

EXHIBIT A

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

11 Attorneys for Plaintiff BARBARA GRADY

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

19 Attorneys for Defendant
20 RCM TECHNOLOGIES (USA), INC. (SUED
21 HEREIN ERRONEOUSLY AS “RCM
22 TECHNOLOGIES, INC.”)

23 ***COUNSEL CONTINUED ON NEXT PAGE***

24 UNITED STATES DISTRICT COURT
25 CENTRAL DISTRICT OF CALIFORNIA

26 BARBARA GRADY,
27
28 Plaintiff,

v.

RCM TECHNOLOGIES, INC.,

Defendant.

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

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

**AMENDED JOINT STIPULATION OF CLASS ACTION AND
PAGA SETTLEMENT AND RELEASE**

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

DEFINITIONS

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

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

3. “Class Counsel” means Schneider Wallace Cottrell Konecky LLP attorneys Joshua Konecky and Nathan Piller.

4. “Class Counsel Award” means the Court-approved attorneys’ fees for Class Counsel’s litigation and resolution of the Action (not to exceed twenty-five percent [25%] of the Gross Settlement Amount, or Four Hundred Thousand Dollars and No Cents (\$400,000.00), and the Court approved costs incurred by Class Counsel in connection with this Action (in an amount not to exceed Fifteen Thousand Dollars and

1 No Cents (\$15,000.00)). Defendant shall not oppose such an application by Plaintiff for
2 Court approval of attorneys' fees for Class Counsel up to twenty-five percent [25%] of
3 the Gross Settlement Amount, plus reasonable litigation costs. The Settlement is not
4 contingent on the Court awarding the maximum attorneys' fees and costs that may be
5 sought, or on its awarding of any particular amount.

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

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

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

19 8. "Class Representative Service Award" means the Court-approved amount to
20 be paid to Plaintiff in an amount of up to Five Thousand Dollars and No Cents
21 (\$5,000.00). Defendant will not oppose such application.

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

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

26 11. "Effective Date" means the date this Agreement is approved as provided
27 herein and the Court's order granting Final Approval and entry of Judgment or Dismissal
28 becomes final and is no longer appealable. For purposes of this Agreement, "becomes

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

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

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

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

25 15. “Gross Settlement Amount” or “GSA” means the total amount Defendant
26 shall pay in connection with this Settlement, which shall be inclusive of the Net
27 Settlement Amount, the Class Counsel Award, the Class Representative Service Award,
28 PAGA Payment, and Settlement Administration Costs. Subject to Court approval and

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

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

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

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

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

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

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

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

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

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

18 24. “PAGA Release” or “PAGA Released Claims” means the release by all
19 PAGA Members for all claims for PAGA that arise out of or relate to California Labor
20 Code §§ 201-204, 221-223, 226, 226.7, 510, 512, 1174, 1174.5, 1194, and 1198; and
21 California Code of Regulations, Title 8 § 11040 §§ 3 & 7, 11-12, and under Business &
22 Professions Code §§ 17200-17208, as pled in the PAGA Notice and Class Action and
23 PAGA Complaint, during the PAGA Period. In light of the binding nature of a PAGA
24 judgment on non-party employees pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th
25 969 (2009), Class Members employed by Defendant who exclude themselves from this
26 Settlement shall still receive an Individual PAGA Payment directly from the Settlement
27 Administrator for the amount of each such individual’s estimated share of the PAGA
28 Payment as calculated by the Settlement Administrator, and shall not be able to object

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1 to or exclude themselves from releasing the PAGA Released Claims against Defendant
2 (*i.e.*, PAGA Members, as defined above).

3 25. “Participating Class Members” means Plaintiff and all other Class Members
4 who do not submit a valid and timely Request for Exclusion, as well as PAGA Members.

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

12 27. “Released Claims” includes all claims under state or local law, whether
13 statutory, common law, or administrative law, whether in law or equity, for the claims
14 that were pled in the Complaint, based on or arising out of the factual allegations therein,
15 during the Class Period, including: (a) all claims for failure to pay minimum wages under
16 Cal. Labor Code §§ 204, 1194, 1194.2, and 1198; (b) all claims for failure to pay
17 overtime wages under Cal. Labor Code §§ 204, 510, 1194, and 1199; (c) all claims for
18 failure to authorize and permit required rest breaks under Cal. Labor Code §§ 226.7 and
19 512 and the applicable IWC Wage Orders; (d) all claims for failure to provide required
20 meal periods under Cal. Labor Code §§ 226.7 and 512 and the applicable IWC Wage
21 Order; (e) all claims for failure to maintain accurate employment records under Cal.
22 Labor Code §§ 1174 and 1174.5; (f) all claims for failure to timely pay wages during
23 employment under Cal. Labor Code §§ 204, 210(a), and 216; (g) all claims for failure
24 to pay all wages earned and unpaid at separation under Cal. Labor Code §§ 201-203;
25 (h) all claims for failure to furnish accurate itemized wage statements under Cal. Labor
26 Code §§ 226; (i) violation of California’s Unfair Competition Law, Cal. Bus. &
27 Professions Code §§ 17200, *et seq.*; and (j) civil penalties under the Private Attorneys
28 General Act (California Labor Code sections 2698, *et seq.*, including incorporated or

1 related claims based on alleged violations of California Labor Code §§ 201-204, 221-
2 223, 226, 226.7, 510, 512, 1174, 1174.5, 1194, and 1198; and California Code of
3 Regulations, Title 8 § 11040 §§ 3 & 7, 11-12, and under Business & Professions Code
4 §§ 17200-17208).

