

EXHIBIT 1

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO

SANDRA SUMMERS AND DARIIA
FELDENHEIMER, individually and on behalf
of all other similarly situated aggrieved
employees,

Plaintiffs,

v.

CROSS COUNTRY HEALTHCARE, INC.,
TRAVEL STAFF LLC and DOES 1-50,
inclusive,

Defendant.

Case No. 23CV611080

**CLASS ACTION AND PAGA
REPRESENTATIVE ACTION
SETTLEMENT AGREEMENT**

Judge: Ethan P. Shulman
Department: 304

Complaint Filed: December 13, 2023

INTRODUCTION

Subject to approval by the Superior Court of California, County of San Francisco (the “Court”), this Class Action and PAGA Representative Action Settlement Agreement (“Settlement Agreement,” “Settlement” or “Agreement”) sets forth the full and final terms by which Sandra Summers and Dariia Feldenheimer (the “Named Plaintiffs” or “Plaintiffs”), on behalf of themselves and members of the Settlement Class and the PAGA Group Members, both defined herein, and Defendant Cross Country Health Care, Inc. and Travel Staff LLC (together, “Cross Country” or “Defendants”) (collectively, the “Parties”) have settled and resolved the claims in *Summers v. Cross Country Healthcare, Inc.*, Case No. 23CV611080 (the “Action”).

I. NATURE AND RESOLUTION OF THE ACTION

A. Relevant Procedural History

1. Plaintiffs filed this Action on December 13, 2023. The original Complaint asserted a sole cause of action for alleged violations of the Private Attorneys’ General Act, Cal. Lab. Code §§ 2698-2699.5 (“PAGA”). The alleged PAGA violations were predicated on alleged violations of Sections 510 and 970 of the California Labor Code and related derivative claims.

2. Prior to filing this Action, on August 15, 2022 and July 27, 2023, Plaintiffs had provided Cross Country and the California Labor and Workforce Development Agency (“LWDA”) with written notice of their intent to bring this Action, identifying the specific provisions of the California Labor Code that Named Plaintiffs alleged Cross Country had violated.

3. Class Counsel diligently investigated the California Labor Code and related derivative claims against Defendants. The investigation included, *inter alia*, the exchange of information, data, and documents, as well as review of numerous company policies and practices and written discovery requests.

4. Following the filing of the Complaint, the Parties conducted two full-day mediations with Stephen P. Sonnenberg of JAMS. At the conclusion of the second session on May 9, 2024, the Parties accepted a double-blind mediator’s proposal from Mr. Sonnenberg to

1 settle the Action as a class action and PAGA representative action. The material settlement terms
2 were reflected in a term sheet executed on May 9, 2024.

3 5. In connection with the Settlement Agreement, the Parties agreed that Plaintiffs
4 would amend their Complaint to add putative class action claims under Sections 510 and 970 of
5 the California Labor Code (the “Amended Complaint”).

6 **B. Nature Of Settlement**

7 6. This Agreement represents a compromise and settlement of highly disputed
8 claims. Defendants deny and continue to deny the allegations in the Operative Complaint,
9 including that they is liable to Named Plaintiffs or the Settlement Class Members (including the
10 PAGA Group Members); deny and continue to deny that they owe damages or penalties to
11 anyone; and deny and continue to deny that the Named Plaintiffs or Settlement Class Members
12 are entitled to the relief requested in the Operative Complaint, including certification as a class
13 (other than for purposes of settlement).

14 7. Nothing in this Agreement is intended to or should be construed as an admission
15 by Defendants that any of the allegations in the complaints in the Action have merit; nor should it
16 be intended or construed as an admission by Named Plaintiffs that Defendants’ defenses in the
17 Action have merit. Defendants do not admit, and specifically deny, that they have violated any
18 state, federal, or local law; violated any regulations or guidelines promulgated pursuant to any
19 statute or any other applicable laws, regulations, or legal requirements; breached any contract;
20 violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any
21 other unlawful conduct with respect to its employees (current and former). Neither this
22 Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected
23 with it, shall be construed as an admission or concession by Defendants of any such violations or
24 failures to comply with any applicable law. Except as necessary in a proceeding to enforce the
25 terms of this Settlement Agreement, this Settlement Agreement and its terms and provisions shall
26 not be offered or received as evidence in any action or proceeding to establish any liability or
27 admission on the part of Defendants or to establish the existence of any condition constituting a
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violation of, or a non-compliance with state, federal, local, or other applicable law.

8. This Agreement and the Settlement are contingent upon the Court's approval of the Settlement, and Defendants do not consent to certification of the Class for any purpose other than to effectuate settlement of the Action memorialized in this Agreement. If, for any reason, the Court does not approve this Agreement, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

II. DEFINITIONS

1. In addition to any terms identified and defined elsewhere in this Agreement, the following terms and phrases shall have the meanings set forth below:

a. "ACN" means Assignment Confirmation Notice.

b. "Attorneys' Fees" means the amount approved by the Court for payment to Class Counsel for attorneys' fees.

c. "Attorneys' Costs" means the amounts approved by the Court to reimburse Class Counsel for reasonable and documented litigation costs and expenses incurred in connection with prosecution of the Action

d. "Class Counsel" or "Plaintiffs' Counsel" means the law firms of Stueve Siegel Hanson LLP and Altshuler Berzon LLP.

e. "Class List" means a complete list of all Settlement Class Members and PAGA Group Members that Defendants will diligently and in good faith compile from its reasonably available records and provide to the Settlement Administrator pursuant to the terms of this Agreement. The Class List will be formatted in a readable electronic file and will include each person's: (i) full name; (ii) last known telephone number and/or email address, if available; (iii) last known mailing address; (iv) Social Security number; and (v) dates worked for Travel Staff during the Class Period.

f. "Class Period" means September 13, 2019 through the date of execution of this Settlement Agreement.

g. "Court" means the Superior Court of the State of California, County of

1 San Francisco.

2 h. “Defendants” or “Cross Country” means Cross County Health Care, Inc. and
3 Travel Staff LLC.

4 i. “Defendants’ Counsel” means the law firm of Proskauer Rose LLP.

5 j. “Effective Date” means: (a) if no Settlement Class Member files and serves any
6 timely and valid objection to the Parties’ Settlement, then the date upon which the Court grants
7 Final Approval of the Settlement; (b) if any Settlement Class Member files and serves a timely
8 and valid objection that is subsequently withdrawn, then the date upon which the Court grants
9 Final Approval of the Settlement; or (c) if any Settlement Class Member files and serves a valid
10 and timely objection, then the date which is sixty-five (65) days after (1) service of notice of entry
11 of the Final Approval Order and Judgment on the Parties to the Action and all objectors to the
12 Parties’ Settlement, if any, without appeals or requests for review being taken, or (ii) service of
13 notice of entry of an order affirming the Final Approval Order and Judgment or denying review
14 after exhaustion of all appellate remedies, if appeals or requests for review have been taken.

15 k. “Final Approval” means the determination by the Court that the Settlement is fair,
16 reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

17 l. “Final Approval Hearing” means the hearing at which the Court will consider and
18 determine whether the Settlement should be granted Final Approval.

19 m. “Final Approval Order and Judgment” means an order granting final approval of
20 the Parties’ Settlement of the Action and entering final judgment in the Action.

21 n. “Gross Settlement Amount” means the amount of Two Million Three Hundred
22 Forty-Five Thousand Dollars and Zero Cents (\$2,345,000.00) to be paid by Defendants pursuant
23 to this Agreement in full settlement of the Action and in exchange for all Released Claims by all
24 Participating Class Members and Released PAGA Claims by all PAGA Group Members. The
25 Gross Settlement Amount is all-inclusive of all payments contemplated in this Settlement, other
26 than the employer’s share of all applicable payroll taxes on amounts treated as wages.

27 o. “Individual PAGA Payment” means the payment each PAGA Group Member will
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1 be eligible to receive under this Agreement with respect to the portion of the Settlement Share on
2 account of PAGA.

3 p. "Individual Settlement Payment" means the payment each Participating Class
4 Member will be eligible to receive under this Agreement with respect to the portion of the
5 Settlement Share on account of Sections 510 and 970 of the California Labor Code.

6 q. "LWDA Payment" means the State of California LWDA's 75% share of the
7 PAGA Payment.

8 r. "Net Settlement Fund" means the amount remaining from the Gross Settlement
9 Amount that is available for distribution to Participating Class Members, which is the Gross
10 Settlement Amount less all amounts paid for Attorneys' Fees and Costs, Class Representative
11 Service Award Payments, the PAGA Payment, the Reserve Fund, and the cost of settlement
12 administration, as approved by the Court.

13 s. "Notice of Objection" means a Settlement Class Member's valid and timely
14 written objection to the Settlement, which must be in writing and include: (a) the objector's full
15 name, signature, address, and telephone number; (b) a written statement of all grounds for the
16 objection accompanied by any legal support for such objection (if any); and (c) copies of any
17 papers, briefs, or other documents upon which the objection is based (if any). To be timely,
18 Notices of Objection must be submitted to the Settlement Administrator, postmarked on or before
19 the Response Deadline.

20 t. "Notice of Settlement" or "Class Notice" means the Notice of Proposed Settlement
21 of Class Action which is to be mailed directly to Settlement Class Members, substantially in the
22 form attached hereto as Exhibit A.

23 u. "Operative Complaint" means the "Amended Class Action Complaint for
24 Damages" that will be filed in conjunction with the Motion for Preliminary Approval no later
25 than August 9, 2024.

