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 24 RESPONSIBLE MEDICAL SOLUTIONS CORP.  
 25 and STEVEN SCHUTZ

26 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
 27 **FOR THE COUNTY OF RIVERSIDE**

28 BRANDON STEPPE, individually and on  
 behalf of all similarly situated and aggrieved  
 employees of Defendants in the State of  
 California

Plaintiff,

v.

RESPONSIBLE MEDICAL SOLUTIONS  
 CORP., dba Temecula 24 Hour Urgent Care  
 and Carlsbad Urgent Care-San Marcos;  
 STEVEN SCHUTZ; and DOES 1 THROUGH  
 50, inclusive,

Defendants.

Case No.: RIC1900983

**CLASS ACTION**

**JOINT STIPULATION OF CLASS  
 ACTION SETTLEMENT AND  
 RELEASE OF CLAIMS**

*[Assigned for All Purposes to the Hon. Craig  
 G. Riemer, Dept. 1]*

Complaint Filed: January 25, 2019

FAC Filed: March 8, 2019

Trial Date: Not Yet Set

1 This Joint Stipulation of Class Action Settlement and Release of Claims (“Settlement” or  
2 “Agreement”) is made and entered into by and between Plaintiff BRANDON STEPPE (“Plaintiff” or  
3 “Class Representative”), individually and on behalf of all putative class members, and Defendants  
4 RESPONSIBLE MEDICAL SOLUTIONS CORP. and STEVEN SCHUTZ (“Defendants”). Plaintiff  
5 and Defendants are collectively referred to herein as “the Parties.”

6 **I. DEFINITIONS**

7 The following definitions are applicable to this Settlement, in addition to other terms defined  
8 elsewhere in this Settlement:

9 1. The “Action” shall mean the operative Complaint of the civil action commenced on  
10 January 25, 2019, filed and maintained by Plaintiff against Defendants in the Superior Court of  
11 California, County of Riverside, Case No. RIC1900983.

12 2. The “Class Period” shall mean the period of time from January 25, 2015, to January  
13 10, 2022.

14 3. “Class” shall mean all persons who, during the Class Period, have previously been or  
15 currently are employed in California by Defendant Responsible Medical Solutions Corp., as an  
16 hourly-paid, non-exempt employee. “Class Member” shall mean an individual who is a member of  
17 the Class (or if any such person is incompetent, deceased, or unavailable due to military service, the  
18 person’s legal representative or successor in interest evidenced by reasonable verification).

19 4. “Class Counsel” shall mean the attorneys representing Plaintiff in the Action, Graham  
20 S.P. Hollis, Esq., Vilmarie Cordero, Esq., and Erik A. Dos Santos, Esq. of Graham**Hollis** APC.

21 5. “Class Counsel Fees Payment” shall mean one-third of the Maximum Settlement  
22 Amount (currently estimated to be Two Hundred and Eight Thousand, Three Hundred and Thirty-  
23 Three Dollars and Thirty-Three Cents (\$208,333.33) subject to approval by the Superior Court as  
24 Class Counsel’s attorneys’ fees incurred in connection with the Action, including fees incurred in pre-  
25 filing investigation, filing of the Action, and all related litigation activities, this Settlement, and all  
26 post-Settlement compliance procedures.

27 6. “Class Counsel Litigation Expenses Payment” shall mean the actual litigation  
28 expenses and/or costs expended by Class Counsel subject to approval by the Superior Court incurred

1 in connection with the Action, including pre-filing investigation, filing of the Action, and all related  
2 litigation activities, this Settlement, and all post-Settlement compliance procedures. Class Counsel’s  
3 expenses are not to exceed Nineteen Thousand Dollars and Zero Cents (\$19,000.00).

4 7. “Class Notice” shall mean the Notice of Proposed Settlement, Preliminary Approval  
5 of Settlement, and Hearing Date for Final Court Approval, a sample of which is attached hereto as  
6 **Exhibit A**. The Class Notice shall further contain (i) a Class Member’s first and last name, (ii) last  
7 known address, (iii) employee identification number, if applicable, (iv) the Class Member’s  
8 Individual Workweeks, (v) the PAGA Group Member’s Individual Workweeks, if applicable; (vi) the  
9 Class Member’s estimated amount of the Settlement Share; and (vii) the PAGA Group Member’s  
10 estimated PAGA Payment Share, if applicable. The Class Notice shall also provide the Class  
11 Members with instructions on how to opt-out of and/or object to the Settlement.