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

11 29. “Request for Exclusion” means a written statement submitted by a Class
12 Member indicating a request to be excluded from the Settlement. The Request for
13 Exclusion must be in writing and (i) be signed by the Class Member;
14 (ii) contain the name, address, telephone number, and the last four digits of the Social
15 Security number of the Class Member requesting exclusion; (iii) clearly state that the Class
16 Member does not wish to be included in the Settlement; (iv) be returned by e-mail, fax, or
17 mail to the Settlement Administrator at the specific email address, mailing address, and/or
18 facsimile number; and (v) be e-mailed, faxed, or postmarked on or before the Response
19 Deadline. The date of the e-mail, fax, or postmark on the return mailing envelope will be
20 the exclusive means to determine whether a Request for Exclusion has been timely
21 submitted. A Class Member who does not request exclusion from the Settlement will be
22 deemed a Participating Class Member and will be bound by all terms of the Settlement, if
23 the Settlement is granted final approval by the Court. Any Class Member who validly
24 requests to be excluded from the Settlement will no longer be a member of the Settlement
25 Class and will not have any right to object, appeal, or comment on the Settlement, but will
26 remain as PAGA Member(s), and will receive an Individual PAGA Payment for the
27 PAGA Released Claims if he or she is a PAGA Member. No later than ten (10) calendar
28 days after the Response Deadline, ~~the~~ Settlement Administrator shall provide Class

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1 Counsel and Defense Counsel with a complete list of all Class Members who submitted a
2 timely and valid Request for Exclusion.

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

14 31. “Settlement” means the final and complete disposition of the Action pursuant
15 to this Stipulation of Settlement.

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

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

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

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

23 35. “Workshifts” means the number of shifts worked by each Class Member for
24 Defendant as a non-exempt traveling nurse or like hourly position in California during
25 the Class Period (or, where used as part of the PAGA Payment calculation, during the
26 PAGA Period). For purposes of payment, a Workshift shall be defined as any discrete
27 period of time in a day during which the Class Member worked. If there are two or
28 more consecutive hours of time during which the Class Member is completely relieved

1 of duty between periods of work time, then each period of work time will be considered
2 a separate Workshift. To the extent Defendant does not have information about shifts
3 worked readily available due to gaps in electronic or paper time records, Defendant
4 shall use its best available information, including extrapolations where necessary, to
5 compute actual Workshifts, and shall provide that information to the Settlement
6 Administrator.

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

23 37. “Workshift Value” means the value of each compensable Workshift, as
24 determined by the formula set forth herein.

25 **RECITALS**

26 38. This Settlement is made and entered into by and between Plaintiff and
27 Defendant, and is subject to the terms and conditions hereof, and to the Court’s approval.
28 The Parties expressly acknowledge that this Agreement is entered into solely for the
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1 purpose of compromising significantly disputed claims and that nothing herein is an
2 admission of liability or wrongdoing by Defendant or the other Released Parties. The
3 Released Parties deny that they are liable to Plaintiff or the Class Members and deny that
4 they have violated any law.

5 39. Pleading History.

- 6 a. On July 22, 2021, Plaintiff submitted the PAGA Notice to the LWDA for
7 the purpose of complying with California Labor Code § 2699.3's notice
8 requirement.
- 9 b. Thereafter, the parties entered into a tolling agreement under which
10 Defendant agreed to toll the statute of limitation effective October 8, 2021,
11 on all claims based on alleged off-the-clock or meal or rest period
12 violations under the California Labor Code, California Industrial Welfare
13 Commission Wage Orders or Section 17200 of the California Business and
14 Professions Code asserted on behalf of Plaintiff, the Class Members, and
15 the aggrieved employees alleged herein. The purpose of the tolling
16 agreement was to facilitate settlement discussions; however, the parties did
17 not resolve the claims and Plaintiff thereafter provided notice to Defendant
18 that she would file a class action complaint.
- 19 c. On February 7, 2022, Plaintiff filed a class action and PAGA lawsuit in the
20 Superior Court for the State of California, County of San Bernardino.
- 21 d. On May 19, 2022, Defendant filed a Notice of Removal to the United
22 States District Court, Central District of California.

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

28 41. Document Production. Before and in connection with the mediation,
JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

1 Defendant produced documents for Plaintiff's review. The documents included the
2 written information and instructions provided to nurses concerning timecard completion,
3 timecard protocol, and meal break requirements and procedures. They also included
4 Defendant's Travel Assignment Contract for nurses in California, which also showed
5 Defendant's policies regarding hourly pay, recording hours worked, and meal and rest
6 periods. Additionally, Defendant produced a copy of Defendant's mandatory arbitration
7 agreement, which contains a class and collective action waiver, among other provisions.

8 42. Data Production. Defendant also produced data showing the following
9 information for each putative class member: (a) the job title of the nurse; (b) the date of
10 each Workshift; (b) the hours clocked-in for each Workshift; (c) the hourly pay rate paid
11 for each Workshift; (d) the location of the assignment for each Workshift; and (e) the
12 type of service corresponding to each Workshift (e.g. Covid testing, hospital work,
13 schools, etc.) Defendant also provided workweek information from which the number
14 of wage statements issued to each Class Member could be calculated.

15 43. After the mediation, Defendant also provided confirmatory discovery
16 regarding the data sources for the composition of the class list, hours worked and shift
17 counts; meal and rest period premium totals; additional information regarding client
18 types including assignments on which RCM was the subcontractor for another
19 professional staffing agency; and additional timekeeping and meal and rest break
20 policies.