26 v. "Opt-out Request" means a timely written and signed request (e.g., letter)
27 submitted by a Settlement Class Member to be excluded from the Settlement. The Opt-out
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1 Request must: (a) be signed by the Settlement Class Member; (b) contain the full name, address
2 telephone number and Class Member ID Number (as generated by the Claims Administrator); (c)
3 clearly state that the Settlement Class Member does not wish to be included in the Settlement; and
4 (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or
5 before the Response Deadline or submitted electronically over the Website before the Response
6 Deadline. The date of the postmark on the return mailing envelope on the submission will be the
7 exclusive means to determine whether an Opt-out Request has been timely submitted. A
8 Settlement Class Member who does not request to opt out from the Settlement will be deemed a
9 Participating Settlement Class Member and will be bound by all terms of the Agreement if the
10 Settlement is granted Final Approval by the Court

11 w. “PAGA Claims” means the claims of the PAGA Group Members under the
12 California Labor Code Private Attorneys General Act as alleged in the Action and contained in
13 the Operative Complaint.

14 x. “PAGA Group Member” means all Settlement Class Members who worked for
15 Travel Staff LLC during the PAGA Period in California, regardless of whether or not they opt out
16 of the Settlement Class.

17 y. “PAGA Notice” means the letters sent from Named Plaintiffs to the LWDA on
18 August 15, 2022 and July 27, 2023.

19 z. “PAGA Payment” means the amount of Five Thousand Dollars and Zero Cents
20 (\$5,000.00) to resolve the PAGA Claims, which will be deducted from the Gross Settlement
21 Amount and be subject to the LWDA Payment.

22 aa. “PAGA Period” means the time period from August 16, 2022 through the date of
23 execution of this Settlement Agreement.

24 bb. “Participating Class Members” means all Settlement Class Members who do not
25 submit a valid and timely Opt-out Request.

26 cc. “Plaintiffs” or “Named Plaintiffs” or “Settlement Class Representatives” means
27 Sandra Summers and Dariia Feldenheimer.
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1 dd. “Pay Period” means one (1) Workweek, given that travel nurses were paid on a
2 weekly basis according to the work schedules established by their assigned hospitals.

3 ee. “Plan of Allocation” means the allocation of the Net Settlement Fund among
4 Participating Settlement Class Members and, as applicable, PAGA Group Members.

5 ff. “Preliminary Approval” means the Order of the Court preliminarily approving this
6 Settlement Agreement and the form of Notice to be sent to Settlement Class Members.

7 gg. “Preliminary Approval Date” means the date the court enters Preliminary
8 Approval.

9 hh. “Released Claims” means the claims released in the Settlement Class Members’
10 Released Claims and Released PAGA Claims.

11 ii. “Released Parties” means Cross County Health Care, Inc. and Travel Staff LLC
12 and any and all of its current and former parents, divisions, subsidiaries and affiliated companies
13 or entities, and any and all of their respective current and former officers, directors, employees,
14 investors, insurers, administrators, representatives, partners, shareholders and agents, and any
15 other predecessors and successors, assigns and legal representatives and their related persons and
16 entities.

17 jj. “Reserve Fund” means a \$5,000 portion of the Gross Settlement Amount that is
18 held in reserve to correct any errors or omissions with respect to payments to Settlement Class
19 Members and PAGA Group Members.

20 kk. “Response Deadline” means the deadline by which Settlement Class Members and
21 PAGA Group Members must submit An Opt-out Request or Notice of Objection, which shall be
22 the date that is forty-five (45) calendar days from the initial mailing of the Notice of Settlement
23 by the Settlement Administrator, unless the 45th day falls on a Sunday or federal holiday, in
24 which case the Response Deadline will be extended to the next day on which the U.S. Postal
25 Service is open. The Response Deadline may also be extended by express agreement between
26 Class Counsel and Defendants’ Counsel. Under no circumstances, however, will the Settlement
27 Administrator have the authority to extend the Response Deadline unilaterally. In the event that a
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1 Notice of Settlement is re-mailed to a Settlement Class Member, the Response Deadline for that
2 Settlement Class Member shall be extended by fifteen (15) calendar days.

3 ll. "Settlement Administrator" means Analytics Consulting LLC, which has been
4 jointly designated by counsel for the Parties to administer the Gross Settlement Fund as set forth
5 in this Agreement. The Parties each represent that they do not have any financial interest in the
6 Settlement Administrator or otherwise have a relationship with the Settlement Administrator that
7 could create a conflict of interest.

8 mm. "Service Payment" means the payment provided to Named Plaintiffs in
9 recognition of their efforts and work in prosecuting the Action and in consideration of their
10 general release of all claims, subject to Court approval.

11 nn. "Settlement Administration Costs" means the costs payable from the Gross
12 Settlement Amount, subject to Court approval, to the Settlement Administrator for administering
13 this Settlement, as set forth in this Agreement.

14 oo. "Settlement Class" or "Settlement Class Member" means the 212 travel nurses
15 identified by the Parties who worked for Travel Staff LLC (an affiliate of Cross County
16 Healthcare, Inc.) in California and who experienced a rate reduction during the term of their
17 temporary working assignment in California between September 13, 2019 and the date the this
18 Settlement Agreement is executed.

19 pp. "Settlement Fund" means the Qualified Settlement Fund set up by the Settlement
20 Administrator, pursuant to this Settlement Agreement, including all interest earned thereon, to be
21 held, invested, administered, and disbursed pursuant to this Settlement Agreement.

22 qq. "Settlement Share" means the *pro rata* share of the Net Settlement Fund that each
23 Settlement Class Member may be eligible to receive under the terms of this Agreement.

24 rr. "Wage Data" means the data previously provided to Class Counsel that set forth
25 figures from which to calculate individual overtime exposure for each Settlement Class Member
26 during the Class Period, mid-ACN rate reduction exposure during the Class Period, and the
27 number of Pay Periods each PAGA Group Member worked in California during the PAGA
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1 Period.

2 ss. "Website" means the webpage that the Settlement Administrator will set up
3 containing electronic copies of the Operative Complaint, Settlement Agreement and the Notice of
4 Settlement. It shall be accessible by password or code provided to Settlement Class Members,
5 and will also provide an electronic means by which the Settlement Class Members can submit
6 Opt-out Requests.

7 tt. "Workweek" means the number of calendar days that each Settlement Class
8 Member worked for Travel Staff in a non-exempt/hourly-paid position during the Class Period.
9 Each Settlement Class Member will be credited with at least one (1) Workweek.

10 **III. CLASS CERTIFICATION**

11 For the purposes of this Settlement only, the Parties stipulate to the certification of the
12 Settlement Class, as defined above. The Parties agree that certification for the purpose of
13 settlement is not an admission that certification is proper under section 382 of the California Code
14 of Civil Procedure. Should, for whatever reason, the Court not grant Final Approval of the
15 Settlement, the Parties' stipulation to class certification as part of the Settlement shall become
16 null and void ab initio and shall have no bearing on, and shall not be admissible in connection
17 with, the issue of whether or not certification would be inappropriate in a non-settlement context.

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

20 **IV. COURT APPROVAL, NOTICE, OBJECTION AND FINAL APPROVAL**

21 **HEARING**

22 **A. Jurisdiction and Venue**

23 The Parties agree that the Court has jurisdiction over the Parties and the subject matter of
24 this Action and that venue is proper. The Court shall retain jurisdiction of this Action, including
25 after entry of judgment pursuant to the Settlement, pursuant to Rule 3.769 of the California Rules
26 of Court and section 664.6 of the California Code of Civil Procedure, for purposes of addressing:
27 (a) the interpretation and enforcement of the terms of the Settlement Agreement, (b) settlement
28 administration matters, and (c) such post-judgment matters as may be appropriate under court

rules or as set forth in this Settlement Agreement.

B. Amended Complaint and Preliminary Approval

1. No later than August 9, 2024, Plaintiffs will file an “Amended Class Action Complaint for Damages.” No later than August 13 Plaintiffs will file a “Motion to Preliminarily Approve the Settlement Agreement and to send Notice of Settlement to all Settlement Class Members.”

2. Class Counsel will be responsible for drafting and submitting this Settlement Agreement to the Court in support of its Motion to Preliminarily Approve the Settlement Agreement.

3. Cross Country agrees not to oppose the Motion for Preliminary Approval of the Settlement, consistent with this Settlement Agreement.

4. The Motion for Preliminary Approval of the Settlement shall apply to the Court for the entry of an order (“Preliminary Approval Order”), which shall be mutually agreed upon by the Parties, seeking the following:

- a. Conditionally certifying the Class for settlement purposes only;
- b. Granting Preliminary Approval of the Settlement;
- c. Preliminarily appointing Named Plaintiffs as representative of the Class;
- d. Preliminarily appointing Named Plaintiffs’ Counsel as counsel for the Class;
- e. Approving, as to form and content, the mutually agreed-upon and proposed Notice of Settlement and directing its mailing to the Class by First Class Mail;
- f. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Notice of Settlement; and
- g. Scheduling a Final Approval Hearing at which the Court will determine whether the Settlement should be finally approved as fair, reasonable, and adequate as to the Participating Class Members.

1 **C. Notice**

2 1. Within fourteen (14) days after the Preliminary Approval Date, Cross Country will
3 provide to the Settlement Administrator the Class List.

4 2. Within twenty-one (21) days after receiving the Class List from Cross Country, the
5 Settlement Administrator will send to each Settlement Class Member the Notice of Settlement,
6 which will include the estimated Settlement Share that the Settlement Class Member is calculated
7 to receive by first class U.S. mail and email. Defendants will reasonably endeavor to provide to
8 the extent possible complete and accurate mailing and e-mail addresses based upon records in its
9 possession.

10 3. Prior to sending the Notice of Settlement, the Settlement Administrator will update
11 Settlement Class Member addresses through the United States Postal Service National Change of
12 Address (NCOA) service. In the event of returned or non-deliverable notices, the Settlement
13 Administrator will attempt to locate Settlement Class Members by way of skip-trace or other
14 reasonable means and will re-send the notices upon receipt of updated addresses. If an updated
15 address is retrieved, the Settlement Administrator will re-mail the Notice of Settlement within
16 five (5) days thereof. There shall be no obligation to re-mail a Notice of Settlement more than
17 one (1) time.

