

# **EXHIBIT B**

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 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 Plaintiff,

28 v.

RCM TECHNOLOGIES, INC.,  
 Defendant.

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

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

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12 "RCM TECHNOLOGIES, INC.")  
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AMENDED JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

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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

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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.

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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.

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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 Cent  
21 (\$5,000.00). Defendant will not oppose such application.

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22 9. "Court" shall mean the United States District Court and such other court a  
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  
21 the Court upon granting final approval of the Settlement and this Stipulation of  
22 Settlement as binding upon the Parties and Participating Class Members. A proposed  
23 Final Order and Judgment shall be mutually agreed upon by the Parties and submitted to  
24 the Court 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

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 from,  
6 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, less  
12 the Class Counsel Award, Class Representative Service Award, PAGA Payment, and  
13 Settlement Administration Costs.

14 19. "Notice of Objection" means a Class Member's objection to the Settlement.  
15 To be valid, an objection must (a) be in writing; (b) be signed by the Class Member; (c)  
16 be 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  
24 to solicit or otherwise encourage or discourage Class Members from submitting a Notice  
25 of Objection or filing an appeal from the Final Order and Judgment. Non-Participating  
26 Class 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, or  
13 One Hundred Fifty Thousand Hundred Dollars and No Cents (\$150,000.00), will be paid  
14 to the LWDA and twenty five percent (25%), or Fifty Thousand Dollars and No Cents  
15 (\$50,000.00), will be distributed as the Individual PAGA Payments to Class Members.

16 23. "PAGA Period" shall be July 22, 2020 through March 7, 2023.

17 24. "PAGA Release" or "PAGA Released Claims" means the release by all PAGA  
18 Members for all claims for PAGA that arise out of or relate to California Labor Code §§  
19 201-204, 221-223, 226, 226.7, 510, 512, 1174, 1174.5, 1194, and 1198; and California  
20 Code of Regulations, Title 8 § 11040 §§ 3 & 7, 11-12, and under Business & Professions  
21 Code §§ 17200-17208, as pled in the PAGA Notice and Class Action and PAGA  
22 Complaint, during the PAGA Period. In light of the binding nature of a PAGA judgment  
23 on non-party employees pursuant to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th 969  
24 (2009), Class Members employed by Defendant who exclude themselves from this  
25 Settlement shall still receive an Individual PAGA Payment directly from the Settlement  
26 Administrator for the amount of each such individual's estimated share of the PAGA  
27 Payment as calculated by the Settlement Administrator, and shall not be able to object to  
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1 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

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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  
16 Class Member does not wish to be included in the Settlement; (iv) be returned by e-mail,  
17 fax, or mail to the Settlement Administrator at the specific email address, mailing  
18 address, and/or facsimile number; and (v) be e-mailed, faxed, or postmarked on or before  
19 the Response Deadline. The date of the e-mail, fax, or postmark on the return mailing  
20 envelope will be the exclusive means to determine whether a Request for Exclusion has  
21 been timely submitted. A Class Member who does not request exclusion from the  
22 Settlement will be deemed a Participating Class Member and will be bound by all terms  
23 of the Settlement, if the Settlement is granted final approval by the Court. Any Class  
24 Member who validly requests to be excluded from the Settlement will no longer be a  
25 member of the Settlement Class and will not have any right to object, appeal, or comment  
26 on the Settlement, but will remain as PAGA Member(s), and will receive an Individual  
27 PAGA Payment for the PAGA Released Claims if he or she is a PAGA Member. No later  
28 than ten (10) calendar days after the Response Deadline, the Settlement Administrator

1 shall provide Class Counsel and Defense Counsel with a complete list of all Class  
2 Members who submitted a 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.

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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

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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  
9 and mailing of all mandated Class Action Fairness Act (CAFA) Settlement Notices.

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

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

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

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

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24 **RECITALS**

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

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

4 39. Pleading History.

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

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

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

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

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

27 41. Document Production. Before and in connection with the mediation  
28 Defendant produced documents for Plaintiff's review. The documents included th

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

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

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

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

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

26 46. Benefits of Settlement to Plaintiff and the Class Members. Plaintiff and Class  
27 Counsel recognize the expense and length of continued proceedings necessary to litigate  
28 Plaintiff’s disputes in the Action through trial and through any possible appeals. Plaintiff

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

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

26 **CLASS CERTIFICATION**

27 48. Solely for purposes of settling the Action, and not for purposes of class  
28 certification should the Settlement not be approved or for any other reason, the Parties

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1 stipulate and agree that the requisites for establishing class certification with respect to  
2 the Settlement Class have been met and are met. More specifically, for purposes of  
3 settlement only, the Parties stipulate and agree that:

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

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

20 **TERMS OF SETTLEMENT**

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

23 50. Binding Settlement. This Settlement shall bind the Parties, all Participating  
24 Class Members, and PAGA Members, subject to the terms and conditions hereof and the  
25 Court's approval.

