notice is returned as undeliverable without a forwarding address and the
22 Settlement Administrator cannot verify a correct address for the Class Member even
23 through skip-tracing, the Parties will make reasonable efforts to search for a current
24 email address for the Class Member and, if one is located, provide it to the Settlement
25 Administrator to send the Settlement Notice to the Class Member. If these procedures
26 are followed, notice to Class Members shall be deemed to have been fully satisfied, and if
27 the intended recipient of the Settlement Notice does not receive the Settlement Notice, the
28

intended recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

iii. Settlement Website. From the date on which the Settlement Notice is first mailed pursuant to Section 56(a)(i), above, until the date on which the final Settlement Awards and Individual PAGA Payments are sent to Participating Class Members, the Settlement Administrator shall host an informational settlement website. The settlement website will contain the Settlement Notice, Settlement Agreement, Motion for Preliminary Approval of the Settlement Agreement, and Motion for Attorneys' Fees and Costs and Service Award. The parties will agree upon a neutrally worded url for the website. The website will contain no advertising or promotional materials. The purpose of the website is purely informational and to effectuate best practicable notice.

iv. Determination of Individual Settlement Awards and Individual PAGA Payments. The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual Settlement Award and Individual PAGA Payment under the terms of this Stipulation of Settlement, based on the Workweek and Pay Period information as provided by Defendant and defined above. The Settlement Administrator's determination of the eligibility for and amount of each Individual Settlement Award and Individual PAGA Payment shall be binding upon the Class Members and the Parties; however, it is subject to Court review as appropriate.

v. Disputes Regarding Administration of Settlement. Any dispute not resolved by the Settlement Administrator concerning the administration of the Settlement, in consultation with Class Counsel and Defense Counsel, shall be resolved by the Court.

b. Certification Reports Regarding Individual Settlement Award Calculations. The Settlement Administrator will provide Defense counsel and Class Counsel a weekly report which certifies: (i) the number of Class Members who have submitted valid Requests for Exclusion or Notices of Objections; and (ii) whether any Class Member has

submitted a challenge to any information contained in their Settlement Notice, including but not limited to the number of Class Members from the Settlement Classes who have submitted a Workweek Dispute.

c. Best Efforts. The Parties agree to use their best efforts to carry out the terms of this Settlement.

d. Funding and Allocation of Gross Settlement Amount. No later than the date scheduled for the final fairness hearing, the Settlement Administrator shall provide Defendant with instructions for remitting payment of the Gross Settlement Amount into a Qualified Settlement Fund being maintained by the Settlement Administrator. Within seven (7) calendar days after the Effective Date, Defendant shall pay the Gross Settlement Amount into the Qualified Settlement Fund maintained by the Settlement Administrator. Within ten (10) calendar days after the Effective Date, the Settlement Administrator shall provide Defendant with final funding calculations, including employer-side taxes to be paid separately to the Gross Settlement Amount, as well as instructions for remitting payment. Defendant shall then pay the employer-sided taxes within twenty-one (21) calendar days after the Effective Date. Defendant shall provide the Gross Settlement Amount and employer-side taxes to the Settlement Administrator in any feasible manner, including, but not limited to, by way of a wire transfer. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled, or fails to become effective for any reason, or if the Effective Date does not occur, then no portion of the Gross Settlement Amount shall be paid.

e. Payments to the Class Members. Class Members shall not be required to submit a claim in order to receive a share of the Net Settlement Amount or an Individual PAGA Payment, and no portion of the Gross Settlement Amount shall revert to Defendant or result in an unpaid residue. The Settlement Administrator shall first compute the Net Settlement Amount by deducting from the Gross Settlement Amount approved by the Court for the Class Counsel Award, Class Representative Service Award, PAGA Payment, and Settlement Administration Costs. To the extent the Court

1 does not approve the full requested attorneys' fees, litigation costs, enhancement
2 payments or settlement administration costs, the Net Settlement Amount will increase
3 accordingly, by the difference between the requested amount and the amount awarded
4 by the Court.

5 f. Individual Settlement Award: From the Net Settlement Amount, the
6 Settlement Administrator will calculate each Individual Settlement Award by dividing
7 the Net Settlement Amount by the total number of Workweeks, resulting in the
8 Workweek Value; and then multiplying the Workweek Value by the number of
9 Workweeks worked by each Participating Class Member, as defined above. The
10 Settlement Administrator will also calculate the amount to be paid per Workweek, and
11 the Individual Settlement Awards to Participating Class Members. All Workweek
12 Disputes will be resolved and decided by the Settlement Administrator, in consultation
13 with Class Counsel and/or Defense Counsel, as appropriate, and subject to review by the
14 Court as needed.

15 g. Individual PAGA Payment: The Settlement Administrator will calculate each
16 PAGA Member's Individual PAGA Payment by dividing the 25% of the PAGA
17 Payment to be distributed to PAGA Members by the total number of Workweeks during
18 the PAGA Period for all PAGA Members, resulting in the PAGA Workweek Value; and
19 then multiplying the PAGA Workweek Value by the number of Workweeks for each
20 PAGA Member during the PAGA Period, as defined above.

21 i. Individual Settlement Award and Individual PAGA Payments shall be
22 mailed by the Settlement Administrator by regular First Class U.S. Mail to each
23 Participating Class Member and/or PAGA Member's last known mailing address
24 (including any updated address obtained from the mailing of the Settlement Notice)
25 within ten (10) calendar days after Defendant provides the Settlement Administrator
26 with the Gross Settlement Amount and employer-sided taxes. Prior to mailing the
27 Individual Settlement Awards and the Individual PAGA Payments, the Settlement
28 Administrator shall perform a search based on the National Change of Address Database

1 maintained by the United States Postal Service to update and correct any known or
2 identifiable address changes. The Settlement Administrator shall also attempt at least
3 one re-mailing of any Individual Settlement Award returned as undeliverable to any
4 forwarding address provided and, if no forwarding address is provided, the Settlement
5 Administrator will perform at least one skip-trace and re-mailing the Individual
6 Settlement Award to any updated address obtained.