18 4. Within twenty-five (25) days after Notice of Settlement is mailed, the Settlement
19 Administrator shall inform the Parties the number of mail notices that were returned as
20 undeliverable and for whom the Settlement Administrator has not been able to determine a better
21 address. The expenses of the Settlement Administrator shall be paid out of the Settlement Fund.

22 **D. Objections and Opt-outs**

23 1. Settlement Class Members who object to the Settlement Agreement, if any, must
24 submit a timely and valid Notice of Objection. Settlement Class Members who do not timely and
25 validly submit a Notice of Objection will waive any and all rights to appeal from the Judgment,
26 and the Judgment therefore shall become final and non-appealable as to such Settlement Class
27 Members at the time Judgment is entered. No one may appear at the Final Approval Hearing for
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1 the purpose of objecting to the Settlement Agreement without first having submitted a timely and
2 valid Notice of Objection. The Notice of Objection must be signed by the Settlement Class
3 Member or be submitted through the Website and contain all information required by this
4 Settlement Agreement. At no time will any of the Parties or their counsel seek to solicit or
5 otherwise encourage Settlement Class Members to object to the Settlement Agreement or appeal
6 from the Final Approval Order and Judgment. Any objecting Settlement Class Member may
7 withdraw their Notice of Objection prior to and at, but not after, the Final Approval Hearing.
8 Class Counsel shall file with the Court all Settlement Class Member Notices of Objection within
9 five (5) days of the deadline for submitting such objections to the Settlement Administrator. The
10 postmark date will be deemed the exclusive means for determining that the Notice of Objection is
11 timely.

12 2. Any Settlement Class Member who wishes to opt out of the Settlement must
13 submit to the Settlement Administrator an Opt-out Request, postmarked by the Settlement
14 Administrator on or before the Response Deadline. To be effective, the Opt-Out Statement must
15 contain the full name, address and telephone number of the Settlement Class Member, and must
16 include a written statement confirming that the individual is aware that by opting out they will
17 forego the opportunity to receive their Settlement Share. If a Settlement Class Member submits
18 both an Opt-Out Statement and a Notice of Objection, the Opt-Out Statement will control and
19 will invalidate the Notice of Objection. Notwithstanding the foregoing, PAGA Group Members
20 may not opt out from the PAGA Group. Any Settlement Class Member who is also a PAGA
21 Group Member and who timely submits an Opt-out Request shall not receive any portion of the
22 Net Settlement Fund but shall nonetheless be issued a check for their Individual PAGA Payment.
23 Whether they deposit their Individual PAGA Payment checks or not, all PAGA Group Members
24 shall be deemed to have released the Released PAGA Claims as to the Released Parties.

25 3. The Settlement Administrator shall also set up a password-accessible Website
26 containing the Operative Complaint, Settlement Agreement, and the Notice of Settlement.

27 4. The Settlement Administrator shall provide to all counsel a weekly report that
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1 certifies: (a) the number of Class Members who have submitted timely and valid Notices of
2 Objection or Opt-Out Requests; and (b) the number of undeliverable and re-mailed Notices.
3 Additionally, the Settlement Administrator will provide to counsel for both Parties any updated
4 reports regarding the administration of the Settlement as needed or requested, and immediately
5 notify the Parties when it receives a request from an individual or any other entity regarding
6 inclusion in the Settlement Class and/or Settlement.

7 5. Class Counsel shall file with the Court all timely received and valid Settlement
8 Class Member Opt-out Requests within five (5) days following the Response Deadline. The
9 Participating Settlement Class will not include those individuals who submit a timely Opt-out
10 Request. Individuals who timely opt out are not entitled to a Settlement Share awarded to
11 Participating Settlement Class Members under this Settlement Agreement. PAGA Group
12 Members will not be permitted to opt out from the PAGA Group. With respect to individuals
13 who timely opt-out of the Settlement Class, the statute of limitations for the individual to assert
14 any claim for individual relief will resume running on the postmark date of their signed, written
15 statement that they are opting out of the Settlement.

16 **E. Final Approval**

17 1. Class Counsel will move for Final Approval of the Settlement Agreement at the
18 time established by the Court. Class Counsel will move for an award of the Class Representative
19 Service Award Payments and Attorneys' Fees and Costs pursuant to this Settlement Agreement
20 prior to the expiration of the period to object and request exclusion, at the time established by the
21 Court. The Parties will suggest such dates for the Court's consideration in connection with
22 moving for Preliminary Approval as outlined in the Proposed Order Granting Preliminary
23 Approval (attached hereto as Exhibit B).

24 2. The Parties shall provide the Settlement Administrator with a copy of the Final
25 Judgment once it is entered by the Court, and the Settlement Administrator shall post the Final
26 Judgment on its Website within five (5) days of receipt. No individualized notice to the Class
27 will be required.
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1 3. In the event that this Settlement Agreement does not become Final and binding,
2 this Settlement Agreement will become null and void. No party shall be deemed to have waived
3 any claims, objections, rights or defenses, or legal arguments or positions. Neither this
4 Settlement Agreement nor the Court's Preliminary or Final Approval thereof, and all
5 negotiations, statements, and proceedings relating thereto, as well as any ancillary documents,
6 actions, statements, or filings in furtherance of the Settlement, shall be admissible in any court
7 regarding any issue or subject (except for the purpose of enforcing this Settlement Agreement).
8 Each party reserves the right to prosecute or defend this Action to the fullest extent available to it
9 in the event that the Settlement Agreement does not become final and binding. Defendants shall
10 have no obligation to make any payments to any party, Settlement Class Member, or attorney.
11 The Preliminary Approval Order, including any other order certifying the Class, shall be vacated.

12 4. Class Counsel will be responsible for drafting the motion seeking Final Approval
13 of the Settlement. Class Counsel will provide Defendants' Counsel a draft of the Final Approval
14 Motion before the filing deadline. By way of said Motion, Named Plaintiffs will apply for the
15 entry of the Final Approval Order and Judgment, which will provide for, in substantial part, the
16 following:

- 17 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
18 consummation of its terms and provisions;
- 19 b. Certification of the Settlement Class;
- 20 c. Approval of the application for Attorneys' Fees and Attorneys' Costs to
21 Class Counsel;
- 22 d. Approval of the application for Service Payments to Named Plaintiffs;
- 23 e. Approving the Parties' Settlement of the Action in the Operative
24 Complaint and the PAGA Payment;
- 25 f. Directing Cross Country to fund all amounts due under the Settlement
26 Agreement; and
- 27 g. Entering judgment in the Action barring and enjoining all Participating
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1 Class Members from prosecuting the Released Claims against any of the Released Parties, while
2 maintaining continuing jurisdiction, in conformity with Rule 3.769 of the California Rules of
3 Court and the Settlement Agreement.

4 **V. CONSIDERATION & RELEASE**

5 **A. Release of Claims**

6 1. Upon the Effective Date of the Settlement Agreement, Settlement Class Members
7 shall release, through the date of the written Settlement Agreement, Released Parties from any
8 and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys'
9 fees, damages, or causes of action, contingent or accrued, which relate to the wage and hour and
10 California Labor Code claims alleged in the operative complaint or relate to other claims that
11 could have been alleged based on the facts asserted in the Operative Complaint, including but not
12 limited to regular and overtime rate calculations, waiting time penalties, minimum wages, timely
13 payment of wages, wage statements, reimbursements, unlawful deductions from wages, and
14 derivative or related claims, including but not limited to claims for restitution and other equitable
15 relief, liquidated damages, punitive damages, or penalties of any nature whatsoever (the
16 "Settlement Class Members' Released Claims").

17 2. Upon the Effective Date of the Settlement Agreement, Class Members who are
18 also PAGA Group Members shall additionally release, through the date of the written Settlement
19 Agreement, Released Parties for all claims for civil penalties under the California Private
20 Attorney General Act (Cal. Labor Code § 2698 et seq.) which relate to the wage and hour and
21 California Labor Code claims alleged in the operative complaint and Plaintiffs' PAGA Notice or
22 relate to other claims that could have been alleged based on the facts asserted in the operative
23 complaint and Plaintiffs' PAGA Notice ("Released PAGA Claims").

24 3. Nothing in the Settlement Agreement shall be construed to bar any claims of
25 Settlement Class Members that arise from conduct occurring after the execution of the Settlement
26 Agreement.

27 **B. Settlement Administration**

1 1. The Settlement Administrator will have the following responsibilities: (i) to send
2 Notice of Settlement to Settlement Class Members; (ii) resolve disputes in connection with the
3 calculation of Settlement Shares in accordance with the Settlement and/or PAGA Payment, and in
4 consultation with the counsel from both Parties as warranted; (iii) distribute payment on account
5 of Settlement Shares; and (iv) otherwise reasonably administer the Settlement.

6 2. The Settlement Administrator will provide Cross Country with wire transfer
7 information within seven (7) days after the Final Approval of the Settlement.

8 3. Upon completion of administration of the settlement, the Settlement Administrator
9 will provide a written declaration under oath to certify such completion to the Court and counsel
10 for all Parties.

11 **C. Monetary Relief**

12 1. On behalf of the Named Plaintiffs, Class Counsel will seek from the Gross
13 Settlement Fund Service Payments of up to Ten Thousand Dollars (\$10,000) to each of the
14 Named Plaintiffs (separate from and in addition to any Settlement Share that the Named Plaintiffs
15 may be entitled to as Settlement Class Members under the Settlement Agreement), subject to
16 Court approval. Cross Country agrees not to oppose this request. The Settlement Administrator
17 will issue an IRS Form 1099 to Named Plaintiffs for the Service Payments. Should the Court
18 approve the Service Payments in an amount that is less than requested by Class Counsel, the
19 difference between the lesser amount approved by the Court and the amount allocated toward the
20 Service Payments will be part of the Net Settlement Fund for the benefit of Participating Class
21 Members.