21 44. This foregoing production of documents and data allowed Plaintiff to conduct
22 a full damage analysis.

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

27 46. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class
28 Counsel recognize the expense and length of continued proceedings necessary to litigate

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

12 47. Defendant's Position. Defendant has concluded that further defense of the
13 Action would be protracted and expensive. Substantial amounts of Defendant's time,
14 energy, and resources have been, and unless this Settlement is completed, shall continue to
15 be, devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken
16 into account the risks of further litigation in reaching its decision to enter into this
17 Settlement. Defendant denies Plaintiff's allegations, and will stipulate for settlement
18 purposes only that Plaintiff is a suitable class representative or aggrieved employee, and
19 reserves all rights in the event this settlement is not approved, including the right to
20 contest suitability for class certification on any basis. This Stipulation of Settlement is a
21 compromise of disputed claims. Nothing contained in this Stipulation of Settlement, no
22 documents referred to herein, and no action taken to carry out this Stipulation of
23 Settlement, shall be construed or used as an admission by or against Defendant as to the
24 merits or lack thereof of the claims asserted in the Action. In the event this Settlement does
25 not obtain final approval, Defendant retains all rights to defend itself in this matter and to
26 take any actions in defense of itself that are available to Defendant.

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CLASS CERTIFICATION

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2 48. Solely for purposes of settling the Action, and not for purposes of class
3 certification should the Settlement not be approved or for any other reason, the Parties
4 stipulate and agree that the requisites for establishing class certification with respect to
5 the Settlement Class have been met and are met. More specifically, for purposes of
6 settlement only, the Parties stipulate and agree that:

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

20 49. Should this Settlement not be approved or be terminated, all stipulations set
21 forth in the immediately preceding Paragraph shall be null and void and shall not be
22 admissible for any purpose whatsoever.

TERMS OF SETTLEMENT

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

26 50. Binding Settlement. This Settlement shall bind the Parties, all Participating
27 Class Members, and PAGA Members, subject to the terms and conditions hereof and the
28 Court’s approval.

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JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

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

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

21 53. Tax Liability. The Parties make no representations as to the tax treatment or
22 legal effect of the payments specified herein, and Participating Class Members and PAGA
23 Members are not relying on any statement or representation by the Parties, Class Counsel
24 or Defense Counsel in this regard. Participating Class Members and PAGA Members, as
25 well as Class Counsel, understand and agree that they shall be solely and legally
26 responsible for the payment of all applicable taxes and penalties assessed on the payments
27 specified herein.

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

18 55. Preliminary Approval of Settlement. Class Counsel will reserve a date for a
19 hearing on Plaintiff's Motion for Preliminary Approval to take place at a time mutually
20 agreed to by the Parties so that the Parties may request provisional certification of the
21 Settlement Classes for settlement purposes only and the setting of a Final Approval
22 Hearing date. The Parties agree to work diligently and cooperatively to have this
23 Settlement presented to the Court for preliminary approval. Plaintiff shall provide
24 Defense Counsel with a reasonable opportunity to review and provide comments on the
25 draft Preliminary Approval pleadings, including the proposed Order, prior to Plaintiff
26 submitting the Motion for Preliminary Approval to the Court.

27 56. Release by All Participating Class Members. All Participating Class
28 Members, including Plaintiff, shall be deemed to have released their respective Released

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

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

17 58. Additional Release and Waiver of Claims by Plaintiff. In addition to the release
18 of Released Claims and PAGA Released Claims against the Released Parties, as set forth
19 above, Plaintiff, in her individual capacity, agrees to release the Released Parties from any
20 and all claims, known and unknown, under federal, state and/or local law, statute,
21 ordinance, regulation, common law, or other source of law, arising as of the date of
22 execution of this Agreement including but not limited to claims arising from or related to
23 her employment with Defendant and her compensation while an employee of Defendant
24 (“Plaintiff’s Released Claims”). Plaintiff’s Released Claims include all claims, whether
25 known or unknown. Even if Plaintiff discovers facts in addition to or different from
26 those that she now knows or believes to be true with respect to the subject matter of
27 Plaintiff’s Released Claims, those claims will remain released and forever barred. To
28 effect a full and complete general release as described above, Plaintiff expressly waives

1 and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of
2 California, and does so understanding and acknowledging the significance and
3 consequence of specifically waiving section 1542. Section 1542 of the Civil Code of the
4 State of California states as follows:

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

10 Thus, notwithstanding the provisions of Section 1542, and to implement a full and
11 complete release and discharge of the Released Parties, Plaintiff expressly acknowledges
12 this Stipulation of Settlement is intended to include in its effect, without limitation, all
13 claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing
14 this Stipulation of Settlement, and that this Stipulation of Settlement contemplates the
15 extinguishment of any such claims. Plaintiff warrants that she has read this Stipulation of
16 Settlement, including this waiver of California Civil Code section 1542, and that Plaintiff
17 has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing
18 about this Stipulation of Settlement and specifically about the waiver of section 1542,
19 and that Plaintiff understands this Stipulation of Settlement and the section 1542 waiver,
20 and so Plaintiff freely and knowingly enters into this Stipulation of Settlement. Plaintiff
21 further acknowledges that Plaintiff later may discover facts different from or in addition
22 to those Plaintiff now know or believe to be true regarding the matters released or
23 described in this Stipulation of Settlement, and even so Plaintiff agrees that the releases
24 and agreements contained in this Stipulation of Settlement shall remain effective in all
25 respects notwithstanding any later discovery of any different or additional facts. Plaintiff
26 expressly assumes any and all risk of any mistake in connection with the true facts
27 involved in the matters, disputes, or controversies released or described in this Stipulation
28 of Settlement or with regard to any facts now unknown to Plaintiff relating thereto.