12 8. “Class Representative Payment” shall mean the special payment made to Plaintiff in  
13 his capacity as Class Representative to compensate him for prosecuting the Action, and performing  
14 work in support of the Action, in the amount of Seven Thousand, Five Hundred Dollars and Zero  
15 Cents (\$7,500.00), subject to approval by the Superior Court.

16 9. “Defense Counsel” shall mean the attorneys representing Defendants in the Action,  
17 Matthew C. Sgnilek, Esq. and Andrea Rosenkranz, Esq. of O’Hagan Meyer.

18 10. “Effective Date” shall mean the following occurrences: (i) if no Class Member both  
19 objects and files either a timely motion to intervene and/or timely motion to vacate the judgment, then  
20 the date the Court enters an order granting Final Approval of the Settlement; (ii) if a Class Member  
21 both objects and either files a timely motion to intervene or timely motion to vacate the judgment,  
22 then sixty-one (61) days following the date the Court enters an order granting final approval, assuming  
23 no appeal is filed; or (iii) if a Class Member both objects and also files a timely motion to intervene  
24 or files a motion to vacate the Judgment and also files a timely appeal, then the date of final resolution  
25 of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final  
26 and complete judicial approval of the Settlement in its entirety, with no further challenge to the  
27 Settlement being possible. The occurrence of the Effective Date is a prerequisite to any obligation of  
28 Defendants to pay any funds into the Settlement Account.

1           11.     “Employer’s Payroll Taxes” shall mean Defendants’ share of all payroll taxes payable  
2 to any and all government agencies incurred for any payments of Settlement Shares to Participating  
3 Class Members pursuant to this Settlement.

4           12.     “Final Approval Hearing” shall mean the hearing to be conducted by the Superior  
5 Court to determine whether to finally approve and implement the terms of this Settlement.

6           13.     “Individual Pay Periods” shall mean the number of Pay Periods for an individual  
7 PAGA Group Member.

8           14.     “Individual Workweeks” shall mean the number of Workweeks for an individual Class  
9 Member.

10          15.     “Judgment” shall mean the Order of Final Judgment entered by the Superior Court that  
11 the Parties anticipate will be entered following a Final Approval Hearing on the Settlement in this  
12 Action.

13          16.     “LWDA Payment” shall mean the payment to the California Labor and Workforce  
14 Development Agency (“LWDA”) constituting seventy-five percent (75%) of the value assigned to  
15 the claim for penalties under the California Labor Code Private Attorneys General Act, California  
16 Labor Code Section 2698, *et seq.* (“PAGA”). Specifically, Eleven Thousand, Two Hundred and Fifty  
17 Dollars and Zero Cents (\$11,250.00), which shall constitute the LWDA’s seventy-five percent (75%)  
18 share of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) in civil penalties paid under this  
19 Settlement. The remaining Three Thousand, Seven Hundred and Fifty Dollars and Zero Cents  
20 (\$3,750.00) in civil penalties shall be distributed on a *pro rata* basis based upon the number  
21 workweeks worked by each PAGA Group Member (“PAGA Payment”).

22          17.     “Maximum Settlement Amount” shall mean the maximum settlement amount of Six  
23 Hundred Twenty-Five Thousand Dollars and Zero Cents (\$625,000.00) payable by Defendants as  
24 provided by this Agreement, unless that amount is increased pursuant to Paragraph 31 below,  
25 exclusive of the normal employer’s share of any payroll taxes attributable to the Settlement Share  
26 payments allocated to wages. Defendants’ payment of the normal employer’s share of payroll taxes  
27 will be made separately and shall not come from the Maximum Settlement Amount.