7 ii. Individual Settlement Awards shall be allocated as follows: one-third
8 (33%) as alleged unpaid wages subject to all applicable tax withholdings; one-third
9 (33%) as alleged unpaid interest; and one-third (33%) as alleged unpaid penalties.
10 Individual PAGA Awards shall be allocated as alleged unpaid civil penalties for which
11 an IRS Form 1099 shall be issued. The Settlement Administrator shall issue an IRS
12 Form W-2 to each Participating Class Member for the portion of each Individual
13 Settlement Award payment allocated as alleged unpaid wages and subject to all
14 applicable tax withholdings. The Settlement Administrator shall issue an IRS Form
15 1099 to each Participating Class Member and PAGA Member for the portion of each
16 Individual Settlement Award and for the Individual PAGA Payment allocated as alleged
17 unpaid nonwage penalties and interest and not subject to payroll tax withholdings. The
18 Settlement Administrator shall calculate the amount of the Employer's Share of Payroll
19 Taxes and shall remit and report the applicable portions of the payroll tax payment to
20 the appropriate taxing authorities in a timely manner. Defendant will be responsible for
21 paying its portion of the Payroll Taxes and this amount will not be deducted from the
22 GSA.

23 iii. Participating Class Members will have 180 days to cash the settlement
24 checks sent by the Settlement Administrator. After the expiration of the 180-day period,
25 the Settlement Administrator will prepare the Final Report regarding the distribution of
26 the Gross Settlement Amount, including the total amount that was cashed/deposited by
27 Participating Class Members and the total amount of any uncashed settlement checks.
28 After the Final Report is filed, the total amount of any uncashed settlement checks will

1 be transmitted by the Settlement Administrator to a Court-approved *cy pres* beneficiary
2 or the State Controller's Office, Unclaimed Property Division.

3 iv. In the event a Participating Class Member and/or PAGA Member fails
4 to cash/deposit his or her Individual Settlement Award check and/or Individual PAGA
5 Payment check, the Participating Class Member and/or PAGA Member shall
6 nevertheless remain bound by the Settlement.

7 v. All monies received by Class Members under the Settlement which are
8 attributable to wages shall constitute income to such Class Members solely in the year in
9 which such monies actually are received by the Class Members. It is expressly understood
10 and agreed that the receipt of Individual Settlement Awards shall not entitle any Class
11 Member to additional compensation or benefits under any collective bargaining agreement
12 or under any bonus, contest or other compensation or benefit plan or agreement in place
13 during the periods covered by the Settlement, nor shall it entitle any Class Member to any
14 increased pension and/or retirement, or other deferred compensation benefits. It is the
15 intent of the Parties that the Individual Settlement Awards and Individual PAGA Payments
16 provided for in this Stipulation of Settlement are the sole payments to be made by
17 Defendant to Class Members in connection with this Settlement, with the exception of
18 Plaintiff, and that the Class Members are not entitled to any new or additional
19 compensation or benefits as a result of having received the Individual Settlement Awards
20 and/or and Individual PAGA Payments.

21 h. Class Representative Service Award. For the purposes of this
22 Settlement only, the Parties agree to the designation of Plaintiff as the class
23 representative. In recognition of her time and effort in bringing and presenting the
24 Action and for releasing his Released Claims, Plaintiff shall request a Class
25 Representative Service Award not to exceed Fifteen Thousand Dollars and No Cents
26 (\$15,000.00). Plaintiff's request for such Class Representative Service Award shall be
27 subject to approval from the Court. Defendant agrees not to oppose or object to
28 Plaintiff's request for a Class Representative Service Award in an amount not to exceed

1 this amount. The Class Representative Service Award will be in addition to Plaintiff's
2 Individual Settlement Payment and PAGA Payment paid pursuant to the Settlement.
3 The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff for her Class
4 Representative Service Award. Plaintiff shall be solely and legally responsible to pay
5 any and all applicable taxes on his Class Representative Service Award. Any amount
6 requested by Plaintiff for the Class Representative Service Award and not awarded by
7 the Court shall become part of the Net Settlement Amount and shall be distributed to
8 Participating Class Members as part of their Individual Settlement Awards.

9 i. Class Counsel Award. Defendant agrees not to oppose or impede any
10 application or motion by Class Counsel for attorneys' fees in an amount up to one-third
11 (33.33%) of the Gross Settlement Amount, which amounts to Five Hundred Thirty-Three
12 Thousand Three Hundred and Thirty-Three Dollars and Thirty-Three Cents
13 (\$533,333.33). In addition, Defendant agrees not to oppose or impede any application or
14 motion by Class Counsel to request an award of costs associated with Class Counsel's
15 prosecution of the Action up to Fifteen Thousand Dollars and No Cents (\$15,000.00).
16 Class Counsel's request for such attorneys' fees and costs shall be subject to approval
17 from the Court. In the event the Court awards Class Counsel less than the requested
18 amount of attorneys' fees and/or costs, the difference shall become part of the Net
19 Settlement Amount and shall be distributed to Participating Class Members as part of their
20 Individual Settlement Awards. Class Counsel shall be solely and legally responsible to
21 pay all applicable taxes on the Class Counsel Award. Class Counsel shall provide the
22 Settlement Administrator with properly completed and signed copies of IRS Form W-9 in
23 order for the Settlement Administrator to process the Class Counsel Award approved by
24 the Court. The Settlement Administrator shall issue an IRS Form 1099 to Class Counsel
25 for the Class Counsel Award.

26 57. Settlement Administration Costs. The Settlement Administration fees and
27 expenses, which are estimated at this time not to exceed \$31,050 (the final amount
28 subject to Court approval), shall be paid from the Gross Settlement Amount. Prior to

1 Plaintiff filing a Motion for Final Approval of the Settlement, the Settlement
2 Administrator shall provide the Parties with a statement detailing the Settlement
3 Administration Costs to date. The Parties agree to cooperate in the Settlement
4 Administration process and to make all reasonable efforts to control and minimize
5 Settlement Administration Costs.

