

MEMORANDUM OF UNDERSTANDING

WHEREAS, a Settlement Agreement has been reached between Plaintiffs DILCIA CRANDALL, BARBARA COHEN (formerly Tatum), ELIZABETH FUENTES, and MYRNA JOHNSTON (collectively "Plaintiffs" or "Class Representatives"), individually, and on behalf of all others similarly situated, on the one hand, and Defendant MAXIM HEALTHCARE SERVICES, INC. ("Maxim") (together "the Parties"), on the other hand, which resolves two (2) separately filed actions, *Crandall, et al. v. Maxim Healthcare Services, Inc.* (Orange County Superior Court, Case No. 30-2017-00940239-CU-OE-CXC) ("Crandall Matter"); and *Fuentes, et al. v. Maxim Healthcare Services, Inc.* (C.D. Cal. Case No. 2:17-cv-01072) ("Fuentes Matter") (together "the Lawsuits");

WHEREAS, at the time of the above referenced settlement, the court in the Fuentes Matter had previously awarded sanctions against the undersigned Thomas D. Rutledge, counsel for Plaintiffs in the Fuentes Matter, as set forth in the Court's February 8, 2019 order, *see* Case No. 2:17-cv-01072, Dkt. No. 132;

WHEREAS, in connection with the Court's February 8, 2019 order, Defendant submitted a fee request in the amount of \$54,197.50 as satisfaction of the monetary sanctions that the Court's order awarded ("Sanctions Award"), *see* Case No. 2:17-cv-01072, Dkt. Nos. 132, 144;

WHEREAS, Mr. Rutledge objected to Defendant's requested amount and, in response, the Court in the Fuentes Matter ordered the parties to further brief Mr.

Rutledge's objection pursuant to a noticed motion to be filed by Mr. Rutledge, *see* Case No. 2:17-cv-01072, Dkt. No. 140;

WHEREAS, before the hearing on Mr. Rutledge's noticed motion on his objection to the fee request took place, the Parties entered into settlement discussions and agreed as a condition of any settlement that was reached and approved by the court, Mr. Rutledge would withdraw his objection to the Sanctions Award and he would pay to Defendant a Sanctions Award of \$54,197.50 that Defendant had requested;

WHEREAS, the Parties subsequently reached a global settlement of the Lawsuits, including an award of attorneys' fees to Plaintiffs' counsel ("Class Counsel") in the Lawsuits, subject to the conditions set forth above with respect to Mr. Rutledge's obligations as to the Sanctions Award;

THEREFORE, the undersigned Class Counsel agree that upon Defendant's funding of the Total Settlement Amount pursuant to the Settlement Agreement resolving the Lawsuits, the Settlement Administrator is authorized to and shall allocate \$54,197.50 from the Class Counsel Award under the Settlement Agreement as Mr. Rutledge's payment to Defendant for the Sanctions Award. The Settlement Administrator shall issue a payment to Defendant for this \$54,197.50 amount at the same time that the Settlement Administrator issues payment to Class Counsel as directed by Class Counsel for the Class Counsel Award (less \$54,197.50), thereby fulfilling Mr. Rutledge's obligation as to the Sanctions

Award and fully and finally resolving all disputes as to the Sanctions Award; and

The Parties further agree that Mr. Rutledge will withdraw all appeals relating to the Court's February 8, 2019 order upon final approval of the Settlement Agreement;

Mr. Rutledge denies any liability or wrongdoing of any kind associated with the Sanctions Award, disputes the fees sought by Defendant, and further contends that, for any purpose other than settlement, Defendant's request for fees is without merit. This Memorandum of Understanding is a compromise of disputed claims. Nothing contained in this Memorandum of Understanding, no documents referred to herein, and no action taken to carry out this Memorandum of Understanding, shall be construed or used as an admission by or against Mr. Rutledge as to the merits or lack thereof of the Sanctions Award. Mr. Rutledge contends, among other things, that, at all times, he has complied with all relevant laws related to the Sanctions Award. Nothing contained in this Memorandum of Understanding, nor the fact of this Memorandum of Understanding itself, shall be construed or deemed as an admission of liability, or wrongdoing on the part of Mr. Rutledge. Pursuant to California Evidence Code sections 1152 and 1154, this Memorandum of Understanding shall be inadmissible in evidence in any proceeding; except that the Memorandum of Understanding may be filed and used in this litigation or any related litigation as necessary to approve, interpret, or enforce this Memorandum of Understanding, or in any subsequent action against or by Mr. Rutledge to


support a stay of such subsequent action, or to establish a defense of res judicata, collateral estoppel, release, good faith settlement, judgment bar, or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim; and

The Parties further agree that this Memorandum of Understanding will be provided to the Settlement Administrator with directions to comply with its terms by subtracting \$54,197.50 from any fees awarded to Mr. Rutledge's portion of fees awarded by the court but will not be publicly disclosed (except as needed to any tax advisor or taxing authority) and will not be filed with any court unless such filing is necessary to obtain compliance with this Memorandum of Understanding.

IT IS SO AGREED:


Dated: 9-8-2020

**LAW OFFICES OF THOMAS D.
RUTLEDGE**

By: 
Thomas D. Rutledge
Attorneys for Plaintiffs and the Proposed
Class


Dated: 9/8/2020

COHELAN KHOURY & SINGER

By: 
Michael D. Singer,
Attorneys for Plaintiffs and the Proposed
Class


Dated: 10/13/2020

AEGIS LAW FIRM, PC

By: 
Jessica Campbell
Attorneys for Plaintiffs and the Proposed
Class

Dated: 10/15/20

MORGAN, LEWIS & BOCKIUS LLP

By: 
John S. Battenfeld
Lincoln O. Bisbee
Alexander L. Grodan
Attorneys for Defendant MAXIM
HEALTHCARE SERVICES, INC.