28          18.     “Net Settlement Amount” shall mean the Maximum Settlement Amount, less (i) the

1 Class Representative Payment approved by the Superior Court; (ii) the Class Counsel Fees Payment  
2 approved by the Superior Court; (iii) the Class Counsel Litigation Expenses Payment approved by  
3 the Superior Court; (iv) the LWDA Payment approved by the Superior Court; (v) the PAGA Payment  
4 approved by the Superior Court; (vi) the Settlement Administrator Payment approved by the Superior  
5 Court; and (vii) any other fees or expenses (other than Class Counsel Fees Payment and Class Counsel  
6 Litigation Expenses Payment) incurred in implementing the terms and conditions of this Agreement  
7 as approved by the Superior Court. At present, this Net Settlement Amount equates to Three Hundred  
8 Sixty-Eight Thousand One Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$368,166.67); this  
9 amount will be amended when the amount payable to the Settlement Administrator becomes known  
10 to the Parties. The Net Settlement Amount shall be distributed on a *pro rata* basis to Class Members,  
11 subject to the distribution formula agreed upon by the Parties.

12 19. “Non-Participating Class Member” shall mean a Class Member who submits a  
13 complete, valid, and timely request to be excluded from the Settlement pursuant to the instructions  
14 provided in the Class Notice.

15 20. The “PAGA Period” shall mean the period of time from January 25, 2018, to January  
16 10, 2022.

17 21. The “PAGA Group” shall mean (a) all persons who, during the PAGA Period, have  
18 previously been or currently are employed in California by Defendant Responsible Medical Solutions  
19 Corp., as an hourly-paid, non-exempt employee. “PAGA Group Member” shall mean an individual  
20 who is a member of the PAGA Group (or if any such person is incompetent, deceased, or unavailable  
21 due to military service, the person’s legal representative or successor in interest evidenced by  
22 reasonable verification).

23 22. “PAGA Payment Share” shall mean the value of each PAGA Group Member’s share  
24 of the PAGA Payment as provided by this Agreement.

25 23. “Participating Class Member” shall mean all Class Members who have not submitted  
26 a complete, valid, and timely request to be excluded from the Settlement pursuant to the instructions  
27 provided in the Class Notice.

28 24. “Pay Period” shall mean any pay period in which a Class Member actually received

1 payment from Defendant Responsible Medical Solutions Corp., as an hourly-paid, non-exempt  
2 employee.

3 25. "Preliminary Approval" shall mean the Superior Court's preliminary approval of the  
4 Settlement without material change that the Parties anticipate will be made following submission of  
5 this Agreement to the Court.

6 26. "Settlement Administrator" shall mean Phoenix Settlement Administrators proposed  
7 by the Parties and appointed by the Superior Court to administer the Settlement.

8 27. "Settlement Administrator Payment" shall mean the payment to the Settlement  
9 Administrator for its fees and expenses in administering this Settlement.

10 28. "Settlement Share" shall mean the value of each Participating Class Member's share  
11 of the Net Settlement Amount as provided by this Agreement.

12 29. "Superior Court" shall mean the Superior Court of California for the County of  
13 Riverside.

14 30. "Workweek" shall mean any week in which a Class Member actually performed paid  
15 work for Defendant Responsible Medical Solutions Corp. during the Class Period as an hourly-paid,  
16 non-exempt employee.

17 31. Defendants represent that as of November 10, 2021, the number of Workweeks in  
18 the Class Period is approximately 14,027. Should the number of Workweeks through the earlier  
19 date of Preliminary Approval or January 10, 2022 (i.e., 60 days from the Parties' mediation on  
20 November 10, 2021) increase by 10% or more (14,027 plus 10% of 14,027), the Maximum  
21 Settlement Amount shall increase by the same number of percentage points above 10% as the actual  
22 number of Workweeks above 14,027. For example, as of January 10, 2022 (i.e., 60 days from the  
23 Parties' mediation on November 10, 2021) the number of Workweeks during the Class Period is  
24 determined to be 12% higher than 14,027, then the Maximum Settlement Amount shall increase by  
25 2%.