22 2. Within thirty (30) days of the Effective Date, Cross Country will pay by wire
23 transfer the Gross Settlement Amount of Two Million Three Hundred Forty Five Thousand
24 Dollars and Zero Cents (\$2,345,000.00) to the interest-bearing Qualified Settlement Fund (as
25 described in Section 468B of the Internal Revenue Code of 1986, as amended, and Treas. Reg.
26 Section 1.468B-1, et seq.) set up by the Settlement Administrator. The Gross Settlement Amount
27 will be placed in an interest-bearing account in the name of “*Summers v. Cross Country*
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1 Settlement Fund.” This payment is made in order to satisfy all of Cross Country’s monetary
2 obligations under this Settlement Agreement with the sole exception being the employer’s share
3 of payroll taxes on Settlement Shares attributable to wages. The Gross Settlement Amount,
4 together with Cross Country’s payment of the employer’s portion of payroll taxes applicable to
5 the settlement payments designated as wages, shall constitute the total settlement cash outlay by
6 Cross Country in connection with the resolution of the Settlement Class and PAGA Claims in this
7 Action. This sum is inclusive of payment for: (a) all settlement payments to Settlement Class
8 Members eligible for settlement payments; (b) the PAGA Payment, including payment to both the
9 LWDA and PAGA Group Members; (d) the Class Representative Service Award Payments (if
10 any are awarded by the Court, in the amounts awarded by the Court); (e) Class Counsel’s
11 Attorneys’ Fees and Costs in connection with prosecution of the Action, in the amounts awarded
12 by the Court; and (f) the Settlement Administrator’s fees and expenses. The Settlement is non-
13 reversionary. Under no circumstances will any portion of the Gross Settlement Fund revert to
14 Cross Country following the Effective Date.

15 3. The Settlement Administrator will issue payments on account of Settlement
16 Shares, the Service Award Payments, Class Counsel’s Attorneys’ Fees and Costs, and the LWDA
17 Payment within forty-five (45) days after the Effective Date.

18 4. Individual Settlement Payment checks and any Individual PAGA Payment checks
19 will be valid and negotiable for one hundred eighty (180) calendar days from the date each check
20 is issued and thereafter shall be void/cancelled. The Settlement Administrator shall undertake
21 amended and/or supplemental tax filings and reporting, required under applicable local, state, and
22 federal tax laws, that are necessitated due to the cancellation of any Individual Settlement
23 Payment checks. The Settlement Administrator may, at its discretion, also issue payment for any
24 Participating Class Member’s Individual PAGA Payment together with the non-wage portion of
25 such Participating Class Member’s Individual Settlement Payment.

26 5. Subject to approval by the Court, the Parties have allocated Five Thousand Dollars
27 and Zero Cents (\$5,000.00) from the Gross Settlement Amount to the PAGA Payment, of which
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seventy-five percent (75%), or \$3,750.00, will be paid to the LWDA, and twenty-five percent (25%), or \$1,250.00, will be distributed to Participating Class Members who are PAGA Group Members as part of the Net Settlement Fund.

D. Plan of Allocation to Settlement Class Members

1. All Participating Settlement Class Members will be bound by the Settlement's release of the Class Claims. Settlement Shares will be paid to each Participating Class Member, meaning that settlement checks will be sent to all Participating Class Members, and no claim forms will be required. All PAGA Group Members will receive a portion of the PAGA Payment regardless of whether they timely opt out of the Settlement Class and all PAGA Group Members will be bound by the Settlement's release of the PAGA Claims.

2. The goal of the Plan of Allocation is to allocate Settlement Shares to Participating Settlement Class Members proportionally according to each individual's (i) potential damages under Sections 510 and 970 of the Labor Code, and, if applicable, (ii) PAGA penalties.

3. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund as follows:

a. First, each Participating Settlement Class Member will be allocated a one hundred dollar (\$100) minimum payment from the Net Settlement Fund.

b. Second, after accounting for the minimum payment, the remaining Net Settlement Fund will be allocated 70% to Participating Settlement Class Members' claims pursuant to Section 510 of the Labor Code and 30% to claims pursuant to Section 970 of the Labor Code. Overtime damages are measured for purposes of this agreement by comparing the overtime wages paid to the individual versus the overtime wages that would have been paid to the individual if the value of stipends or per diems on account of meals, incidentals and living expenses had been included in the regular rate of pay.

c. With respect to allocating Individual Settlement Payments for claims based on Section 510 of the Labor Code, those funds will be allocated *pro rata* among Participating Settlement Class Members based on each individual's potential overtime damages during the

1 Class Period.

2 d. With respect to allocating Individual Settlement Payments for claims based
3 on Section 970 of the Labor Code, those funds will be allocated *pro rata* among Participating
4 Settlement Class Members based on each individual's mid-ACN rate reduction damages during
5 the Class Period. Mid-ACN rate reduction damages are measured for purposes of this agreement
6 by comparing the rate set forth in the applicable ACN versus the reduced ACN rate(s) worked by
7 the individual during the applicable assignment.

8 4. Individual PAGA Payments will be calculated and apportioned from the Net
9 Settlement Fund as follows: The Settlement Administrator will divide the PAGA Group Payment
10 by the total Workweeks within the PAGA Period of all PAGA Group Members to yield the
11 "PAGA Workweeks Value," and multiply each PAGA Group Member's Workweeks within the
12 PAGA Period by the PAGA Workweeks Value to yield such individual's Individual PAGA
13 Payment. Workweeks shall be determined based on Class Members' dates of employment in
14 California in a non-exempt position during the Class or PAGA Period, divided by seven.
15 Defendant represents there are approximately 2,000 Workweeks during the Class Period.

16 5. In addition to each Named Plaintiff's Individual Settlement Share and, if
17 applicable, Individual PAGA Payment, Named Plaintiffs will seek a total payment of Twenty
18 Thousand Dollars and Zero Cents (\$20,000.00) from the Settlement Fund for Class
19 Representative Service Award Payments of Ten Thousand Dollars (\$10,000) each for the two
20 Named Plaintiffs ("Service Award Payments"). The Service Award Payments are intended to
21 compensate the Named Plaintiffs for the risks they took bringing this case and their active and
22 time-intensive participation in the prosecution and settlement of this case. Cross Country and its
23 attorneys will not oppose Court approval for these Service Award Payments.

24 **E. Tax Treatment of Individual Settlement & PAGA Payments**

25 The Participating Class Member Settlement Shares shall be reported to taxing authorities
26 as follows:

27 1. Fifty percent (50%) of each Individual Settlement Payment (the "Wage Portion")
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1 is intended to settle each Participating Class Member's claims for unpaid wages. Accordingly,
2 the Wage Portion will be reduced by applicable payroll tax withholding and deductions, and the
3 Settlement Administrator will issue to each Participating Class Member a Form W-2 with respect
4 to the Wage Portion.

5 2. Fifty percent (50%) of each Individual Settlement Payment (the "Non-Wage
6 Portion") is intended to settle each Participating Class Member's claims for interest and penalties.
7 Accordingly, the Non-Wage Portion will not be reduced by payroll tax withholding and
8 deductions, and the Settlement Administrator will issue to each Participating Class Member a
9 Form 1099 with respect to the Non-Wage Portion, to the extent required.

10 3. The portion of the Individual PAGA Payment will not be reduced by payroll tax
11 withholding and deductions, and the Settlement Administrator will issue to each PAGA Group
12 Member a Form 1099 with respect to their portion of the PAGA Payment, to the extent required.

13 4. The Settlement Administrator will issue to each Named Plaintiff a Form 1099 with
14 respect to their awarded Class Representative Service Award Payment.

15 5. The Settlement Administrator shall serve as Trustee of the Settlement Fund and
16 shall act as a fiduciary with respect to the handling, management and distribution of the
17 Settlement Fund. The Settlement Administrator shall act in a manner necessary to qualify the
18 Settlement Fund as a "Qualified Settlement Fund" under Section 468B of the Internal Revenue
19 Code of 1986, as amended, and Treas. Reg. Section 1.468B-1, et seq., and to maintain that
20 qualification. The Settlement Administrator shall act as a fiduciary with respect to the handling,
21 management, and distribution of the Settlement, including the handling of tax-related issues and
22 payments. Specifically, the Settlement Administrator shall be responsible for withholding,
23 remitting and reporting both the employer and the employees' share of the payroll taxes from the
24 Settlement Fund.

25 6. The Settlement Administrator shall be responsible to satisfy from the Settlement
26 Fund any and all federal, state and local employment and withholding taxes, including, without
27 limitation, federal and state income tax withholding, FICA, FUTA, SUTA, Medicare and any
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1 state employment taxes. The Settlement Administrator shall satisfy all federal, state, local, and
2 other reporting requirements (including any applicable reporting with respect to attorneys' fees
3 and other costs subject to reporting), and any and all taxes, penalties and other obligations with
4 respect to the payments or distributions from the Settlement Fund not otherwise addressed herein.
5 Cross Country will pay the employer's share of applicable payroll tax payments separate and
6 apart from the Settlement Fund. The Settlement Administrator will calculate the employer's
7 share of payroll taxes due on the Settlement Shares attributed to wages and will request the
8 amount from Cross Country at the same time it requests the Gross Settlement Fund from Cross
9 Country.

10 7. All (i) taxes (including any estimated taxes, interest or penalties) arising with
11 respect to the income earned by the Settlement Fund, including any taxes or tax detriments that
12 may be imposed on Cross Country with respect to income earned for any period during which the
13 Settlement Fund does not qualify as a "Qualified Settlement Fund" for federal and state income
14 tax purposes (hereinafter "Settlement Fund Taxes"), and (ii) expenses and costs incurred in
15 connection with the operation and implementation of this paragraph (including, without
16 limitation, expenses of tax attorneys and/or accountants and mailing and distribution costs and
17 expenses relating to filing (or failing to file) any returns described herein or otherwise required to
18 be filed pursuant to applicable authorities) (hereinafter "Settlement Fund Tax Expenses"), shall be
19 paid out of the Settlement Fund. Further, Settlement Fund Taxes and Settlement Fund Tax
20 Expenses shall be treated as a cost of the administration of the Settlement Fund. The Parties
21 hereto agree to cooperate with the Settlement Administrator, each other, and their tax attorneys
22 and accountants to the extent reasonably necessary to carry out the provisions set forth in this
23 paragraph.