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1 59. Settlement Administration.

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

21 i. Notice by First Class U.S. Mail. Upon receipt of the Class List, the
22 Settlement Administrator shall perform a search based on the National Change of Address
23 Database maintained by the United States Postal Service to update and correct any known
24 or identifiable address changes. Within twenty-eight (28) calendar days after receiving the
25 Class List from Defendant as provided herein, the Settlement Administrator shall mail
26 copies of the Settlement Notice to all Class Members via regular First-Class U.S. Mail. The
27 Settlement Administrator shall exercise its best judgment to determine the current mailing
28 address for each Class Member. The address identified by the Settlement Administrator as

1 the current mailing address shall be presumed to be the most current mailing address for
2 each Class Member. The Parties agree that this procedure for notice complies with due
3 process.

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

26 iii. Settlement Website. From the date on which the Settlement Notice is
27 first mailed pursuant to Section 56(a)(i), above, until the date on which the final
28 Settlement Awards and Individual PAGA Payments are sent to Participating Class

1 Members, the Settlement Administrator shall host an informational settlement website.
2 The settlement website will contain the Settlement Notice, Settlement Agreement,
3 Motion for Preliminary Approval of the Settlement Agreement, and Motion for
4 Attorneys' Fees and Costs and Service Award. The parties will agree upon a neutrally
5 worded url for the website. The website will contain no advertising or promotional
6 materials. The purpose of the website is purely informational and to effectuate best
7 practicable notice.

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

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

20 b. Certification Reports Regarding Individual Settlement Award Calculations.
21 The Settlement Administrator will provide Defense counsel and Class Counsel a weekly
22 report which certifies: (i) the number of Class Members who have submitted valid
23 Requests for Exclusion or Notices of Objections; and (ii) whether any Class Member has
24 submitted a challenge to any information contained in their Settlement Notice, including
25 but not limited to the number of Class Members from the Settlement Classes who have
26 submitted a Workshift Dispute.

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

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

17 e. Payments to the Class Members. Class Members shall not be required to
18 submit a claim in order to receive a share of the Net Settlement Amount or an Individual
19 PAGA Payment, and no portion of the Gross Settlement Amount shall revert to
20 Defendant or result in an unpaid residue. The Settlement Administrator shall first
21 compute the Net Settlement Amount by deducting from the Gross Settlement Amount
22 approved by the Court for the Class Counsel Award, Class Representative Service
23 Award, PAGA Payment, and Settlement Administration Costs. To the extent the Court
24 does not approve the full requested attorneys' fees, litigation costs, enhancement
25 payments or settlement administration costs, the Net Settlement Amount will increase
26 accordingly, by the difference between the requested amount and the amount awarded
27 by the Court.

28 f. Individual Settlement Award: From the Net Settlement Amount, the
JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

1 Settlement Administrator will calculate each Individual Settlement Award as follows:

2 i. The Settlement Administrator will allocate 40% of the Net Settlement
3 Amount to General Claim Fund and 60% to a Waiting Time Penalty Fund.

4 ii. The Settlement Administrator will weight each Workshift to calculate
5 Adjusted Workshifts as follows:

6 (1) Workshift < 3.5 hours = one Adjusted Workshift;

7 (2) Workshift \geq 3.5 hours and < 5 hours = 1.50 Adjusted Workshifts

8 (3) Workshift \geq 5 hours < 10 hours = 2.0 Adjusted Workshifts

9 (4) Workshift \geq 10 hours = 2.5 Adjusted Workshifts

10 iii. The Settlement Administrator will divide the General Claim Fund by
11 the total number of Adjusted Workshifts, resulting in the Adjusted Workshift Value;

12 iv. The Settlement Administrator will calculate each Participating Class
13 Member's share of the General Claim Fund by multiplying the Adjusted Workshift
14 Value by the number of Adjusted Workshifts worked by that Participating Class
15 Member;

16 v. The Settlement Administrator will identify the Participating Class
17 Members who have not worked any shifts for Defendant after March 7, 2023, the last
18 date of the Class Period. Each such Participating Class Member shall then share equally
19 in the Waiting Time Penalty Fund.

20 vi. The Settlement Administrator will calculate each Participating Class
21 Member's Individual Settlement Award by adding that Participating Class Member's
22 calculated share of the General Claim Fund to that Participating Class Member's
23 calculated share of the Waiting Time Penalty Fund.

24 vii. All Workshift Disputes will be resolved and decided by the Settlement
25 Administrator, in consultation with Class Counsel and/or Defense Counsel, as
26 appropriate, and subject to review by the Court as needed.

27 g. Individual PAGA Payment: The Settlement Administrator will calculate each
28 PAGA Member's Individual PAGA-Payment by dividing the 25% of the PAGA

1 Payment to be distributed to PAGA Members by the total number of Pay Periods during
2 the PAGA Period for all PAGA Members, resulting in the PAGA Pay Period Value; and
3 then multiplying the PAGA Pay Period Value by the number of Pay Periods for each
4 PAGA Member during the PAGA Period, as defined above.