26 51. Settlement Consideration. Defendant shall pay the sum of the Gross  
27 Settlement Amount of One Million Six Hundred Thousand Dollars (\$1,600,000.00), plus  
28 any amount required by the Escalator Clause at Paragraph 63 below, if that clause is

1 triggered, as specified in this Agreement in full satisfaction of all claims arising from the  
2 Action, which shall be used to pay: (1) Individual Settlement Payments; (2) Class  
3 Counsel Award; (3) Class Representative Service Award; (4) Settlement Administration  
4 Costs to the Settlement Administrator; and (5) the PAGA Settlement Amount (including  
5 LWDA payment). The Parties agree that this is a non-reversionary Settlement and that  
6 no portion of the Gross Settlement Amount shall revert to Defendant. With the express  
7 exception of employer-side payroll taxes to be paid by Defendant, in no event will  
8 Defendant, or any of the Released Parties be required to pay more than the Gross  
9 Settlement Amount.

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

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

25 54. Circular 230 Disclaimer. The Parties acknowledge and agree that (i) no  
26 provision of this Stipulation of Settlement, and no written communication or disclosure  
27 between or among the Parties, Class Counsel or Defense Counsel and other advisers, is  
28 or was intended to be, nor shall any such communication or disclosure constitute or be

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1 construed or be relied upon as, tax advice within the meaning of United States Treasury  
2 Department Circular 230 (31 CFR Part 10, as amended); (ii) the acknowledging party  
3 (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for  
4 advice (including tax advice) in connection with this Stipulation of Settlement, (b) has  
5 not entered into this Stipulation of Settlement based upon the recommendation of any  
6 other party or any attorney or advisor to any other party, and (c) is not entitled to rely  
7 upon any communication or disclosure by any attorney or advisor to any other party to  
8 avoid any tax penalty that may be imposed on the acknowledging party; and (iii) no  
9 attorney or advisor to any other party has imposed any limitation that protects the  
10 confidentiality of any such attorney's or adviser's tax strategies (regardless of whether  
11 such limitation is legally binding) upon disclosure by the acknowledging party of the tax  
12 treatment or tax structure of any transaction, including any transaction contemplated by  
13 this Stipulation of Settlement.

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

23 56. Release by All Participating Class Members. All Participating Class  
24 Members, including Plaintiff, shall be deemed to have released their respective Released  
25 Claims against the Released Parties upon the date on which the payment of the Gross  
26 Settlement Amount is made by Defendant. Plaintiff and Class Members who do not  
27 submit a valid Request for Exclusion will be deemed to have fully, finally and forever  
28 released, settled, compromised, relinquished, and discharged with respect to all of the

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1 Released Parties for any and all Released Claims that accrued during the Class Period.  
2 Each Participating Class Member (*i.e.*, each Class Member who has not submitted a valid  
3 Request for Exclusion) fully releases and discharges the Released Parties as to all  
4 Released Claims during the Class Period.

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

13 58. Additional Release and Waiver of Claims by Plaintiff. In addition to the  
14 release of Released Claims and PAGA Released Claims against the Released Parties, as  
15 set forth above, Plaintiff, in her individual capacity, agrees to release the Released Parties  
16 from any and all claims, known and unknown, under federal, state and/or local law,  
17 statute, ordinance, regulation, common law, or other source of law, arising as of the date  
18 of execution of this Agreement including but not limited to claims arising from or related  
19 to her employment with Defendant and her compensation while an employee of  
20 Defendant ("Plaintiff's Released Claims"). Plaintiff's Released Claims include all  
21 claims, whether known or unknown. Even if Plaintiff discovers facts in addition to or  
22 different from those that she now knows or believes to be true with respect to the subject  
23 matter of Plaintiff's Released Claims, those claims will remain released and forever  
24 barred. To effect a full and complete general release as described above, Plaintiff  
25 expressly waives and relinquishes all rights and benefits of section 1542 of the Civil  
26 Code of the State of California, and does so understanding and acknowledging the  
27 significance and consequence of specifically waiving section 1542. Section 1542 of the  
28 Civil Code of the State of California states as follows:

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

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

26 59. Settlement Administration.

27 a. Within fourteen (14) calendar days of entry of the Preliminary Approval  
28 Order, Defendant shall provide the Settlement Administrator with the Class List for  
purposes of emailing (where applicable) and mailing the Settlement Notices to Class  
Members. The Administrator must maintain the Class List as private and confidential.