6 a. The Parties each represent they do not have any financial interest in the
7 Settlement Administrator or otherwise have a relationship with the
8 Settlement Administrator that could create a conflict of interest.

9 b. The Settlement Administrator shall keep the Parties timely apprised of the
10 performance of all Settlement Administrator responsibilities required by
11 the Settlement. The Settlement Administrator shall be authorized to
12 establish a Qualified Settlement Fund (“QSF”) pursuant to IRS rules and
13 regulations in which the Gross Settlement Amount shall be placed and
14 from which payments required by the Settlement shall be made.

15 58. Payroll Taxes. In accordance with this Settlement and to the fullest extent
16 possible, the Gross Settlement Amount shall resolve, satisfy and completely extinguish
17 all of Defendant’s liability with respect to the Class Members and PAGA Members,
18 except that Defendant shall solely be responsible for the employer portion of the
19 payroll taxes on the portion of the Individual Settlement Awards that constitutes wages
20 and these taxes shall be paid by Defendant in addition to the GSA. Upon the transfer of
21 the Gross Settlement Amount and the employer portion of payroll taxes on the portion
22 of the Individual Settlement Awards that constitutes wages, Defendant shall have no
23 further payment or defense obligation whatsoever with respect to any claims covered
24 by this Settlement made or asserted by any person or entity anywhere in the world in
25 connection with the Class Members.

26 59. Final Settlement Approval Hearing and Entry of Final Order and Judgment.
27 Following expiration of the Response Deadline, a Final Approval Hearing shall be
28 conducted by the Court for the Court to determine whether to grant final approval of the

1 Settlement, including determining the amounts properly payable for: (i) the Class Counsel
2 Award; and (ii) the Class Representative Service Award. Prior to the Final Approval
3 Hearing, the Settlement Administrator shall provide a written report or declaration to the
4 Parties describing the process and results of the administration of the Settlement to date,
5 which report or declaration shall be filed by Plaintiff with the Court prior to the Final
6 Approval Hearing. The Parties agree to work diligently and cooperatively to have this
7 Settlement presented to the Court for final approval. Plaintiff will present the moving
8 papers for any motion for final settlement approval to counsel for Defendant no fewer than
9 seven (7) calendar days before filing any such motion.

10 60. Duties of the Parties Prior to Court Approval. The Parties shall promptly
11 submit this Settlement Agreement to the Court in support of Plaintiff's Motion for
12 Preliminary Approval and determination by the Court as to its fairness, adequacy, and
13 reasonableness. Promptly upon execution of this Settlement Agreement, the Parties shall
14 apply to the Court for the entry of an order scheduling a fairness hearing on the question
15 of whether the proposed Settlement, including payment of Class Counsel's attorneys' fees
16 and costs, the Class Representative's Service Award payment, and the PAGA Payment,
17 should be finally approved as fair, reasonable and adequate as to the members of the
18 Settlement Classes. As part of Plaintiff's Motion for Preliminary Approval, Plaintiff shall
19 also apply to the Court for the entry of an Order as follows:

- 20 a. Certifying the Settlement Classes for settlement purposes only;
- 21 b. Approving, as to form and content, the proposed Settlement Notice;
- 22 c. Approving the manner and method for Class Members to object or
23 request exclusion from the Settlement, as contained herein and within the
24 Settlement Notice;
- 25 d. Directing the mailing of the Settlement Notices to Class Members, by first
26 class mail;
- 27 e. Preliminarily approving the Settlement subject only to the objections of
28 Class Members and final review by the Court; and

1 f. Setting a Final Approval Hearing.

2 61. Duties of the Parties Following Final Approval. Following final approval
3 by the Court of the Settlement provided for in this Settlement Agreement, Class
4 Counsel will submit a proposed Final Order of Approval and Judgment:

- 5 a. Approving the Settlement, adjudging the terms thereof to be fair,
6 reasonable and adequate, and directing consummation of its terms and
7 provisions;
- 8 b. Approving Class Counsel's application for an award of attorneys' fees
9 and costs;
- 10 c. Approving the Class Representative Service Award payment to Plaintiff;
- 11 d. Setting a date when the Parties shall submit the Final Report regarding the
12 distribution of the Gross Settlement Amount, and, if necessary a date for a
13 final accounting hearing following its receipt of the Final Report;
- 14 e. Entering judgment in this Action barring and enjoining all members of the
15 Settlement Classes from prosecuting against any of the Released Parties,
16 any individual or class, or representative claims released herein pursuant to
17 the Settlement Agreement, upon satisfaction of all payments and obligations
18 hereunder.

19 62. Revocation of Settlement by Defendant. Defendant may, at their option,
20 withdraw from the settlement if five percent (5%) or more of the Settlement Class
21 Members request exclusion from the settlement. Defendant has 30 calendar days
22 following the Settlement Administrator's final report summarizing the notice process,
23 including the number of requests for exclusions received, to revoke the agreement
24 pursuant to this Paragraph. If Defendant chooses to withdraw from the settlement, it shall
25 be responsible for all costs incurred by the Settlement Administrator to date, and the
26 Parties shall revert to their respective procedural positions in the Action as if no settlement
27 had occurred.
28

1 63. Escalator Clause. For purposes of this settlement, Defendant estimated that
2 there were 29,660 Workweeks worked by Settlement Class Members through October
3 22, 2022 and 1,420 putative class members. Should the actual number of putative class
4 members or Workweeks exceed these numbers by more than ten percent (10%), then
5 RCM shall pay a pro rata additional sum for the amount exceeding 10%. Alternatively,
6 RCM may elect to end the release date when the number of putative class members or
7 Workweeks exceeds 10% over the represented amounts.