5 i. Individual Settlement Award and Individual PAGA Payments shall be
6 mailed by the Settlement Administrator by regular First Class U.S. Mail to each
7 Participating Class Member and/or PAGA Member's last known mailing address
8 (including any updated address obtained from the mailing of the Settlement Notice)
9 within ten (10) calendar days after Defendant provides the Settlement Administrator
10 with the Gross Settlement Amount and employer-sided taxes. Prior to mailing the
11 Individual Settlement Awards and the Individual PAGA Payments, the Settlement
12 Administrator shall perform a search based on the National Change of Address Database
13 maintained by the United States Postal Service to update and correct any known or
14 identifiable address changes. The Settlement Administrator shall also attempt at least
15 one re-mailing of any Individual Settlement Award returned as undeliverable to any
16 forwarding address provided and, if no forwarding address is provided, the Settlement
17 Administrator will perform at least one skip-trace and re-mailing the Individual
18 Settlement Award to any updated address obtained.

19 ii. Individual Settlement Awards shall be allocated as follows: one-third
20 (33%) as alleged unpaid wages subject to all applicable tax withholdings; one-third
21 (33%) as alleged unpaid interest; and one-third (33%) as alleged unpaid penalties.
22 Individual PAGA Awards shall be allocated as alleged unpaid civil penalties for which
23 an IRS Form 1099 shall be issued. The Settlement Administrator shall issue an IRS
24 Form W-2 to each Participating Class Member for the portion of each Individual
25 Settlement Award payment allocated as alleged unpaid wages and subject to all
26 applicable tax withholdings. The Settlement Administrator shall issue an IRS Form
27 1099 to each Participating Class Member and PAGA Member for the portion of each
28 Individual Settlement Award and for the Individual PAGA Payment allocated as alleged

1 unpaid nonwage penalties and interest and not subject to payroll tax withholdings. The
2 Settlement Administrator shall calculate the amount of the Employer's Share of Payroll
3 Taxes and shall remit and report the applicable portions of the payroll tax payment to
4 the appropriate taxing authorities in a timely manner. Defendant will be responsible for
5 paying its portion of the Payroll Taxes and this amount will not be deducted from the
6 GSA.

7 iii. Participating Class Members will have 180 days to cash the settlement
8 checks sent by the Settlement Administrator. After the expiration of the 180-day period,
9 the Settlement Administrator will prepare the Final Report regarding the distribution of
10 the Gross Settlement Amount, including the total amount that was cashed/deposited by
11 Participating Class Members and the total amount of any uncashed settlement checks.
12 After the Final Report is filed, the total amount of any uncashed settlement checks will
13 be transmitted by the Settlement Administrator to a Court-approved *cy pres* beneficiary
14 or the State Controller's Office, Unclaimed Property Division.

15 iv. In the event a Participating Class Member and/or PAGA Member fails
16 to cash/deposit his or her Individual Settlement Award check and/or Individual PAGA
17 Payment check, the Participating Class Member and/or PAGA Member shall
18 nevertheless remain bound by the Settlement.

19 v. All monies received by Class Members under the Settlement which are
20 attributable to wages shall constitute income to such Class Members solely in the year in
21 which such monies actually are received by the Class Members. It is expressly understood
22 and agreed that the receipt of Individual Settlement Awards shall not entitle any Class
23 Member to additional compensation or benefits under any collective bargaining agreement
24 or under any bonus, contest or other compensation or benefit plan or agreement in place
25 during the periods covered by the Settlement, nor shall it entitle any Class Member to any
26 increased pension and/or retirement, or other deferred compensation benefits. It is the
27 intent of the Parties that the Individual Settlement Awards and Individual PAGA Payments
28 provided for in this Stipulation of Settlement are the sole payments to be made by

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1 Defendant to Class Members in connection with this Settlement, with the exception of
2 Plaintiff, and that the Class Members are not entitled to any new or additional
3 compensation or benefits as a result of having received the Individual Settlement Awards
4 and/or and Individual PAGA Payments.

5 h. Class Representative Service Award. For the purposes of this
6 Settlement only, the Parties agree to the designation of Plaintiff as the class
7 representative. In recognition of her time and effort in bringing and presenting the
8 Action, Plaintiff shall request a Class Representative Service Award not to exceed Five
9 Thousand Dollars and No Cents (\$5,000.00). Plaintiff's request for such Class
10 Representative Service Award shall be subject to approval from the Court. Defendant
11 agrees not to oppose or object to Plaintiff's request for a Class Representative Service
12 Award in an amount not to exceed this amount. The Class Representative Service Award
13 will be in addition to Plaintiff's Individual Settlement Payment and PAGA Payment paid
14 pursuant to the Settlement. The Settlement Administrator shall issue an IRS Form 1099
15 to Plaintiff for her Class Representative Service Award. Plaintiff shall be solely and
16 legally responsible to pay any and all applicable taxes on his Class Representative
17 Service Award. Any amount requested by Plaintiff for the Class Representative Service
18 Award and not awarded by the Court shall become part of the Net Settlement Amount
19 and shall be distributed to Participating Class Members as part of their Individual
20 Settlement Awards.