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

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

27 ii. Undeliverable Settlement Notices. Any Settlement Notice returned to  
28 the Settlement Administrator as non-deliverable on or before the Response Deadline

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

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

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1 materials. The purpose of the website is purely informational and to effectuate best  
2 practicable notice.

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

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

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

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

24 d. Funding and Allocation of Gross Settlement Amount. No later than the date  
25 scheduled for the final fairness hearing, the Settlement Administrator shall provide  
26 Defendant with instructions for remitting payment of the Gross Settlement Amount into  
27 a Qualified Settlement Fund being maintained by the Settlement Administrator. Within  
28 seven (7) calendar days after the Effective Date, Defendant shall pay the Gross

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

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

23 f. Individual Settlement Award: From the Net Settlement Amount, the  
24 Settlement Administrator will calculate each Individual Settlement Award as follows:

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

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

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- 1           (1) Workshift < 3.5 hours = one Adjusted Workshift;
- 2           (2) Workshift ≥ 3.5 hours and < 5 hours = 1.50 Adjusted Workshifts
- 3           (3) Workshift ≥ 5 hours < 10 hours = 2.0 Adjusted Workshifts
- 4           (4) Workshift ≥ 10 hours = 2.5 Adjusted Workshifts

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

7           iv. The Settlement Administrator will calculate each Participating Class  
 8 Member’s share of the General Claim Fund by multiplying the Adjusted Workshift Value  
 9 by the number of Adjusted Workshifts worked by that Participating Class Member;

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

14           vi. The Settlement Administrator will calculate each Participating Class  
 15 Member’s Individual Settlement Award by adding that Participating Class Member’s  
 16 calculated share of the General Claim Fund to that Participating Class Member’s  
 17 calculated share of the Waiting Time Penalty Fund.

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

21           g. Individual PAGA Payment: The Settlement Administrator will calculate each  
 22 PAGA Member’s Individual PAGA Payment by dividing the 25% of the PAGA Payment  
 23 to be distributed to PAGA Members by the total number of Pay Periods during the PAGA  
 24 Period for all PAGA Members, resulting in the PAGA Pay Period Value; and then  
 25 multiplying the PAGA Pay Period Value by the number of Pay Periods for each PAGA  
 26 Member during the PAGA Period, as defined above.

27           i. Individual Settlement Award and Individual PAGA Payments shall be  
 28 mailed by the Settlement Administrator by regular First Class U.S. Mail to each

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

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

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

9           iv.       In the event a Participating Class Member and/or PAGA Member fails  
10 to cash/deposit his or her Individual Settlement Award check and/or Individual PAGA  
11 Payment check, the Participating Class Member and/or PAGA Member shall  
12 nevertheless remain bound by the Settlement.

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

27           h.       Class Representative Service Award. For the purposes of this  
28 Settlement only, the Parties agree to the designation of Plaintiff as the class

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

15 i. Class Counsel Award. Defendant agrees not to oppose or impede any  
16 application or motion by Class Counsel for attorneys' fees in an amount up to twenty  
17 five percent (25%) of the Gross Settlement Amount, which amounts to Four Hundred  
18 Thousand Dollars and No Cents (\$400,000.00). In addition, Defendant agrees not to  
19 oppose or impede any application or motion by Class Counsel to request an award of  
20 costs associated with Class Counsel's prosecution of the Action up to Fifteen Thousand  
21 Dollars and No Cents (\$15,000.00). Class Counsel's request for such attorneys' fees and  
22 costs shall be subject to approval from the Court. In the event the Court awards Class  
23 Counsel less than the requested amount of attorneys' fees and/or costs, the difference  
24 shall become part of the Net Settlement Amount and shall be distributed to Participating  
25 Class Members as part of their Individual Settlement Awards. Class Counsel shall be  
26 solely and legally responsible to pay all applicable taxes on the Class Counsel Award.  
27 Class Counsel shall provide the Settlement Administrator with properly completed and  
28 signed copies of IRS Form W-9 in order for the Settlement Administrator to process the

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1 Class Counsel Award approved by the Court. The Settlement Administrator shall issue  
2 an IRS Form 1099 to Class Counsel for the Class Counsel Award.

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

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

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

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

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1 Settlement made or asserted by any person or entity anywhere in the world in connection  
2 with the Class Members.

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

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

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

- 25 a. Certifying the Settlement Classes for settlement purposes only;
  - 26 b. Approving, as to form and content, the proposed Settlement Notice;
- 27  
28

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- 1 c. Approving the manner and method for Class Members to object or request
- 2 exclusion from the Settlement, as contained herein and within the
- 3 Settlement Notice;
- 4 d. Directing the mailing of the Settlement Notices to Class Members, by first
- 5 class mail;
- 6 e. Preliminarily approving the Settlement subject only to the objections of
- 7 Class Members and final review by the Court; and
- 8 f. Setting a Final Approval Hearing.