24 8. In the event that it is subsequently determined by a tax authority that any Named
25 Plaintiff, Participating Class Member, PAGA Group Member, or Class Counsel owes any
26 additional taxes with respect to any money distributed under this Settlement Agreement, it is
27 expressly agreed that the determination of any tax liability is between the payment recipient and
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1 the tax authorities, and that Cross Country shall not be responsible for the payment of such taxes,
2 including any interest and/or penalties. Cross Country makes no representations as to the tax
3 treatment or legal effect of any payments pursuant to this Agreement, and Named Plaintiffs and
4 Participating Class Members are not relying on any statement or representation by Cross Country
5 or Cross Country's counsel in this regard. Participating Class Members shall be solely and
6 legally responsible for correctly characterizing this compensation for tax purposes and for paying
7 any taxes on the amounts received. Participating Class Members agree to indemnify and hold
8 Defendants harmless from any claim or liability for taxes, penalties, or interest arising as a result
9 of receiving any payment under this Agreement.

10 9. All payments made under the Settlement shall be deemed to be paid to the payee
11 solely in the year in which such payments actually are issued to the payee. It is expressly
12 understood and agreed that payments made under this Settlement shall not in any way entitle
13 Plaintiff or any Class Member to additional compensation or benefits under any new or additional
14 compensation or benefits, or any bonus, contest or other compensation or benefit plan or
15 agreement in place during the Class Period, nor will it entitle any Class Member to any increased
16 retirement, 401(k) benefits or matching benefits, or deferred compensation benefits
17 (notwithstanding any contrary language or agreement in any benefit or compensation plan
18 document that might have been in effect during the Class Period).

19 10. EACH PARTY TO THIS SETTLEMENT AGREEMENT (FOR PURPOSES OF
20 THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
21 SETTLEMENT AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN
22 "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
23 SETTLEMENT AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE
24 BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER
25 ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION
26 OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX
27 ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT
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1 CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY
2 (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL
3 AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH
4 THIS SETTLEMENT AGREEMENT, (B) HAS NOT ENTERED INTO THIS SETTLEMENT
5 AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR
6 ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED
7 TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR
8 ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE
9 IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER
10 TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE
11 CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES
12 (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON
13 DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX
14 STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
15 CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

16 **F. Disposition of Uncashed Settlement Checks**

17 1. The Parties will instruct the Settlement Administrator to make reasonable efforts
18 (i.e., telephone, email, or U.S. mail) to remind any Class Members who has not cashed their
19 checks after forty-five (45) days that the check remains outstanding (the "Reminder"). The
20 Settlement Administrator may not issue more than one (1) Reminder by any given means
21 (telephone, email, and U.S. mail).

22 2. After one hundred eighty (180) days after checks are mailed, if the amount of
23 uncashed checks is equal to or more than eight and one-half percent (8.5%) of the Total
24 Settlement Amount (i.e. \$200,000), the Settlement Administrator will send out a second round of
25 distributions to Participating Class Members in proportion to their first Settlement Shares. If the
26 amount of uncashed checks is less than eight and one-half percent (8.5%) of the Total Settlement
27 Amount, then the amount of the uncashed checks will be sent to *cy pres* recipients Legal Aid at
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1 Work, as will the amount of any uncashed checks from a second distribution.

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3 **VI. CLASS COUNSELS' FEES AND COSTS AND CLAIMS ADMINISTRATOR FEES**

4 1. Class Counsel will apply to the Court for an award of attorneys' fees in a total
5 amount not to exceed one third (33.33%) of the Gross Settlement Payment, i.e., \$781,588.50 and
6 reimbursement of litigation Costs not to exceed \$75,000. Cross Country agrees not to oppose
7 Class Counsel's request for Attorneys' Fees and Costs. The Settlement Administrator will issue
8 to Class Counsel a Form 1099 with respect to the awarded attorneys' fees and costs. These
9 amounts will cover any and all work performed and any and all costs incurred by Class Counsel
10 in connection with the litigation of the Action, including, without limitation, all work performed
11 and costs incurred to date, and all work to be performed and all costs to be incurred in connection
12 with obtaining the Court's approval of this Settlement Agreement, including any objections raised
13 and any appeals necessitated by those objections. Class Counsel shall be solely and legally
14 responsible for correctly characterizing this compensation for tax purposes and for paying any
15 taxes on the amounts received. To the extent the Court does not approve the entire amount(s)
16 requested by Class Counsel as Attorneys' Fees and/or Attorneys' Costs, it shall not affect the
17 terms of the Parties' Settlement and any portion of the Attorneys' Fees and Attorneys' Costs not
18 awarded to Class Counsel shall remain part of the Gross Settlement Amount and shall be
19 distributed to Participating Class Members as part of the Net Settlement Fund.

20 2. Subject to Court approval, the Settlement Administrator will be paid for the
21 reasonable costs of administration of the Settlement and distribution of payments under the
22 settlement, which is currently estimated not to exceed \$15,000. These costs, which will be paid
23 from the Gross Settlement Amount, subject to Court approval, will include, inter alia, printing,
24 distributing, and tracking Notices of Settlement and other documents for this Settlement,
25 calculating and distributing payments due under the settlement, issuing of 1099 and W-2 IRS
26 Forms and all required tax reporting, filings, withholdings, and remittances, providing necessary
27 reports and declarations, and other duties and responsibilities set forth herein to process this
28 Settlement, and as requested by the Parties. To the extent actual Settlement Administration Costs

are greater than the estimated amount stated herein, such excess amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not in fact required to fulfill payment to the Settlement Administrator to undertake the requirement settlement administration duties will become part of the Net Settlement Fund.

VII. MUTUAL NON-DISPARAGEMENT

The Parties agree that they will not make statements about the Parties that are maliciously false or defamatory, such that the statements are made with knowledge of their falsity or with reckless disregard for their truth or falsity or encourage or induce others to make such statements about any of the Parties or any Party's services, customers or clients. These prohibitions include, without limitation, comments or statements on the internet or to the press and/or media.

VIII. WAIVER OF APPEALS

The Parties waive all appeals from the Final Approval of the Settlement unless the Court materially modifies the Settlement, except that Plaintiffs and Class Counsel may appeal from an order by the Court that reduces the amounts sought for the Class Representative Service Award Payments or Class Counsel's Attorneys' Fees and Expenses. Such an order or affirmance of such an order will not entitle Plaintiffs or the Class to void the Settlement. Cross Country's payment obligations under the Settlement will be suspended pending the final completion of any appeals process.

IX. GOVERNING LAW

The validity, construction, terms and enforcement of this Settlement Agreement and attached exhibits will be governed by and interpreted according to the laws of the State of California, without regard to choice-of-law principles

X. OTHER CONDITIONS OF SETTLEMENT

A. No Prior Assignments

1 The Parties and their counsel represent, covenant, and warrant that they have not directly
2 or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
3 any person or entity any portion of any liability, claim, demand, action, cause of action, or right
4 herein released and discharged.

5 **B. Exhibits**

6 The terms of this Settlement Agreement include the terms set forth in any attached
7 exhibits, which are material and integral parts hereof and are fully incorporated herein by this
8 reference.

9 **C. Labor & Workforce Development Agency**

10 Plaintiffs shall timely submit to the LWDA a copy of the motions for preliminary and
11 final approval and proposed Judgment in this Action, and a copy of any other order providing for
12 or denying an award of civil penalties, in compliance with sections 2699(l)(2)-(3) of the
13 California Labor Code.

14 **D. Notices to Counsel**

15 All notices to counsel required or desired to be given under this Settlement Agreement
16 shall be in writing and by e-mail to lead counsel for the respective Parties. Specifically, such
17 notices shall be both e-mailed to Steven J. Pearlman (spearlman@proskauer.com) and P. Kramer
18 Rice (krice@proskauer.com) for Cross Country and to Alexander T. Ricke
19 (ricke@stuevesiegel.com) for Plaintiffs, and mailed by U.S. mail to their respective offices.

20 **E. Failure to Insist on Strict Compliance**

21 The failure of any Party to insist in any one or more instances on strict compliance with
22 the terms and conditions hereof shall not be construed to be a waiver of remedies available with
23 respect to any prior or subsequent breach.

24 **F. Interpretation and Application**

25 1. All Parties hereto have participated, through their respective counsel, in the
26 drafting of this Settlement Agreement and, therefore, this Settlement Agreement shall not be
27 construed more strictly against one party than another.
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2. Whenever possible, each provision and term of this Settlement Agreement shall be interpreted in such a manner as to be valid and enforceable.

3. In the event of any dispute or disagreement with respect to the meaning, effect or interpretation of this Settlement Agreement or any Exhibit hereto, or in the event of a claimed breach of the Settlement Agreement, the Parties agree that such dispute will be resolved and adjudicated only in accordance with the dispute resolution provisions of this Settlement Agreement.

4. No material modifications to this Agreement may be made without written agreement of all Parties and counsel and, if necessary, Court approval.

5. If any portion of this Settlement Agreement is judged to be unenforceable, the remainder of the Agreement shall continue to be valid and enforceable.

6. Paragraph and section headings are for convenience of reference only and are not intended to create substantive rights or obligations.

7. This Settlement Agreement and any attached exhibits constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

G. Enforcement

1. This Settlement Agreement may be executed in counterparts via DocuSign. Each signed counterpart together with the others shall constitute the full Settlement Agreement.