8 64. Nullification of Settlement. In the event: (i) the Court does not enter the
9 Preliminary Approval Order; (ii) the Court does not grant final approval of the
10 Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the
11 Settlement does not become final for any other reason, this Stipulation of Settlement
12 shall be rendered null and void, any order or judgment entered by the Court in
13 furtherance of this Settlement shall be treated as void from the beginning and this
14 Stipulation of Settlement and any documents related to it shall not be used by any Class
15 Member or Class Counsel to support any claim or request for class certification in the
16 Action, and shall not be used in any other civil, criminal or administrative action against
17 Defendant or any of the other Released Parties. Additionally, should the Settlement not
18 become final for any reason, the Parties will request that the Court reopen proceedings
19 within thirty (30) calendar days, and any Settlement Administration Costs already
20 incurred by the Settlement Administrator shall be split evenly between the Parties.

21 65. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees that by signing this
22 Settlement Agreement, she will be bound by the terms herein. Plaintiff further agrees
23 that, upon signing this Settlement Agreement, she will not submit a Request for
24 Exclusion from this Settlement and that any such Request for Exclusion by Plaintiff will
25 be void and of no force or effect.

26 66. Waiver of Certain Appeals. The Parties agree to waive appeals and to
27 stipulate to class certification for purposes of this Settlement only; and either party may
28 appeal any Court order that materially alters the Settlement Agreement's terms. Nothing

1 in this Settlement Agreement shall preclude Plaintiff from appealing from a Court order
2 denying or failing to grant in full their requests for attorneys' fees, costs, or service
3 award.

4 67. No Admission by Defendant. Defendant denies all claims alleged in this Action
5 and denies all wrongdoing whatsoever by Defendant. Neither this Stipulation of
6 Settlement, nor any of its terms and conditions, nor any of the negotiations connected with
7 it, is a concession or admission, and none shall be used against Defendant as an admission
8 or indication with respect to any claim of any fault, concession, or omission by Defendant
9 or that class certification is proper under the standard applied to contested certification
10 motions. The Parties stipulate and agree to the certification of the proposed classes for
11 settlement purposes only. The Parties further agree that this Stipulation of Settlement will
12 not be admissible in this or any other proceeding as evidence that either (i) a class action
13 should be certified or (ii) Defendant is liable to Plaintiff or any Class Member, other than
14 according to the terms of this Stipulation of Settlement.

15 68. Waiver. No waiver of any condition or covenant contained in this Settlement
16 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be
17 considered to imply or constitute a further waiver by such party of the same or any other
18 condition, covenant, right or remedy.

19 69. Judgment and Continued Jurisdiction. Upon final approval of the Settlement
20 by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will
21 present the Judgment to the Court for its approval. After entry of the Judgment, the
22 Court will have continuing jurisdiction solely for purposes of addressing: (i) the
23 interpretation and enforcement of the terms of the Settlement,
24 (ii) Settlement administration matters, and (iii) such post-Judgment matters as may be
25 appropriate under court rules or as set forth in this Agreement.

26 70. Exhibits and Headings. The terms of this Stipulation of Settlement include the
27 terms set forth in any attached Exhibits, which are incorporated by this reference as though
28 fully set forth herein. The Exhibits to this Stipulation of Settlement are an integral part of

1 the Settlement. The descriptive headings of any paragraphs or sections of this Stipulation
2 of Settlement are inserted for convenience of reference only.

3 71. Amendment or Modification. This Stipulation of Settlement may be amended
4 or modified only by a written instrument signed by counsel for all Parties or their
5 successors-in-interest.

6 72. Entire Agreement. This Stipulation of Settlement and any attached Exhibits
7 constitute the entire agreement between the Parties, and no oral or written
8 representations, warranties, or inducements have been made to Plaintiff or Defendant
9 concerning this Stipulation of Settlement or its Exhibits other than the representations,
10 warranties, and covenants contained and memorialized in this Stipulation of Settlement
11 and its Exhibits. No other prior or contemporaneous written or oral agreements,
12 including but not limited to the MOU, may be deemed binding on the Parties.

13 73. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense
14 Counsel warrant and represent they are expressly authorized by the Parties whom they
15 represent to negotiate this Stipulation of Settlement and to take all appropriate actions
16 required or permitted to be taken by such Parties pursuant to this Stipulation of Settlement
17 to effectuate its terms, and to execute any other documents required to effectuate the terms
18 of this Stipulation of Settlement. The Parties, Class Counsel and Defense Counsel shall
19 cooperate with each other and use their best efforts to effect the implementation of the
20 Settlement. In the event the Parties are unable to reach agreement on the form or content
21 of any document needed to implement the Settlement, or on any supplemental provisions
22 that may become necessary to effectuate the terms of this Settlement, the Parties may seek
23 the assistance of the Court to resolve such disagreement. The persons signing this
24 Stipulation of Settlement on behalf of the Defendant represents and warrants that they are
25 authorized to sign this Stipulation of Settlement on behalf of Defendant. Plaintiff
26 represents and warrants that he is authorized to sign this Stipulation of Settlement and that
27 he has not assigned any claim, or part of a claim, covered by this Settlement of Settlement
28 to a third party. The Parties have cooperated in the drafting and preparation of this

1 Stipulation of Settlement. Hence, in any construction made of this Stipulation of
2 Settlement, the same shall not be construed against any of the Parties.

3 74. Confidentiality. The Parties and their counsel agree that they will not issue
4 any press releases, initiate any contact with the press, respond to any press inquiry, or
5 have any communication with the press about the fact, amount, or terms of the
6 Settlement prior to the mailing of the Notice Packet. In addition, the Parties and their
7 counsel agree that they will not engage in any advertising or distribute any marketing
8 materials relating to the Settlement, including but not limited to posting on social media
9 about it or any announcement of the Settlement on any websites maintained by Class
10 Counsel. Nothing set forth herein, however, shall prohibit the Parties from providing
11 this Stipulation to the Court in connection with the Parties' efforts to seek Court approval
12 of this Settlement.