26 **II. RECITALS**

27 32. On December 20, 2018, Class Counsel, on behalf of Plaintiff and the PAGA Group,  
28 gave written notice to the Labor Workforce and Development Agency ("LWDA") of the Labor Code

1 violations Defendants are alleged to have violated (“LWDA Exhaustion Letter”). On January 25,  
2 2019, Plaintiff commenced the Action against Defendants by filing a Complaint in the Superior Court.  
3 In the Complaint, Plaintiff, on behalf of himself and all others similarly situated alleged causes of  
4 action for: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay  
5 Minimum and Regular Wages; (4) Failure to Pay All Overtime Wages; (5) Failure to Indemnify  
6 Necessary Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements and Written  
7 Notice of Sick Leave; (7) Failure to Timely Pay All Wages Due Upon Separation of Employment;  
8 and (8) Violation of Business and Professions Code § 17200, *et seq.*; and individual causes of actions  
9 for (9) Wrongful Termination in Violation of Public Policy and (10) Retaliation. On March 8, 2019,  
10 Plaintiff amended his Complaint to add a cause of action for (11) Violation of the Private Attorneys  
11 General Act of 2004, Labor Code §§ 2698, *et seq.* Based on these allegations, Plaintiff alleged that  
12 he and all others similarly situated were entitled to unpaid wages, liquidated damages, statutory  
13 penalties, civil penalties, attorneys’ fees, and costs of litigation, among other remedies.

14 33. Defendants deny and continue to deny all of Plaintiff’s material allegations.  
15 Specifically, Defendants contend (1) they provided the Class with all meal periods according to law;  
16 (2) they provided the Class with all rest periods according to law (3) they did not fail to pay the Class  
17 the minimum wage; (4) they did not fail to pay the Class the overtime compensation; (5) they did not  
18 require the Class to incur any business-related expenses; (6) they provided the Class with accurate  
19 itemized wage statements, consistent with Labor Code Section 226; (7) they did not fail to timely pay  
20 the Class wages due and owing upon separation; and (8) they did not violate Business & Professions  
21 Code Section 17200, *et seq.*; (9) the PAGA Group is not entitled to penalties under PAGA; and (10)  
22 Defendants are not liable for damages, including unpaid wages, liquidated damages, statutory  
23 penalties, attorneys’ fees, or costs of litigation to the Class.

24 34. In connection with the Action, and in order to work toward a mediated resolution  
25 without the time and expense of formal discovery, the Parties produced voluminous documents and  
26 data (including, by Defendants, human resource documents and policies, time records, and payroll  
27 data during the Class Period) which were reviewed, investigated, and analyzed by Class Counsel.

28 35. On November 10, 2021, the Parties in Action participated in a full day of mediation

1 before an experienced employment and class action mediator, Todd Smith, Esq., which resulted in a  
2 settlement of the Action (the “Mediation”).

3 36. The Settlement described in this Agreement represents a compromise and settlement  
4 of highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission  
5 by Defendants that Plaintiff’s claims in the Action have any merit or that they have any liability to  
6 Plaintiff, the Class, the PAGA Group or the State on those claims, or as an admission by Plaintiff that  
7 Defendants’ defenses in Action have any merit. This Settlement is intended to fully, finally, and  
8 forever compromise, release, resolve, discharge, and settle the released claims subject to the terms  
9 and conditions set forth in this Settlement.

10 37. Based on its own thorough, independent investigation and evaluation of this case,  
11 Class Counsel is of the opinion that the Settlement of this Action with Defendants for the  
12 consideration and on the terms set forth in this Settlement is fair, reasonable, adequate, and in the best  
13 interest of the Class in light of all known facts and circumstances, including the risk of significant  
14 costs and delay, the risk of non-certification of the Class, the defenses asserted by Defendants  
15 including the risks of adverse determinations on the merits and numerous potential appellate issues.  
16 Although Defendants contend that they have no liability in the Action, Defense Counsel shares Class  
17 Counsel’s belief that the Settlement represents a fair and adequate settlement given the respective  
18 risks associated with the case.

19 38. Based on the foregoing Recitals, the Parties agree as follows:

20 **III. PROCEDURE FOR APPROVING SETTLEMENT**

21 39. **Motion for Preliminary Approval of Settlement by the Superior Court.** Plaintiff  
22 will move the Superior Court for an order granting Preliminary Approval of the Settlement, setting a  
23 date for the Final Approval Hearing no earlier than 120 days from the date of the order granting  
24 Preliminary Approval of the Settlement, and approving the Class Notice (attached as **Exhibit A** to  
25 this Stipulation) (“Motion for Preliminary Approval”). Any unresolved disagreement among the  
26 Parties concerning the Class Notice or other documents necessary to implement the Settlement will  
27 be referred first to Todd Smith, Esq., and if no resolution is reached, then to the Superior Court.