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

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

26 65. Revocation of Settlement by Defendant. Defendant may, at their option,  
27 withdraw from the settlement if five percent (5%) or more of the Settlement Class  
28 Members request exclusion from the settlement. Defendant has 30 calendar days

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1 following the Settlement Administrator’s final report summarizing the notice process,  
2 including the number of requests for exclusions received, to revoke the agreement  
3 pursuant to this Paragraph. If Defendant chooses to withdraw from the settlement, it  
4 shall be responsible for all costs incurred by the Settlement Administrator to date, and  
5 the Parties shall revert to their respective procedural positions in the Action as if no  
6 settlement had occurred.

7 66. Escalator Clause. For purposes of this settlement, Defendant estimated that  
8 there were 90,939 Workshifts worked by Settlement Class Members through October  
9 22, 2022 and 1,414 putative class members. Should the actual number of putative class  
10 members or Workshifts exceed these numbers by more than ten percent (10%), the  
11 RCM shall pay a pro rata additional sum for the amount exceeding 10%. Alternatively,  
12 RCM may elect to end the release date when the number of putative class members or  
13 Workshifts exceeds 10% over the represented amounts.

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

27 68. Plaintiff’s Waiver of Right to Be Excluded. Plaintiff agrees that by signing  
28 this Settlement Agreement, she will be bound by the terms herein. Plaintiff further

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1 agrees that, upon signing this Settlement Agreement, she will not submit a Request for  
2 Exclusion from this Settlement and that any such Request for Exclusion by Plaintiff will  
3 be void and of no force or effect.

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

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

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

25 72. Judgment and Continued Jurisdiction. Upon final approval of the Settlement  
26 by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will  
27 present the Judgment to the Court for its approval. After entry of the Judgment, the  
28 Court will have continuing jurisdiction solely for purposes of addressing: (i) the

1 interpretation and enforcement of the terms of the Settlement,  
2 (ii) Settlement administration matters, and (iii) such post-Judgment matters as may be  
3 appropriate under court rules or as set forth in this Agreement.

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

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

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

19 76. Authorization to Enter Into Settlement Agreement. Class Counsel and  
20 Defense Counsel warrant and represent they are expressly authorized by the Parties  
21 whom they represent to negotiate this Stipulation of Settlement and to take all  
22 appropriate actions required or permitted to be taken by such Parties pursuant to this  
23 Stipulation of Settlement to effectuate its terms, and to execute any other documents  
24 required to effectuate the terms of this Stipulation of Settlement. The Parties, Class  
25 Counsel and Defense Counsel shall cooperate with each other and use their best efforts  
26 to effect the implementation of the Settlement. In the event the Parties are unable to  
27 reach agreement on the form or content of any document needed to implement the  
28 Settlement, or on any supplemental provisions that may become necessary to effectuate

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1 the terms of this Settlement, the Parties may seek the assistance of the Court to resolve  
2 such disagreement. The persons signing this Stipulation of Settlement on behalf of the  
3 Defendant represents and warrants that they are authorized to sign this Stipulation of  
4 Settlement on behalf of Defendant. Plaintiff represents and warrants that he is authorized  
5 to sign this Stipulation of Settlement and that he has not assigned any claim, or part of a  
6 claim, covered by this Settlement of Settlement to a third party. The Parties have  
7 cooperated in the drafting and preparation of this Stipulation of Settlement. Hence, in  
8 any construction made of this Stipulation of Settlement, the same shall not be construed  
9 against any of the Parties.

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

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

22 79. California Law Governs. All terms of this Stipulation of Settlement and the  
23 Exhibits hereto shall be governed by and interpreted according to the laws of the State  
24 of California, without giving effect to any law that would cause the laws of any  
25 jurisdiction other than the State of California to be applied.

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

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

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

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

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

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

25 86. Invalidity of Any Provision. Before declaring any term or provision of this  
26 Stipulation of Settlement invalid, the Parties request that the Court first attempt to  
27 construe the terms or provisions valid to the fullest extent possible consistent with  
28 applicable precedents so as to define all provisions of this Stipulation of Settlement as

1 valid and enforceable. In the event the Court declares any material provision of this  
2 Stipulation of Settlement invalid, the Stipulation of Settlement will be void and its terms  
3 will be of no force and effect, except as otherwise agreed to by the Parties in writing.

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

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

14 Dated: \_\_\_\_\_  
15 Plaintiff **Barbara Grady** (on her own  
16 behalf and on behalf of the Class Members  
17 and aggrieved employees)

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

19 Dated: \_\_\_\_\_  
20 By: Kevin Miller, Chief Financial Officer

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