2. As of the date on which all Parties have executed this Settlement Agreement, this Settlement Agreement will be binding in all respects, or unless the Court fails to approve this Settlement Agreement and the Settlement Agreement is thus vacated. This Settlement Agreement shall inure to the benefit of, and be binding upon, the Parties hereto and their respective heirs,

1 dependents, executors, administrators, trustees, legal representatives, personal representatives,
2 agents, successors and assigns; provided, however, that this Settlement Agreement shall not inure
3 to the benefit of any third party.

4 3. Enforcement of this Settlement Agreement shall be prosecuted by Class Counsel
5 or counsel for Cross Country only, not third Parties. Class Counsel shall meet and confer with
6 counsel for Cross Country prior to commencement of any enforcement proceedings.

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8 4. The Parties agree that they will cooperate to effectuate and implement all terms
9 and conditions of this Settlement Agreement, and exercise good faith efforts to accomplish the
10 terms and conditions of this Settlement Agreement. The Parties agree to accept non-material,
11 procedural changes to this Settlement Agreement if required by the Court in connection with
12 Final Approval of the Settlement, but are not obligated to accept material changes, including any
13 changes in the monetary amount of relief, or any other substantive change. If the Parties are
14 unable to reach agreement on the form or content of any document needed to implement the
15 Settlement Agreement, or on any supplemental provisions that may become necessary to
16 effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of Mediator
17 Sonnenberg and, thereafter, the Court, to resolve such disagreement.

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19 5. Any enforcement proceedings related to or arising out of this Settlement
20 Agreement will be resolved and adjudicated only by the Superior Court of California, County of
21 San Francisco, unless otherwise provided in this Settlement Agreement

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23 6. Counsel for the Parties warrant and represent they are expressly authorized by the
24 Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate
25 actions required or permitted to be taken by such Parties pursuant to this Settlement Agreement to
26 effectuate its terms and to execute any other documents required to effectuate the terms of this
27 Settlement Agreement. The Parties warrant that they understand and have full authority to enter
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1 into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
2 enforceable and binding on all Parties and agree that it will be admissible and subject to
3 disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality
4 provisions that otherwise might apply under state or federal law.

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6 7. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable
7 settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in
8 the context of adversarial litigation, taking into account all relevant factors, present and potential.
9 The Parties further acknowledge that they are each represented by competent counsel and that
10 they have had an opportunity to consult with their counsel regarding the fairness and
11 reasonableness of this Settlement Agreement.

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13 8. Named Plaintiffs agree to sign this Settlement Agreement and, by signing this
14 Settlement Agreement, is hereby bound by the terms herein and cannot submit a Request for
15 Exclusion therefrom.

16 ***End of Settlement Agreement. Signature Page To Follow.***
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Dated: 08/12/2024

SANDRA SUMMERS



Dated: 08/12/2024

DARIIA FELDENHEIMER



Dariia Feldenheimer (Aug 12, 2024 14:58 PDT)

Dated: _____

CROSS COUNTRY HEALTHCARE, INC.

Dated: _____

TRAVEL STAFF LLC

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SANDRA SUMMERS

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DARIIA FELDENHEIMER

Dated: 8/13/24

CROSS COUNTRY HEALTHCARE, INC.

Susan E Ball

Dated: 8/13/2024

TRAVEL STAFF LLC

Susan E. Ball
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EXHIBIT A

Notice of Settlement

Superior Court of California, San Francisco County
Summers v. Cross Country Healthcare, Inc. and Travel Staff LLC
Case No. 23CV611080

Notice of Proposed Class Action Settlement

A Court authorized this Notice. This is not a solicitation from a lawyer.

[Unique Class Member ID]

[Unique Class Member Pin]

[Name]

[Address]

[City, State Zip]

Cross Country Healthcare, Inc.'s records indicate that you worked as a travel nurse for Travel Staff LLC (an affiliate of Cross Country) in California and you experienced a pay rate reduction during the term of your temporary working assignment in California between September 13, 2019 and August 13, 2024.

You are entitled to a Settlement Payment of \$X. You are also entitled to an Individual PAGA Payment of \$X. You do not have to do anything to receive these payments. This Notice explains your rights.

YOUR LEGAL RIGHTS AND OPTIONS IN RESPONSE TO THIS NOTICE:	
IF YOU DO NOTHING	You will remain in the Settlement Class. You will release the Released Claims. Following final approval of the Settlement, you will receive payment for the Released Claims automatically by check to the address on this Notice.
EXCLUDE YOURSELF FROM THE CLASS SETTLEMENT	If you submit a valid Opt-out Request to exclude yourself as a Settlement Class Member, you will not release the Settlement Class Members' Released Claims (which you may then pursue at your own expense) and you will not receive a payment for the Settlement Class Members' Released Claims. But, you cannot exclude yourself as a PAGA Group Member from the PAGA Claims in the Settlement and will automatically receive an Individual PAGA Payment.
OBJECT TO THE SETTLEMENT.	You can object to the Settlement and tell the Court and the parties any issues you have with the Settlement. By objecting, you stay in the Settlement Class.

For more information, please visit the Settlement Website: [insert URL]

BASIC INFORMATION

1. Why did I receive this Notice?

Cross Country's records indicate that you worked as a travel nurse for Travel Staff LLC (an affiliate of Cross Country) in California and that you experienced a pay rate reduction during the term of your temporary working assignment in California between September 13, 2019 and August 13, 2024. You are receiving this Notice because, as a Settlement Class Member, you are entitled to both an Individual Settlement Payment and an Individual PAGA Payment. This Notice explains the lawsuit, the Settlement, and your rights and options.

The Court supervising this case is the Superior Court of California, San Francisco County. The lawsuit is styled as *Summers, et al. v. Cross Country Healthcare, Inc., et al*, Case No. 23CV611080.

2. What is this lawsuit about?

Plaintiffs' Complaint centers on two theories, which Plaintiffs allege also give rise to Private Attorneys General Act ("PAGA") penalties. First, Plaintiffs allege that Cross Country has underpaid overtime wages by failing to include certain "stipend" or "per diem" payments in the regular rate of pay when paying overtime. Plaintiffs contend that because the stipend or per diem payments were tied to the quantity of work (among other reasons), these payments functioned as wages that must be included in the regular rate when calculating the overtime rate under Section 510 of the Labor Code. Cross Country denies these allegations and posits that it did not violate Section 510 of the Labor Code.

Second, Plaintiffs allege Cross Country has a pattern and practice of offering contracts to travel nurses with a fixed-term assignment at an agreed-upon pay rate. After the nurse accepts the position and starts the assignment, Cross Country makes a take-it-or-leave-it demand to accept less pay or be terminated. Plaintiffs allege most nurses have no choice but to continue working the assignment at the lower rate because they have no reasonable alternatives for comparable employment. Plaintiffs allege this practice violates Section 970 of the Labor Code. Cross Country denies these allegations as well and posits that it did not violate Section 970 of the Labor Code.

3. Why is there a proposed settlement?

The Court did not decide in favor of the Named Plaintiffs or Cross Country. Neither side prevailed. The Parties agreed to the Settlement to avoid further disputes and the risk, expense, and inconvenience of litigation.

On [DATE], the Court granted preliminary approval of the proposed Settlement. The Court will decide whether to give final approval to the proposed settlement in a hearing scheduled for [DATE] ("Final Approval Hearing"). See Section 12 below for details.

For more information, please visit the Settlement Website: [insert URL]

THE SETTLEMENT BENEFITS – WHAT YOU GET

4. What does the settlement provide?

The Gross Settlement Amount of \$2,345,000.00 fully resolves and satisfies the attorneys' fees and costs approved by the Court, all amounts to be paid to individuals covered by the Settlement, Court-approved service payments, and a \$5,000.00 reserve fund. The Settlement funds are being divided among the individuals covered by the Settlement according to an allocation formula described below. The Net Settlement Fund means the amount remaining from the Gross Settlement Amount that is available for distribution to Participating Class Members, which is the Gross Settlement Amount less all amounts paid for Attorneys' Fees and Costs, Class Representative Service Award Payments, the PAGA Payment, the Reserve Fund, and the cost of settlement administration, as approved by the Court.

5. How much is my payment and how was it calculated?

Based on the allocation formula that has been approved by the Court, you are entitled to receive an estimated Individual Settlement Payment of approximately \$[REDACTED]. 50% of your Individual Settlement Payment will be treated as back wages for which you will receive an IRS Form W-2, and the other 50% will be treated as interest, any applicable penalties, liquidated damages, and other non-wage relief, and reported on an IRS Form 1099. You are also entitled to receive an estimated proportional share of the PAGA Payment of approximately \$[REDACTED]. 100% of your Individual PAGA Payment will be treated as penalties and reported on an IRS Form 1099. These estimated payments are based on the following allocation formula.

Individual Settlement Payments will be calculated and apportioned from the Net Settlement Fund as follows:

First, each Participating Settlement Class Member will be allocated a one hundred dollar (\$100) minimum payment from the Net Settlement Fund.

Second, after accounting for the minimum payment, the remaining Net Settlement Fund will be allocated 70% to Participating Settlement Class Members' claims pursuant to Section 510 of the Labor Code and 30% to claims pursuant to Section 970 of the Labor Code. Overtime damages are measured for purposes of this agreement by comparing the overtime wages paid to the individual versus the overtime wages that would have been paid to the individual if the value of stipends or per diems on account of meals, incidentals and living expenses had been included in the regular rate of pay.

With respect to allocating Individual Settlement Payments for claims based on Section 510 of the Labor Code, those funds will be allocated pro rata among Participating Settlement Class Members based on each individual's potential overtime damages during the Class Period.

With respect to allocating Individual Settlement Payments for claims based on Section 970 of the Labor Code, those funds will be allocated pro rata among Participating Settlement Class

For more information, please visit the Settlement Website: [insert URL]

Members based on each individual's mid-assignment rate reduction damages during the Class Period. Mid-assignment rate reduction damages are measured for purposes of this agreement by comparing the rate set forth in the applicable ACN versus the reduced ACN rate(s) worked by the individual during the applicable assignment.