28 40. At the hearing on the Motion for Preliminary Approval, the Parties anticipate that they



1 will jointly appear, support the granting of the Motion for Preliminary Approval, and obtain an order  
2 granting Preliminary Approval, granting approval of the Class Notice, and setting a date for the Final  
3 Approval Hearing no earlier than 120 days from the date of the order granting Preliminary Approval.

4 41. Should the Superior Court require any amendments to this Agreement or the Motion  
5 for Preliminary Approval, the Parties agree to work jointly to resolve any issues in order to secure the  
6 Superior Court's Preliminary Approval and agree to comply with the Court's Case Management  
7 Order in securing approval.

8 42. Should the Superior Court decline to preliminarily approve any material aspects of the  
9 Settlement, the Settlement will be null and void and the Parties will have no further obligations under  
10 it. In such event, the Parties shall be returned to their respective positions as of the date and time  
11 immediately prior to the execution of this Agreement, and the Parties shall proceed in all respects as  
12 if this Agreement had not been executed.

13 43. **Class Notice.** After the Superior Court enters its order granting Preliminary Approval,  
14 every Class Member will be provided with the Class Notice (which will include the Class Notice  
15 completed to reflect the order granting Preliminary Approval of the Settlement and the Class  
16 Member's information as follows:

17 (a) Within twenty-one (21) days after the Motion for Preliminary Approval is  
18 granted, Defendants will provide to the Settlement Administrator the "Class Members' Data," which  
19 shall consist of an electronic database containing (i) each Class Member's first and last name, (ii) last  
20 known mailing address, (iii) the Class Member's Social Security number or Tax ID, (iv) the Class  
21 Member's employee identification number, if applicable, based on Defendants' payroll records, (v)  
22 the Class Member's total number of Individual Workweeks, and (vi) the PAGA Group Members'  
23 total number of Individual Pay Periods, if applicable. If any or all of the Class Members' Data are  
24 unavailable to Defendants, Defendants will so inform Class Counsel prior to the date on which  
25 Defendants are required to submit the Class Members' Data to the Settlement Administrator and the  
26 Parties will make their best efforts to reconstruct or otherwise agree upon the Class Members' Data  
27 prior to when it must be submitted to the Settlement Administrator. If the Parties are unable to agree,  
28 the dispute will be resolved by the Settlement Administrator as provided in Paragraph 46. This

1 information will otherwise remain confidential and will not be disclosed to anyone, except as required  
2 to applicable taxing authorities, as required to carry out the reasonable efforts to identify Class  
3 Member information as described in this Paragraph 43(c), pursuant to Defendants' express written  
4 authorization, or by order of the Superior Court.

5 (b) Upon receipt of the Class Members' Data, the Settlement Administrator will  
6 conduct a national change of address search and an in-depth skip trace for the most current address  
7 of all Class Members and will update such employees' addresses as necessary prior to the mailing of  
8 the Class Notice. Within seven (7) days after receiving the Class Members' Data, or as soon thereafter  
9 as it is able to do so, the Settlement Administrator will mail the Class Notice to all identified Class  
10 Members via first-class U.S. Mail using the mailing address information provided by Defendants,  
11 unless modified by any updated address information that the Settlement Administrator obtains in the  
12 course of administration of the Settlement.

13 (c) If a Class Notice is returned by the U.S. Postal Service because of an incorrect  
14 address, the Settlement Administrator will promptly, and not later than five (5) days from receipt of  
15 the returned packet, search for a more current address for the Class Member and re-mail the Class  
16 Notice to the Class Member. The Settlement Administrator will use the Class Members' Data and  
17 otherwise work with Defense Counsel or utilize its own resources such as skip traces to find a more  
18 current address. The Settlement Administrator will be responsible for taking reasonable steps,  
19 consistent with its agreed-upon job parameters, court orders, and fee, to trace the mailing address of  
20 any Class Member for whom a Class Notice is returned by the U.S. Postal Service. These reasonable  
21 steps shall include the tracking of all undelivered mail; performing address searches for all mail  
22 returned without a forwarding address; and promptly re-mailing to Class Members for whom new  
23 addresses are found. Any such Class Members who failed to receive a Class Notice, or who were  
24 subject to a re-mailing of the Class Notice as described herein shall be given an additional fourteen  
25 (14) days to opt out or object to the Settlement.