21 i. Class Counsel Award. Defendant agrees not to oppose or impede any
22 application or motion by Class Counsel for attorneys' fees in an amount up to twenty-five
23 percent (25%) of the Gross Settlement Amount, which amounts to Four Hundred
24 Thousand Dollars and No Cents (\$400,000.00). In addition, Defendant agrees not to
25 oppose or impede any application or motion by Class Counsel to request an award of costs
26 associated with Class Counsel's prosecution of the Action up to Fifteen Thousand Dollars
27 and No Cents (\$15,000.00). Class Counsel's request for such attorneys' fees and costs
28 shall be subject to approval from the Court. In the event the Court awards Class Counsel

1 less than the requested amount of attorneys' fees and/or costs, the difference shall become
2 part of the Net Settlement Amount and shall be distributed to Participating Class Members
3 as part of their Individual Settlement Awards. Class Counsel shall be solely and legally
4 responsible to pay all applicable taxes on the Class Counsel Award. Class Counsel shall
5 provide the Settlement Administrator with properly completed and signed copies of IRS
6 Form W-9 in order for the Settlement Administrator to process the Class Counsel Award
7 approved by the Court. The Settlement Administrator shall issue an IRS Form 1099 to
8 Class Counsel for the Class Counsel Award.

9 60. Settlement Administration Costs. The Settlement Administration fees and
10 expenses, which are estimated at this time not to exceed \$31,050 (the final amount
11 subject to Court approval), shall be paid from the Gross Settlement Amount. Prior to
12 Plaintiff filing a Motion for Final Approval of the Settlement, the Settlement
13 Administrator shall provide the Parties with a statement detailing the Settlement
14 Administration Costs to date. The Parties agree to cooperate in the Settlement
15 Administration process and to make all reasonable efforts to control and minimize
16 Settlement Administration Costs.

- 17 a. The Parties each represent they do not have any financial interest in the
18 Settlement Administrator or otherwise have a relationship with the
19 Settlement Administrator that could create a conflict of interest.
- 20 b. The Settlement Administrator shall keep the Parties timely apprised of the
21 performance of all Settlement Administrator responsibilities required by
22 the Settlement. The Settlement Administrator shall be authorized to
23 establish a Qualified Settlement Fund ("QSF") pursuant to IRS rules and
24 regulations in which the Gross Settlement Amount shall be placed and
25 from which payments required by the Settlement shall be made.

26 61. Payroll Taxes. In accordance with this Settlement and to the fullest extent
27 possible, the Gross Settlement Amount shall resolve, satisfy and completely extinguish
28 all of Defendant's liability with respect to the Class Members and PAGA Members,

1 except that Defendant shall solely be responsible for the employer portion of the
2 payroll taxes on the portion of the Individual Settlement Awards that constitutes wages
3 and these taxes shall be paid by Defendant in addition to the GSA. Upon the transfer of
4 the Gross Settlement Amount and the employer portion of payroll taxes on the portion
5 of the Individual Settlement Awards that constitutes wages, Defendant shall have no
6 further payment or defense obligation whatsoever with respect to any claims covered
7 by this Settlement made or asserted by any person or entity anywhere in the world in
8 connection with the Class Members.

9 62. Final Settlement Approval Hearing and Entry of Final Order and Judgment.

10 Following expiration of the Response Deadline, a Final Approval Hearing shall be
11 conducted by the Court for the Court to determine whether to grant final approval of the
12 Settlement, including determining the amounts properly payable for: (i) the Class Counsel
13 Award; and (ii) the Class Representative Service Award. Prior to the Final Approval
14 Hearing, the Settlement Administrator shall provide a written report or declaration to the
15 Parties describing the process and results of the administration of the Settlement to date,
16 which report or declaration shall be filed by Plaintiff with the Court prior to the Final
17 Approval Hearing. The Parties agree to work diligently and cooperatively to have this
18 Settlement presented to the Court for final approval. Plaintiff will present the moving
19 papers for any motion for final settlement approval to counsel for Defendant no fewer than
20 seven (7) calendar days before filing any such motion.

21 63. Duties of the Parties Prior to Court Approval. The Parties shall promptly
22 submit this Settlement Agreement to the Court in support of Plaintiff's Motion for
23 Preliminary Approval and determination by the Court as to its fairness, adequacy, and
24 reasonableness. Promptly upon execution of this Settlement Agreement, the Parties shall
25 apply to the Court for the entry of an order scheduling a fairness hearing on the question
26 of whether the proposed Settlement, including payment of Class Counsel's attorneys' fees
27 and costs, the Class Representative's Service Award payment, and the PAGA Payment,
28 should be finally approved as fair, reasonable and adequate as to the members of the

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1 Settlement Classes. As part of Plaintiff's Motion for Preliminary Approval, Plaintiff shall
2 also apply to the Court for the entry of an Order as follows:

- 3 a. Certifying the Settlement Classes for settlement purposes only;
- 4 b. Approving, as to form and content, the proposed Settlement Notice;
- 5 c. Approving the manner and method for Class Members to object or
6 request exclusion from the Settlement, as contained herein and within the
7 Settlement Notice;
- 8 d. Directing the mailing of the Settlement Notices to Class Members, by first
9 class mail;
- 10 e. Preliminarily approving the Settlement subject only to the objections of
11 Class Members and final review by the Court; and
- 12 f. Setting a Final Approval Hearing.

13 64. Duties of the Parties Following Final Approval. Following final approval
14 by the Court of the Settlement provided for in this Settlement Agreement, Class
15 Counsel will submit a proposed Final Order of Approval and Judgment:

- 16 a. Approving the Settlement, adjudging the terms thereof to be fair,
17 reasonable and adequate, and directing consummation of its terms and
18 provisions;
- 19 b. Approving Class Counsel's application for an award of attorneys' fees
20 and costs;
- 21 c. Approving the Class Representative Service Award payment to Plaintiff;
- 22 d. Setting a date when the Parties shall submit the Final Report regarding the
23 distribution of the Gross Settlement Amount, and, if necessary a date for a
24 final accounting hearing following its receipt of the Final Report;
- 25 e. Entering judgment in this Action barring and enjoining all members of the
26 Settlement Classes from prosecuting against any of the Released Parties,
27 any individual or class, or representative claims released herein pursuant to
28

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1 the Settlement Agreement, upon satisfaction of all payments and obligations
2 hereunder.