Individual PAGA Payments will be calculated and apportioned from the Net Settlement Fund as follows: PAGA Group Members will receive a proportional share of funds allocated to the PAGA Group based on the relative number of Pay Periods each PAGA Group Member worked during the PAGA Period. You may obtain a copy of the Settlement Agreement by following the instructions in Section 13 below.

Neither Class Counsel nor Defendants make any representations concerning the tax consequences of your settlement payment. You are advised to obtain personal tax advice prior to acting in response to this Notice.

HOW YOU GET A PAYMENT

6. How do I get my payment?

To receive proceeds from the Settlement, **you do not have to do anything in response to this Notice.**

7. What am I giving up if I receive proceeds from the settlement?

Upon the Effective Date of the Settlement Agreement, Settlement Class Members shall release, through the date of the written Settlement Agreement, Released Parties from any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages, or causes of action, contingent or accrued, which relate to the wage and hour and California Labor Code claims alleged in the operative complaint or relate to other claims that could have been alleged based on the facts asserted in the Operative Complaint, including but not limited to regular and overtime rate calculations, waiting time penalties, minimum wages, timely payment of wages, wage statements, reimbursements, unlawful deductions from wages, and derivative or related claims, including but not limited to claims for restitution and other equitable relief, liquidated damages, punitive damages, or penalties of any nature whatsoever.

Upon the Effective Date of the Settlement Agreement, Class Members who are also PAGA Group Members shall additionally release, through the date of the written Settlement Agreement, Released Parties for all claims for civil penalties under the California Private Attorney General Act (Cal. Labor Code § 2698 et seq.) which relate to the wage and hour and California Labor Code claims alleged in the operative complaint and Plaintiffs' PAGA Notice or relate to other claims that could have been alleged based on the facts asserted in the operative complaint and Plaintiffs' PAGA Notice.

Nothing in the Settlement Agreement shall be construed to bar any claims of Settlement Class Members that arise from conduct occurring after the execution of the Settlement Agreement.

For more information, please visit the Settlement Website: [\[insert URL\]](#)

HOW YOU REQUEST EXCLUSION FROM OR OBJECT TO THE SETTLEMENT

8. What if I do not want to participate in the settlement?

If you do not want to participate in the Settlement and wish to retain your right to pursue your own independent action, you must return an Opt-out Request by [DATE – 45 days from the mailing of the Notice]. An Opt-out Request means a written and signed request (e.g., letter) submitted by a Settlement Class Member to be excluded from the Settlement. The Opt-out Request must: (a) be signed by the Settlement Class Member; (b) contain the full name, address, and telephone number; (c) clearly state that the Settlement Class Member does not wish to be included in the Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. The date of the postmark on the return mailing envelope on the submission will be the exclusive means to determine whether an Opt-out Request has been timely submitted. Alternatively, you can submit an Opt-out Request online by following the prompts on the Settlement Website. A Settlement Class Member who does not request to opt out from the Settlement will be deemed a Participating Settlement Class Member and will be bound by all terms of the Agreement if the Settlement is granted Final Approval by the Court.

Even if you submit an Opt-out Request such that you will not receive an Individual Settlement Payment in exchange for the Settlement Class Members' Released Claims, you will still receive an Individual PAGA Payment for the Released PAGA Claims. You cannot request exclusion from the PAGA portion of the Settlement.

9. What if I want to object to the settlement?

If you do not request exclusion from the Settlement but believe the proposed Settlement is unfair or inadequate in any respect, you may object to the Settlement. The deadline to object to the Settlement is [DATE – 45 days from the mailing of the Notice]. To be valid, an objection must provide: (a) the objector's full name, signature, address, and telephone number; (b) a written statement of all grounds for the objection accompanied by any legal support for such objection (if any); and (c) copies of any papers, briefs, or other documents upon which the objection is based (if any).

THE LAWYERS REPRESENTING YOU

10. Do I have a lawyer in this case?

The Court has determined that the lawyers at the law firms of Stueve Siegel Hanson LLP and Altshuler Berzon LLP are qualified to represent you and all individuals covered by this Settlement. These lawyers are called "Class Counsel." You will not be separately charged for these attorneys. You do not need to retain your own attorney to participate in this Settlement. However, you may consult with any attorney you choose at your own expense before deciding whether to opt out of this settlement.

For more information, please visit the Settlement Website: [insert URL]

11. How will the lawyers be paid?

Class Counsel will ask the Court to award attorneys' fees in an amount not to exceed one-third (33.33%) of the Settlement Amount plus reimbursement of up to \$75,000.00 in expenses, which will be paid from the Gross Settlement Amount. In addition, Class Counsel will ask the Court to authorize payment from the Settlement Amount of a service payment of not more than \$10,000.00 to each Named Plaintiff to recognize the risks they took in identifying and bringing these claims and services to the beneficiaries of this settlement.

FINAL APPROVAL OF THE SETTLEMENT

12. When will the settlement be final and when will I receive my settlement payment?

If the Court grants Final Approval of the settlement, and you did not request exclusion from the settlement, Individual Settlement Payments and Individual PAGA Payments will be mailed within 45 days of the Effective Date.

The Court will hold a Final Approval Hearing on the fairness and adequacy of the proposed Settlement, the plan of distribution, Class Counsel's request for attorneys' fees and costs, and the service payment to each Named Plaintiff on [DATE] in [LOCATION]. The Final Approval Hearing may be continued without further notice to Settlement Class Members. You are not required to appear at the hearing to participate in or to opt-out of the Settlement.

FOR MORE INFORMATION

13. Are there more details about the settlement?

This Notice summarizes the proposed settlement. More details are in a Settlement Agreement. You are encouraged to read it. To the extent there is any inconsistency between this Notice and the Settlement Agreement, including between the description of the releases as provided in Section 7 above and the description of the releases as provided in the Settlement Agreement, the provisions in the Settlement Agreement control. You may obtain a copy of the Settlement Agreement by contacting Class Counsel (see contact information below). You may also obtain a copy of the Settlement Agreement from the Settlement Website.

14. How do I get more information?

If you have other questions about the settlement, including about the timing of payments, to update your contact information, or for general information, you should contact the Settlement Administrator in the following ways:

Telephone: [insert phone number]
Email: [insert email address]

For more information, please visit the Settlement Website: [insert URL]

Website: [insert URL]

If you have other question, you can also contact Class Counsel. These are the lawyers acting as Class Counsel, one of whom will respond to your questions:

Alexander T. Ricke
STUEVE SIEGEL HANSON LLP
460 Nichols Road, Suite 200
Kansas City, Missouri 64112

Eve H. Cervantez
Robin Tholin
Altshuler Berzon LLP
177 Post Street, Suite 300
San Francisco, CA 94108

Email: [insert email address]
Telephone: [insert number]

15. What if my name or address changes before I receive my settlement payment?

If, for future reference and mailings from the Court or the Parties, you wish to change the name or address listed on the envelope in which the Notice was first mailed to you, then you must fully complete, execute, and mail the Change of Name and/or Address Information Form (enclosed with this Notice as Form A).

DATED: [redacted], 2024

PLEASE DO NOT CALL OR WRITE THE COURT ABOUT THIS NOTICE.

For more information, please visit the Settlement Website: [insert URL]

FORM A

For more information, please visit the Settlement Website: [\[insert URL\]](#)

Superior Court of California, San Francisco County
Summers v. Cross Country Healthcare, Inc. and Travel Staff LLC

Case No. 23CV611080

CHANGE OF NAME AND/OR ADDRESS INFORMATION FORM

Instructions: Please complete this Change of Name and/or Address Information Form **only** if you wish to change your name and/or mailing address information.

Former Name and Mailing Address:

Name (first, middle, and last): _____

Home Street Address: _____

City, State, Zip Code: _____

Home Telephone Number: (_____) _____

New Name and Mailing Address:

Name (first, middle, and last): _____

Home Street Address: _____

City, State, Zip Code: _____

Home Telephone Number: (_____) _____

I understand that all future correspondence regarding the Settlement, including, but not limited to, important notices or payments, will be sent to the new address listed above and not to the address previously used. I hereby request and consent to use the address listed above for these purposes.

Dated: _____

(Signature)

(Print Name)

PLEASE RETURN THIS FORM VIA UNITED STATES MAIL TO:

[Settlement Administrator]

[Address 1]

[Address 2]

[Address 3]

For more information, please visit the Settlement Website: [insert URL]

EXHIBIT B

Proposed Order

Eve H. Cervantez (State Bar No. 164709)
Robin Tholin (State Bar No. 344845)
ALTSHULER BERZON LLP
177 Post Street, Suite 300
San Francisco, CA 94108
Telephone: (415) 421-7151
Facsimile: (415) 362-8064
ecervantez@altber.com
rtholin@altber.com

Alexander T. Ricke (*pro hac vice* forthcoming)
STUEVE SIEGEL HANSON LLP
460 Nichols Road, Suite 200
Kansas City, Missouri 64112
Telephone: 816-714-7100
ricke@stuevesiegel.com

Counsel for Plaintiffs Summers and
Feldenheimer

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN FRANCISCO

SANDRA SUMMERS and
DARIIA FELDENHEIMER,
individually and on behalf of all other
similarly situated aggrieved employees,

Plaintiffs,

v.

CROSS COUNTRY HEALTHCARE, INC.,
TRAVEL STAFF, LLC and DOES 1-50,
inclusive

Defendants.