13 75. Binding on Successors and Assigns. This Stipulation of Settlement shall be
14 binding upon, and inure to the benefit of, the successors and assigns of the Parties.

15 76. California Law Governs. All terms of this Stipulation of Settlement and the
16 Exhibits hereto shall be governed by and interpreted according to the laws of the State
17 of California, without giving effect to any law that would cause the laws of any
18 jurisdiction other than the State of California to be applied.

19 77. Counterparts. This Stipulation of Settlement may be executed in one or more
20 counterparts. All executed counterparts and each of them shall be deemed to be one and
21 the same instrument.

22 78. This Settlement is Fair, Adequate, and Reasonable. Plaintiff represents that
23 this Settlement is a fair, adequate, and reasonable settlement of the Action and he has
24 arrived at this Settlement after extensive arm's-length negotiations, taking into account
25 all relevant factors, present and potential.

26 79. Mutual Preparation. The Parties have had a full opportunity to negotiate the
27 terms and conditions of this Agreement. Accordingly, this Agreement shall not be
28 construed more strictly against one Party than another merely by virtue of the fact that it

1 may have been prepared by counsel for one of the Parties, it being recognized that,
2 because of the arm's-length negotiations between the Parties, all Parties have contributed
3 to the preparation of this Agreement.

4 80. Representation by Counsel. The Parties acknowledge that they have been
5 represented by counsel throughout all negotiations that preceded the execution of this
6 Agreement, and that this Agreement has been executed with the consent and advice of
7 counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens
8 on the Agreement.

9 81. Enforcement Actions. In the event that one or more of the Parties institutes
10 any legal action or other proceeding against any other Party or Parties to enforce the
11 provisions of this Settlement, or to declare rights and/or obligations under this
12 Settlement, the prevailing Party or Parties shall be entitled to recover from the non-
13 prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness
14 fees incurred in connection with any enforcement actions.

15 82. Disputes Regarding Language of Final Settlement Agreement. If the Parties
16 have a dispute with regard to the language of the Agreement, the Parties agree to first
17 informally resolve the dispute by engaging Michael Loeb, Esq. to mediate such dispute.

18 83. Invalidity of Any Provision. Before declaring any term or provision of this
19 Stipulation of Settlement invalid, the Parties request that the Court first attempt to
20 construe the terms or provisions valid to the fullest extent possible consistent with
21 applicable precedents so as to define all provisions of this Stipulation of Settlement as
22 valid and enforceable. In the event the Court declares any material provision of this
23 Stipulation of Settlement invalid, the Stipulation of Settlement will be void and its terms
24 will be of no force and effect, except as otherwise agreed to by the Parties in writing.

25 84. Binding Nature of Notice of Class Action Settlement. It is agreed that,
26 because the Class Members are so numerous, it is impossible or impractical to have each
27 Class Member execute the Stipulation of Settlement. The Class Notice shall advise all
28 Class Members of the binding nature of the Settlement, and the release of Released

1 Claims and shall have the same force and effect as if this Stipulation of Settlement were
2 executed by each Participating Class Member.

3 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed
4 this Joint Stipulation of Class Action and PAGA Settlement and Release between
5 Plaintiff, on the one hand, and Defendant, on the other hand, as of the date(s) set forth
6 below.

7 Dated: 03 / 02 / 2023 _____



8 Plaintiff **Barbara Grady** (on her own behalf
9 and on behalf of the Class Members and
10 aggrieved employees)

11 **RCM Technologies (USA), Inc.**

12 Dated: _____

13 By: Kevin Miller, Chief Financial Officer

1 Claims and shall have the same force and effect as if this Stipulation of Settlement were
2 executed by each Participating Class Member.

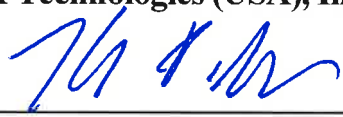
3 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed
4 this Joint Stipulation of Class Action and PAGA Settlement and Release between
5 Plaintiff, on the one hand, and Defendant, on the other hand, as of the date(s) set forth
6 below.

7 Dated: _____

8 Plaintiff **Barbara Grady** (on her own behalf
9 and on behalf of the Class Members and
10 aggrieved employees)

11 **RCM Technologies (USA), Inc.**

12 Dated: 3/3/23

13 
14 By: Kevin Miller, Chief Financial Officer

Title	RCM Settlement Agreement
File name	RCM Stipulation o...for signature.pdf
Document ID	2fe0396a6adbaea3cc20b54dc253b95fd6dd2ec0
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



SENT

03 / 02 / 2023

22:14:06 UTC

Sent for signature to Barbara Grady
(barbiesteinberg@yahoo.com) from
jkonecky@schneiderwallace.com
IP: 50.115.65.11



VIEWED

03 / 03 / 2023

05:06:36 UTC

Viewed by Barbara Grady (barbiesteinberg@yahoo.com)
IP: 107.77.230.122



SIGNED

03 / 03 / 2023

05:07:31 UTC

Signed by Barbara Grady (barbiesteinberg@yahoo.com)
IP: 107.77.230.122



COMPLETED

03 / 03 / 2023

05:07:31 UTC

The document has been completed.

EXHIBIT 1

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Barbara Grady v. RCM Technologies, Inc.

Case No. 5:22-cv-00842-JLS-SHK

NOTICE OF CLASS ACTION SETTLEMENT

If you are or were employed by RCM as a non-exempt traveling nurse or like hourly position in California at any time between October 8, 2017 and March 7, 2023, you are eligible to receive compensation from a class action settlement.