3 65. Revocation of Settlement by Defendant. Defendant may, at their option,
4 withdraw from the settlement if five percent (5%) or more of the Settlement Class
5 Members request exclusion from the settlement. Defendant has 30 calendar days
6 following the Settlement Administrator's final report summarizing the notice process,
7 including the number of requests for exclusions received, to revoke the agreement
8 pursuant to this Paragraph. If Defendant chooses to withdraw from the settlement, it shall
9 be responsible for all costs incurred by the Settlement Administrator to date, and the
10 Parties shall revert to their respective procedural positions in the Action as if no settlement
11 had occurred.

12 66. Escalator Clause. For purposes of this settlement, Defendant estimated that
13 there were 90,939 Workshifts worked by Settlement Class Members through October
14 22, 2022 and 1,414 putative class members. Should the actual number of putative class
15 members or Workshifts exceed these numbers by more than ten percent (10%), then
16 RCM shall pay a pro rata additional sum for the amount exceeding 10%. Alternatively,
17 RCM may elect to end the release date when the number of putative class members or
18 Workshifts exceeds 10% over the represented amounts.

19 67. Nullification of Settlement. In the event: (i) the Court does not enter the
20 Preliminary Approval Order; (ii) the Court does not grant final approval of the
21 Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the
22 Settlement does not become final for any other reason, this Stipulation of Settlement
23 shall be rendered null and void, any order or judgment entered by the Court in
24 furtherance of this Settlement shall be treated as void from the beginning and this
25 Stipulation of Settlement and any documents related to it shall not be used by any Class
26 Member or Class Counsel to support any claim or request for class certification in the
27 Action, and shall not be used in any other civil, criminal or administrative action against
28 Defendant or any of the other Released Parties. Additionally, should the Settlement not

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1 become final for any reason, the Parties will request that the Court reopen proceedings
2 within thirty (30) calendar days, and any Settlement Administration Costs already
3 incurred by the Settlement Administrator shall be split evenly between the Parties.

4 68. Plaintiff's Waiver of Right to Be Excluded. Plaintiff agrees that by signing this
5 Settlement Agreement, she will be bound by the terms herein. Plaintiff further agrees
6 that, upon signing this Settlement Agreement, she will not submit a Request for
7 Exclusion from this Settlement and that any such Request for Exclusion by Plaintiff will
8 be void and of no force or effect.

9 69. Waiver of Certain Appeals. The Parties agree to waive appeals and to
10 stipulate to class certification for purposes of this Settlement only; and either party may
11 appeal any Court order that materially alters the Settlement Agreement's terms. Nothing
12 in this Settlement Agreement shall preclude Plaintiff from appealing from a Court order
13 denying or failing to grant in full their requests for attorneys' fees, costs, or service
14 award.

15 70. No Admission by Defendant. Defendant denies all claims alleged in this Action
16 and denies all wrongdoing whatsoever by Defendant. Neither this Stipulation of
17 Settlement, nor any of its terms and conditions, nor any of the negotiations connected with
18 it, is a concession or admission, and none shall be used against Defendant as an admission
19 or indication with respect to any claim of any fault, concession, or omission by Defendant
20 or that class certification is proper under the standard applied to contested certification
21 motions. The Parties stipulate and agree to the certification of the proposed classes for
22 settlement purposes only. The Parties further agree that this Stipulation of Settlement will
23 not be admissible in this or any other proceeding as evidence that either (i) a class action
24 should be certified or (ii) Defendant is liable to Plaintiff or any Class Member, other than
25 according to the terms of this Stipulation of Settlement.

26 71. Waiver. No waiver of any condition or covenant contained in this Settlement
27 Agreement or failure to exercise a right or remedy by any of the Parties hereto will be
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1 considered to imply or constitute a further waiver by such party of the same or any other
2 condition, covenant, right or remedy.

3 72. Judgment and Continued Jurisdiction. Upon final approval of the Settlement
4 by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will
5 present the Judgment to the Court for its approval. After entry of the Judgment, the
6 Court will have continuing jurisdiction solely for purposes of addressing: (i) the
7 interpretation and enforcement of the terms of the Settlement,
8 (ii) Settlement administration matters, and (iii) such post-Judgment matters as may be
9 appropriate under court rules or as set forth in this Agreement.

10 73. Exhibits and Headings. The terms of this Stipulation of Settlement include the
11 terms set forth in any attached Exhibits, which are incorporated by this reference as though
12 fully set forth herein. The Exhibits to this Stipulation of Settlement are an integral part of
13 the Settlement. The descriptive headings of any paragraphs or sections of this Stipulation
14 of Settlement are inserted for convenience of reference only.

15 74. Amendment or Modification. This Stipulation of Settlement may be amended
16 or modified only by a written instrument signed by counsel for all Parties or their
17 successors-in-interest.

18 75. Entire Agreement. This Stipulation of Settlement and any attached Exhibits
19 constitute the entire agreement between the Parties, and no oral or written
20 representations, warranties, or inducements have been made to Plaintiff or Defendant
21 concerning this Stipulation of Settlement or its Exhibits other than the representations,
22 warranties, and covenants contained and memorialized in this Stipulation of Settlement
23 and its Exhibits. No other prior or contemporaneous written or oral agreements,
24 including but not limited to the MOU, may be deemed binding on the Parties.