Case No. 23CV611080

**[PROPOSED] ORDER GRANTING
PLAINTIFFS' UNOPPOSED MOTION FOR (1)
CERTIFICATION OF A SETTLEMENT
CLASS; (2) PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA SETTLEMENT;
(3) APPROVAL OF NOTICE AND NOTICE
DISSEMINATION PLAN; AND (4) APPROVAL
OF A SCHEDULE FOR THE FINAL
APPROVAL PROCESS.**

Date:

Time:

Dept.:

Judge:

Action Filed: December 13, 2023

[PROPOSED] ORDER

1. Plaintiffs Sandra Summers and Dariia Feldenheimer (the “Named Plaintiffs” or “Plaintiffs”), filed this Action on December 13, 2023. The original Complaint asserted a sole cause of action for alleged violations of the Private Attorneys’ General Act, Cal. Lab. Code §§ 2698-2699.5 (“PAGA”) against Defendants Cross County Health Care, Inc. and Travel Staff LLC (together, “Cross Country” or “Defendants”). The alleged PAGA violations were predicated on alleged violations of Sections 510 and 970 of the California Labor Code and related derivative claims. On August 9, 2024, Plaintiffs filed a First Amended Complaint that added putative class claims under Sections 510 and 970 of the Labor Code. The parties have now reached a class action and PAGA settlement to resolve all of the claims in the First Amended Complaint.

2. Plaintiffs submitted an unopposed Motion for (1) certification the Settlement Class for purposes of settlement; (2) preliminary approval of the Settlement Agreement; (3) approval of the proposed notice and notice dissemination plan, and (4) approval of a schedule for the Final Approval process. The proposed Settlement is attached as Exhibit 1 to the Declaration of Alexander T. Ricke, which is submitted in support of this unopposed motion.

3. Having considered the Motion, supporting documents, the arguments of counsel, and the pleadings and filings in this action, and in the interest of justice, the Court FINDS that it has jurisdiction over this matter and hereby CONCLUDES and ORDERS as follows:

4. Except as otherwise defined in this Order and Judgement (“Order”), all capitalized terms have the same meaning as defined in the Settlement Agreement that is attached as Exhibit 1 to this Order

Certification of the Settlement Class

5. As part of the settlement process, the Parties have agreed to the conditional certification of a Settlement Class, defined as follows:

The 212 travel nurses identified by the Parties who worked for Travel Staff LLC (an affiliate of Cross County Healthcare, Inc.) in California and who experienced a rate reduction during the term of their temporary working assignment in California between September 13, 2019 and August 13, 2024.

1 6. Having read the motion, the memoranda, and the declarations filed by the parties,
2 and having heard argument of counsel, this Court finds:

3 (1) That the parties have stipulated to certification of the Settlement Class;

4 (2) It is impracticable to bring all members of the Settlement Class before the Court;

5 (3) The Settlement Class is ascertainable and is sufficiently numerous to warrant
6 class treatment;

7 (4) The questions of law or fact common to the Settlement Class are substantially
8 similar and predominate over the questions affecting the individual members;

9 (5) The representative plaintiffs will fairly and adequately protect the interests of the
10 class; and

11 (6) A class action is the superior means for adjudicating the claims in the litigation.

12 7. Accordingly, the Court conditionally certifies the Settlement Class defined above,
13 for settlement purposes only.

14 **PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT**

15 8. The Court has reviewed the terms of the proposed Settlement Agreement, including
16 the release and monetary relief provisions. The Court also reviewed the motion papers and
17 declaration of counsel, which describe Class Counsel's legal and factual investigation and the
18 settlement process, as well as the Notice of Settlement ("Notice" attached to the Settlement
19 Agreement as Exhibit A) and the Plan of Allocation. The Court finds as follows:

20 9. The purpose of the preliminary evaluation of a proposed class action settlement is
21 to determine only whether the overall settlement is within the range of possible approval. *Wershba*
22 *v. Apple Computer, Inc.* (2001) 91 Cal.App.4th 224, 234-235, 251. The following "well-recognized
23 factors" are typically considered when evaluating the reasonableness of a proposed settlement: (1)
24 the strength of plaintiffs' case; (2) the risk, expense, complexity and likely duration of further
25 litigation; (3) the risk of maintaining class action status through trial; (4) the amount offered in
26 settlement; (5) the extent of discovery completed and the stage of the proceedings; (6) the
27 experience and views of counsel; (7) the presence of government participants; and (8) the reaction
28 of the class members to the proposed settlement. *Kullar v. Foot Locker Retail, Inc.* (2008) 168

Cal.App.4th 116, 128 (citing *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801). At the preliminary approval stage, “the settlement need only be potentially fair, as the court will make a final determination of its adequacy at the hearing on final approval, after such time as any party has had a chance to object and/or opt out.” *Acosta v. Trans Union, LLC* (C.D. Cal. 2007) 243 F.R.D. 377, 386.

10. Based on review of those papers, the Court concludes that the Settlement Agreement satisfies the *Kullar* factors. It is the result of extensive, arm’s length negotiations between the Parties reached only after exchange of significant data and documents, permitting the Parties and the Court to become familiar with the strengths and weaknesses of the case. The Court finds that the settlement process was non-collusive. The Court believes the monetary relief of \$2,345,000 recovery is within the range of approval when measured against the risk and cost of continued litigation.

11. The Court concludes that the Settlement Agreement has no obvious defects and, preliminarily, afford payments to the interested parties within the range of a fair and reasonable settlement of the case such that notice to the Class is appropriate pursuant to Rule 3.769 of the California Rules of Court.

12. Plaintiffs’ PAGA claim is not a class claim. Accordingly, the two-step process for approving class settlements does not apply, and alleged aggrieved PAGA Group Members may not opt out. Rather, the Court need only “review and approve” any PAGA settlement, Labor Code §2699(1)(2), upon a determination that it is “fair, reasonable, and adequate in view of PAGA’s purposes to remediate present labor law violations, deter future ones, and to maximize enforcement of state labor laws.” *Moniz v. Adecco USA, Inc.*, 72 Cal.App.5th 56, 77 (2021). The Court concludes that the settlement of Plaintiffs’ PAGA claim appears fair, reasonable, and adequate in the context of the overall settlement, and defers further ruling until the final approval hearing.

13. The California Labor and Workforce and Development Agency (“LWDA”) has been provided notice of the Settlement in accordance with PAGA, California Labor Code §2699(1)(2), (1)(4). In particular, on the date Plaintiffs filed the motion seeking approval of the Settlement with the Court, Plaintiffs submitted to the LWDA a notice of the Settlement enclosing

1 a copy of the Settlement Agreement. Plaintiff's notice of the Settlement to the LWDA complied
2 with the notice requirement of PAGA.

3 14. The Court therefore orders that the Settlement Agreement and the class settlement
4 it embodies are hereby PRELIMINARILY APPROVED. Final approval of the Settlement
5 Agreement is subject to consideration of any objections by members of the Settlement Class to the
6 proposed Settlement Agreement.

7 **Approval of the Notice of Settlement and Plan of Distribution**

8 15. The Parties have submitted for this Court's approval a proposed Notice of Settlement
9 of Class Action (the "Notice"), which is attached to the Settlement Agreement as Exhibit A. The
10 Court has carefully reviewed that Notice.

11 16. The Notice and the proposed plan for distributing the Notice satisfies the notice
12 requirements and all other legal and due process requirements, and complies with applicable law,
13 including California Code of Civil Procedure Section 382 and California Rule of Court 3.769.

14 17. The Parties are directed to implement the notice plan outlined in the Settlement
15 Agreement.

16 18. The Parties' selection of Analytics Consulting LLC to serve as Settlement
17 Administrator is approved.

18 19. The procedures to object and request exclusion from the Settlement as outlined in
19 the Settlement Agreement, including the Response Deadline, are approved. Settlement Class
20 Members must submit an Opt-out Request or Notice of Objection within forty-five (45) calendar
21 days from the initial mailing of the Notice of Settlement by the Settlement Administrator, unless
22 the 45th day falls on a Sunday or federal holiday, in which case the Response Deadline will be
23 extended to the next day on which the U.S. Postal Service is open. The Response Deadline may
24 also be extended by express agreement between Class Counsel and Defendants' Counsel. Under
25 no circumstances, however, will the Settlement Administrator have the authority to extend the
26 Response Deadline unilaterally. In the event that a Notice of Settlement is re-mailed to a Settlement
27 Class Member, the Response Deadline for that Settlement Class Member shall be extended by
28 fifteen (15) calendar days.

Procedures for Final Approval of the Settlement Agreement

20. The Court hereby schedules a hearing (“Final Approval Hearing”) for [DATE], at [TIME] and [LOCATION] to consider any objections that may be filed, to determine whether the Settlement Agreement is fair, reasonable, and adequate and should be finally approved, to determine the amount of attorneys’ fees, costs, and expenses to be paid to Class Counsel, and to determine the amount of service award to be awarded the Named Plaintiffs.

21. Class Counsel shall file all Objections and Opt-Out Statements within five (5) days after the end of the objections/opt out period.

22. Class Counsel shall file a Motion for Final Approval of the Settlement Agreement no later than fifteen (15) days prior to the end of the objections/opt out period, with any reply briefing addressing any objections to be filed five (5) court days prior to the Final Approval hearing.

23. All memoranda, affidavits, declarations, and other evidence in support of the request for Class Counsel’s costs and attorneys’ fees and the Plaintiffs’ request for service awards shall be filed no later than fifteen (15) days prior to the end of the objections/opt out period. Class Counsel may file a reply memorandum in support of the motion no later than five (5) court days before the Final Approval Hearing.

24. Any Settlement Class Member who submits a timely, written and valid Notice of Objection may appear at the Final Approval Hearing in person, or through their own attorney, to show cause why the Court should not approve the Settlement Agreement, or the motion for the award of the Named Plaintiffs Service Award and Class Counsel’s Attorneys’ Fees and/or Class Counsel’s Costs.

25. The Court reserves the right to continue the date of the Final Approval Hearing without further notice to Settlement Class Members. If, for any reason, the Court does not approve the Settlement Agreement, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

26. Nothing in this Order or the Settlement shall be construed as an admission or concession by any party. The Settlement and this resulting Order and entry of judgement simply represent a compromise of disputed allegations.

1 27. In all other respects, the Parties are ordered to implement the terms of the Settlement
2 Agreement.

3 **IT IS SO ORDERED.**