- A nurse who used to work for RCM Technologies (USA), Inc. (“RCM” or “Defendant”) in an hourly, non-exempt position at various locations in California filed a lawsuit alleging that she and other similarly situated nurses were denied wages (including overtime wages) for all hours worked and denied off-duty meal periods and rest breaks while working for RCM, among other related claims.
- RCM denies the allegations, but the parties have reached a settlement that the Court has preliminarily approved on the ground that the settlement is fair, reasonable, adequate, and in the best interests of the class members.
- *A court authorized this notice. This is not an advertisement. This is not a lawsuit against you. You are not being sued, but, your rights will be affected by this settlement.*

YOUR LEGAL RIGHTS & OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND GET AN AUTOMATIC PAYMENT	If you received this Notice of Class Action Settlement, you will <u>automatically</u> receive your share of the settlement, unless you exclude yourself. You do <u>not</u> need to submit a claim form to receive your share of the Settlement. However, you will not be able to bring or pursue the same claims covered by this Settlement in another case.
EXCLUDE YOURSELF; GET NO PAYMENT; KEEP RIGHT TO SUE SEPARATELY	You can choose to exclude yourself from the Settlement. If you exclude yourself, you can pursue the same claims covered by this Settlement in another case. The deadline to submit a request for exclusion is _____, 2023.
OBJECT	If you so choose, you may object to this settlement. However, you must remain a Settlement Class Member to object to the Settlement. In other words, you cannot object to the Settlement if you also request to exclude yourself from the Settlement. The deadline to submit objections is _____, 2023.

Any questions? Read the entire notice and if you still have questions, please call (xxx) xxx-xxxx.

PLEASE READ THIS NOTICE CAREFULLY.

Your rights will be affected by this settlement.

1. Why did I get this notice?

You received this notice because RCM's business records indicate that you have worked for RCM in California at some point between October 8, 2017 and March 7, 2023 as a non-exempt traveling nurse or in a like hourly position. All current and former employees who fall within this category are known as Class Members.

2. Why should I read this notice?

This notice is to let you know that the parties in *Grady v. RCM Technologies, Inc.*, pending in the United States District Court for the Central District of California, as Case No. 5:22-cv-00842-JLS-SHK, have reached a class action settlement. Under applicable law, a class action settlement must be reviewed and approved by a judge. On [REDACTED], 2023, Judge Josephine L. Staton preliminarily approved the terms of this proposed settlement and ordered this notice to be mailed to all class members. The Court will hold a Final Fairness Hearing on the proposed settlement on [REDACTED], 2023 at [REDACTED]. This notice explains your rights to share in the settlement or to exclude yourself ("opt out").

3. What is this case about?

Plaintiff claims on behalf of herself and others similarly situated that RCM violated the California Labor Code by failing to pay regular and overtime wages for alleged off-the-clock work, failing to provide off-duty meal and rest breaks, failing to pay all wages due timely and upon termination, failing to maintain accurate employment records, and failing to provide accurate wage statements. Plaintiff also seeks to recover civil penalties under the Private Attorneys General Act ("PAGA"), Cal. Labor Code § 2698, *et seq.* RCM denies these allegations.

4. Who are the parties in this case?

Barbara Grady is the Plaintiff and Class Representative. RCM Technologies (USA), Inc. (erroneously named as RCM Technologies, Inc.) is the Defendant.

5. Why did RCM enter into the settlement?

RCM entered into the settlement as a compromise in order to finally, fully and completely resolve the dispute and avoid protracted litigation. RCM denies the allegations in the case, and is not giving up its right to defend itself against any of the allegations involved in the lawsuit if this settlement fails for any reason.

6. How much is the settlement and how will it be allocated?

The Total Settlement Amount is **\$1,600,000**, which will be allocated approximately as follows: (1) \$805,616.67 to the Net Settlement Amount to be distributed to participating Class Members; (2) \$200,000 to the claims for civil penalties PAGA claims; (3) \$15,000 to Plaintiff Barbara Grady for the class representative service payment; (4) up to \$533,333.33 for Class Counsel's attorney's fees and \$15,000 in costs; and (5) an estimated \$31,050 for the Settlement Administrator's costs. Defendant will pay its share of applicable employer-side payroll taxes on the wage portion of the settlement separately from the Total Settlement Amount, as well as its own attorney's fees and costs.

Individual Class Settlement Payments from the Net Settlement Amount. The amount that you will receive from the Net Settlement Amount will be based on the number of weeks you worked in California in a traveling nurse or like role for RCM between October 8, 2017 and March 7, 2023 (the "Class Period"), as compared to the number of such weeks worked by the other participating Class Members, as shown by RCM's records. To calculate your share of the Settlement, the Net Settlement Amount will be divided by the total number of weeks worked by all participating Class Members during the Class Period to determine a multiplier, and your payment will equal the your number of weeks worked times the multiplier. **YOU DO NOT NEED TO SUBMIT A CLAIM FORM IN ORDER TO RECEIVE YOUR SHARE OF THE SETTLEMENT.**

Individual PAGA Payment from the PAGA Fund. “PAGA” refers to the Private Attorneys General Act, Cal. Labor Code §2698, *et seq.* For purposes of this Settlement, “PAGA Employees” means all those who worked for RCM in California as a non-exempt traveling nurse or like hourly position at some point between July 22, 2020 and March 7, 2023 (PAGA Period). As required by law, 75% of the PAGA Fund (\$150,000) will be distributed to the California Labor and Workforce Development Agency (“LWDA”) as civil penalties and the remaining 25% of the PAGA Fund (\$50,000) will be distributed to the PAGA Employees on a pro rata basis based on the number of pay periods worked during the PAGA Period. PAGA Employees cannot exclude themselves from the Individual PAGA Payment portion of the Settlement. If the Court approves the Settlement and you fall within the definition of PAGA Employee, you will receive an Individual PAGA Payment (which will be considered miscellaneous income reported on an IRS Form 1099, without withholdings).