25 76. Authorization to Enter Into Settlement Agreement. Class Counsel and Defense
26 Counsel warrant and represent they are expressly authorized by the Parties whom they
27 represent to negotiate this Stipulation of Settlement and to take all appropriate actions
28 required or permitted to be taken by such Parties pursuant to this Stipulation of Settlement

1 to effectuate its terms, and to execute any other documents required to effectuate the terms
2 of this Stipulation of Settlement. The Parties, Class Counsel and Defense Counsel shall
3 cooperate with each other and use their best efforts to effect the implementation of the
4 Settlement. In the event the Parties are unable to reach agreement on the form or content
5 of any document needed to implement the Settlement, or on any supplemental provisions
6 that may become necessary to effectuate the terms of this Settlement, the Parties may seek
7 the assistance of the Court to resolve such disagreement. The persons signing this
8 Stipulation of Settlement on behalf of the Defendant represents and warrants that they are
9 authorized to sign this Stipulation of Settlement on behalf of Defendant. Plaintiff
10 represents and warrants that he is authorized to sign this Stipulation of Settlement and that
11 he has not assigned any claim, or part of a claim, covered by this Settlement of Settlement
12 to a third party. The Parties have cooperated in the drafting and preparation of this
13 Stipulation of Settlement. Hence, in any construction made of this Stipulation of
14 Settlement, the same shall not be construed against any of the Parties.

15 77. Confidentiality. The Parties and their counsel agree that they will not issue
16 any press releases, initiate any contact with the press, respond to any press inquiry, or
17 have any communication with the press about the fact, amount, or terms of the
18 Settlement prior to the mailing of the Notice Packet. In addition, the Parties and their
19 counsel agree that they will not engage in any advertising or distribute any marketing
20 materials relating to the Settlement, including but not limited to posting on social media
21 about it or any announcement of the Settlement on any websites maintained by Class
22 Counsel. Nothing set forth herein, however, shall prohibit the Parties from providing
23 this Stipulation to the Court in connection with the Parties' efforts to seek Court approval
24 of this Settlement.

25 78. Binding on Successors and Assigns. This Stipulation of Settlement shall be
26 binding upon, and inure to the benefit of, the successors and assigns of the Parties.

27 79. California Law Governs. All terms of this Stipulation of Settlement and the
28 Exhibits hereto shall be governed by ~~and~~ interpreted according to the laws of the State

1 of California, without giving effect to any law that would cause the laws of any
2 jurisdiction other than the State of California to be applied.

3 80. Counterparts. This Stipulation of Settlement may be executed in one or more
4 counterparts. All executed counterparts and each of them shall be deemed to be one and
5 the same instrument.

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

10 82. Mutual Preparation. The Parties have had a full opportunity to negotiate the
11 terms and conditions of this Agreement. Accordingly, this Agreement shall not be
12 construed more strictly against one Party than another merely by virtue of the fact that it
13 may have been prepared by counsel for one of the Parties, it being recognized that,
14 because of the arm's-length negotiations between the Parties, all Parties have contributed
15 to the preparation of this Agreement.

16 83. Representation by Counsel. The Parties acknowledge that they have been
17 represented by counsel throughout all negotiations that preceded the execution of this
18 Agreement, and that this Agreement has been executed with the consent and advice of
19 counsel. Further, Plaintiff and Class Counsel warrant and represent that there are no liens
20 on the Agreement.

21 84. Enforcement Actions. In the event that one or more of the Parties institutes
22 any legal action or other proceeding against any other Party or Parties to enforce the
23 provisions of this Settlement, or to declare rights and/or obligations under this
24 Settlement, the prevailing Party or Parties shall be entitled to recover from the non-
25 prevailing Party or Parties reasonable attorneys' fees and costs, including expert witness
26 fees incurred in connection with any enforcement actions.


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1 85. Disputes Regarding Language of Final Settlement Agreement. If the Parties
2 have a dispute with regard to the language of the Agreement, the Parties agree to first
3 informally resolve the dispute by engaging Michael Loeb, Esq. to mediate such dispute.

4 86. Invalidity of Any Provision. Before declaring any term or provision of this
5 Stipulation of Settlement invalid, the Parties request that the Court first attempt to
6 construe the terms or provisions valid to the fullest extent possible consistent with
7 applicable precedents so as to define all provisions of this Stipulation of Settlement as
8 valid and enforceable. In the event the Court declares any material provision of this
9 Stipulation of Settlement invalid, the Stipulation of Settlement will be void and its terms
10 will be of no force and effect, except as otherwise agreed to by the Parties in writing.

11 87. Binding Nature of Notice of Class Action Settlement. It is agreed that,
12 because the Class Members are so numerous, it is impossible or impractical to have each
13 Class Member execute the Stipulation of Settlement. The Class Notice shall advise all
14 Class Members of the binding nature of the Settlement, and the release of Released
15 Claims and shall have the same force and effect as if this Stipulation of Settlement were
16 executed by each Participating Class Member.

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

21 Dated: 06 / 30 / 2023 
22 Plaintiff **Barbara Grady** (on her own behalf
23 and on behalf of the Class Members and
24 aggrieved employees)

RCM Technologies (USA), Inc.

25
26 Dated: _____
27 By: Kevin Miller, Chief Financial Officer

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20 below.

21 Dated: _____

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

RCM Technologies (USA), Inc.

22
23
24
25
26 Dated: 6/30/23

/s/ Kevin Miller

By: Kevin Miller, Chief Financial Officer

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