7. How much will I receive from the settlement?

RCM’s business records indicate that you worked for RCM in California as a non-exempt traveling nurse or like hourly position, during [redacted] weeks of the Class Period (between October 8, 2017 and March 7, 2023). If you do not opt out of this Settlement, you will automatically be mailed a check for your pro rata share of the settlement payment. Your pro rata share is estimated to be \$ [redacted]. In addition, you will automatically be paid an estimated \$ [redacted] Individual PAGA payment based on your [redacted] weeks of work during the PAGA Period (July 22, 2020 to March 7, 2023), whether you participate or opt out.

If you disagree with your workweeks stated in the prior paragraph, please contact the Settlement Administrator at [redacted], Tel: (xxx) xxx-xxxx, Fax: (xxx) xxx-xxxx, Email: [redacted], no later than [redacted], 2023 [fill in opt-out deadline], and provide the total number of weeks that you believe you worked for RCM in California as a nonexempt traveling nurse or in a like hourly-paid position during the Class Period and PAGA Period. You will need to submit supporting documentation. For a workweek dispute to be valid, it must be in writing and contain: (i) your full name, signature, address, telephone number, and the last four digits of your Social Security number; (ii) the number of Workweeks you contend is correct; and (iii) any evidence supporting your contention. The dates of employment identified in RCM’s records are presumed correct, unless you prove otherwise to the Settlement Administrator by credible evidence. All Workweek Disputes will be resolved and decided by the Settlement Administrator, with consultation with Defense Counsel and Class Counsel as appropriate. If the Workweek Dispute cannot be resolved by the Settlement Administrator, then it shall be resolved by the Court.

8. How will my settlement payment be taxed?

Individual Settlement Awards to Class Members will be taxed as follows: one-third (33%) of the award will be taxed as alleged unpaid wages subject to all applicable tax withholdings, for which IRS Form W-2 will be issued; one-third (33%) will be taxed as alleged unpaid interest for which the appropriate IRS Form 1099 will be issued; and one-third (33%) will be taxed as alleged unpaid penalties for which IRS Form 1099-MISC will be issued. Individual PAGA Awards paid to the PAGA Employees will be taxed as alleged unpaid civil penalties for which an IRS Form 1099-MISC shall be issued. The Settlement Administrator will issue all W-2 and 1099 forms, to the extent required by law. You should speak with an accountant or other tax professional about any tax implications of your Settlement checks.

9. What rights will I give up to stay in the class and get compensation?

Everyone who participates in the settlement will fully and finally release and discharge the Released Parties from all liability for the Released Claims from October 8, 2017 to March 7, 2023. “Released Parties” means RCM and its affiliated companies, owners, parents, members, subsidiaries, related companies and business concerns, past and present, including successors and predecessors, and each of them, as well as each of their clients for whom Class Members performed services, insurers, partners, trustees, directors, shareholders, officers, agents, attorneys, servants and employees, past and present, and each of them. “Released Claims” means all claims under state or local law, whether statutory, common law, or administrative law, whether in law or equity, for the claims that were pled in the Complaint, based on or arising out of the factual allegations therein, during the Class Period, including

claims for failure to pay minimum and overtime wages, failure to authorize and permit required rest breaks and provide required meal periods, failure to maintain accurate employment records, failure to timely pay wages during employment and upon separation, and failure to furnish accurate, itemized wage statements, as well as claims for alleged violation of California's Unfair Competition Law, Cal. Bus. & Professions Code §§ 17200, *et seq.*, and claims seeking civil penalties under the Private Attorneys General Act, Cal. Labor Code §2698, *et seq.*

This means that if you do not exclude yourself from the Settlement pursuant to the procedures explained in Section 11 below, you will release the Released Claims described in the preceding paragraph that may have against RCM and the Released Parties during the period of time October 8, 2017 to March 7, 2023.

In addition, if you are a PAGA Employee (as defined in Paragraph 6 above), you will release all PAGA Claims that were actually alleged or could have been alleged based upon the facts set forth in the Complaint in this action by the named Plaintiff on behalf of the State of California, herself, and the PAGA Employees.

10. Is there a trial date set for this class action?

No, currently, there is no trial date. If the settlement is not approved by the Court, the parties may proceed to trial.

11. How do I exclude myself from this Settlement (opt-out)?

To exclude yourself from the Settlement, you must send a letter by U.S. mail, facsimile or email clearly saying that you have read this notice and want to be excluded from the Settlement Class in *Grady v. RCM Technologies, Inc.*, Case No. 5:22-cv-00842-JLS-SHK. To be timely and valid, any exclusion request must be postmarked, faxed, or emailed no later than **[RESPONSE DEADLINE]**, to:

[ADD CONTACT INFO OF ADMINISTRATOR]

You cannot exclude yourself on the phone. Additionally, for a Request for Exclusion from the Settlement to be valid, it must be (i) in writing and signed by you; (ii) contain your name, address, telephone number, and the last four digits of your Social Security number; (iii) clearly state that you do not wish to be included in the Settlement; (iv) be returned by e-mail, fax, or mail to the Settlement Administrator at the specific email address, mailing address, and/or facsimile number provided above; and (v) be e-mailed, faxed, or postmarked on or before **[ADD RESPONSE DEADLINE]**. The date of the e-mail, fax, or postmark on the return mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. A Class Member who does not request exclusion from the Settlement will be deemed a Participating Class Member and will be bound by all terms of the Settlement, if the Settlement is granted final approval by the Court. Any Class Member who validly requests to be excluded from the Settlement will no longer be a member of the Settlement Class and will not have any right to object, appeal, or comment on the Settlement, but will remain as PAGA Member(s), and will receive an Individual PAGA Payment for the PAGA Released Claims if he or she is a PAGA Member.

If you submit a valid and timely request to be excluded, you will not be legally bound by anything that happens in this lawsuit. However, you also will not get any payments or benefits from the Settlement and you will not be able to object to the Settlement.

12. Can I object the the Settlement?

If you are a Participating Settlement Class Member, you can tell the Court that you object to the Settlement, and/or Plaintiff's application for attorneys' fees and costs or Service Award, and think the Court should not approve them. You can also tell the Court that you like the Settlement, and that it should be approved. The Court will consider your views.

You can't ask the Court to order a different settlement; the Court can only approve or reject this Settlement. If the Court denies approval, no settlement payments will be sent out and the lawsuit will continue. If that is what you want to happen, you must object.

To be valid, an objection must (a) be in writing; (b) be signed by the Class Member making the objection; (c) be returned by e-mail, fax, or mail to the Settlement Administrator at the specific address, e-mail and/or facsimile number listed in Section 11 above; (d) clearly state that the Class Member objects to the settlement and all grounds for the objection; (e) be emailed, faxed, or postmarked on or before [ADD RESPONSE DEADLINE], and (f) include the objector's full name, signature, address, telephone number, and the last four digits of his/her Social Security number. The date of the e-mail, fax, or postmark on the return mailing envelope will be the exclusive means to determine whether a Notice of Objection has been timely submitted.

If you do not submit a written objection to the proposed Settlement or the application of Class Counsel for attorneys' fees and costs, or the application by the named Plaintiff for a Service Award, in accordance with the deadline and procedure set forth above, you will waive your right to be heard at the Final Approval Hearing and to appeal from any order or judgment of the Court concerning the matter. However, the Court in its discretion may allow a Participating Class Member to still object by appearing at the Final Approval Hearing, regardless of whether such Participating Class Member submits a written objection. Nonetheless, to preserve your right to be heard at the Final Approval Hearing and to appeal from any order or judgment of the Court concerning this matter, you must submit a written objection to the Settlement Administrator that is postmarked on or before [ADD RESPONSE DEADLINE], as provided above.

13. What is the difference between Objecting and excluding myself?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Settlement Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class and the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you. If you submit both an objection and a request for exclusion, the request for exclusion will be deemed controlling.

14. Who are the attorneys representing the class?

The attorneys representing the named Plaintiff and the Class Members who participate in the Settlement are:

SCHNEIDER WALLACE COTTRELL KONECKY LLP

Joshua Konecky, CA Bar No. 182897

Nathan Piller, CA Bar No. 300569

Sarah McCracken, CA Bar No. 313198

2000 Powell Street, Suite 1400

Emeryville, CA 94608

Phone: (415) 421-7100; Fax: (415) 421-7105

jkonecky@schneiderwallace.com

npiller@schneiderwallace.com

smccracken@schneiderwallace.com

15. How will the attorneys representing the settlement class be paid?

Class Counsel will ask the Court for attorneys' fees of up to one-third of the total settlement amount, as specified in Section 6 above. Class Counsel will also seek reimbursement from the Settlement Fund of actual expenses they incurred in pursuing the lawsuit, such as costs for filing fees, service of process costs, and mediation fees. Class Counsel will file an application to the Court no later than [ADD DATE] setting forth the attorneys' fees and expenses they will be seeking from the total settlement amount for their work on behalf of the Class Members. You can obtain a copy of Class Counsel's application for attorneys' fees and expenses after [ADD DATE] by visiting [ADD agreed upon url for case website] checking the court case file (see Paragraph 19 below) or contacting Class Counsel at (415) 421-7100.

17. Will there be a service award?

The Settlement also provides that the Class Representative Plaintiff may apply for Service Awards of up to \$15,000 in recognition for the time, effort and risks she took in bringing the case on behalf of the Class. The Court may award less than this amount. Plaintiff will file an application to the Court no later than [ADD DATE] that discusses the basis of the request for this Service Award. You can obtain a copy of this application after [ADD DATE] by checking the court case file (see Paragraph 19 below), visiting [add agreed upon url for case website] or by contacting Class Counsel at (415) 421-7100.

18. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval hearing on [ADD DATE/TIME] in Courtroom 8A, on the 8th Floor of the, United States District Court for the Central District of California, 350 W. First Street, Los Angeles, CA 90012. At this hearing the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Judge may listen to people who have previously asked in writing to speak at the hearing. The Judge may also decide how much to pay Class Counsel or whether to approve the requested Service Award for the named Plaintiff. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long it will take for the Court to make its decision.

You do not have to come to the hearing. Class Counsel will answer questions that the Judge may have. But you are welcome to come at your own expense. If you submit an objection, you do not have to come to court to talk about it. As long as you submitted it on time and in accordance with the instructions in Section 12 of this Notice, the Court will consider it. You may pay your own lawyer to attend the hearing, but it is not necessary.

If you do not exclude yourself, you may ask the Court's permission to speak at the hearing about the Settlement, the application for attorneys' fees and costs, and/or the application for a service award. To do so, please send a letter saying that it is your intention to appear at the Final Approval Hearing in *Grady v. RCM Technologies, Inc.*, Case No. 5:22-cv-00842-JLS-SHK. The letter should state the position you intend to present at the hearing, state the identities of all attorneys who will represent you (if any), and include your full name, address, telephone number, and signature. To preserve your right to object to the Settlement and appeal and judgment, however, you must submit a timely, written objection to the Settlement Administrator in accordance with the procedures described in Section 12 above. To be timely, it must be postmarked, faxed or emailed to the addresses provided in Section 12 no later than [ADD RESPONSE DEADLINE]. Additionally, you cannot speak at the hearing if you exclude yourself from the Class.

19. What if I need additional information?

For a more detailed statement of the matters involved in the Action and the Class Settlement, you may refer to the pleadings, the Joint Stipulation of Settlement of Class Action, and other papers filed in this action. The case file may be inspected at the Office of the Court Clerk, United States District Court, Central District of California, located at the Edward R. Roybal Federal Building & U.S. Courthouse, 255 East Temple Street, Room 180, Los Angeles, CA 90012, during the Court's normal business hours. You may inspect the case file for both cases online using the Public Access to Court Electronic Records system ("PACER"), at <https://pacer.uscourts.gov/>.

All inquiries by Class Members about this settlement should be directed to: _____.
Refer to the Grady v. RCM Class Action Settlement.

PLEASE DO NOT CALL THE COURT.