26 (d) The Settlement Administrator will inform Class Counsel and Defense Counsel  
27 of the number of returned Class Notices it receives and Class Notices re-mailed in a weekly status  
28 report.

1 (e) Not later than the filing of the Motion for Final Approval Hearing, the  
2 Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its  
3 compliance with its obligations under this Settlement and authenticating the requests for exclusions  
4 and/or objections received. The declaration will be filed with the papers submitted with the Motion  
5 for Final Approval. Prior to the Final Approval Hearing, the Settlement Administrator will  
6 supplement its declaration of due diligence if any material changes occur from the date of the filing  
7 of its prior declaration.

8 44. **Participating Class Members; Requests for Exclusion from Class Settlement; and**  
9 **Objections to Settlement.** Class Members may submit requests to be excluded from the effect of  
10 the Settlement; or objections to the Settlement, pursuant to the following procedures:

11 (a) **Participating Class Members.** Each Class Member shall be deemed to be a  
12 Participating Class Member unless they submit a complete, timely, and valid request to be excluded  
13 from the effect of the Settlement as provided below. All Participating Class Members shall be bound  
14 by the provisions and releases contained in this Settlement.

15 (b) **Request for Exclusion from Settlement.** Class Members who wish to  
16 exclude themselves from the Settlement (“opt out” of the Settlement) must submit to the Settlement  
17 Administrator, not later than forty-five (45) days after the date that the Settlement Administrator first  
18 mails the Class Notices, an Exclusion Request (“the Exclusion Period”). Exclusion Requests may be  
19 submitted to the Settlement Administrator via U.S. Mail only. Class Members must complete, sign,  
20 date, and timely return an Exclusion Request to the Settlement Administrator to exclude themselves  
21 from the Settlement, setting forth their (i) name, (ii) address, (iii) last four digits of their Social  
22 Security number, and (iv) the following statement or a similar statement: “I wish to exclude myself  
23 from the settlement reached in the matter of *Brandon Steppe v. Responsible Medical Solutions Corp.,*  
24 *et al.* I understand that by excluding myself, I will not receive any money from the Class settlement  
25 reached in this matter.” A Class Member who does not complete and submit a valid and timely  
26 Exclusion Request in the manner and by the deadline specified above will remain a Participating  
27 Class Member and, if the Court approves the Settlement, will be bound by all terms and conditions  
28 of the Settlement and by the Judgment. Per the Court’s Case Management Order, Class Members

1 may use the Request for Exclusion Form, which is attached to the Class Notice as a means to exclude  
 2 themselves from the settlement. A Class Member who timely submits a valid Exclusion Request will  
 3 not participate in, or be bound by, the Settlement of the Judgment and will not receive any payment  
 4 pursuant to the Settlement except for a payment from the portion of the PAGA Payment to the PAGA  
 5 Group if the Class Member is a PAGA Group Member, and will not be bound by the terms of the  
 6 Settlement, except for the release of the PAGA Group Released Claims if the Class Member is a  
 7 PAGA Group Member, and will not have any right to object, appeal, or comment thereon. To be  
 8 valid, Exclusion Requests must be completed in full, signed, and returned to the Settlement  
 9 Administrator before the expiration of the Exclusion Period. Non-Participating Class Members will  
 10 not be permitted to file objections to the Settlement and/or appear at the Final Approval Hearing to  
 11 voice any objections to the Settlement. Members of the PAGA Group cannot seek to exclude  
 12 themselves from the Settlement of the PAGA claim, but retain all rights to exclude themselves from  
 13 the Class Settlement as delineated herein. No later than fourteen (14) calendar days after the close of  
 14 the Exclusion Period, the Settlement Administrator shall provide Counsel for both Parties with a  
 15 complete list of all Class Members who have submitted timely and valid Requests for Exclusion. Per  
 16 the Court’s Case Management Order, the Settlement Administrator shall provide a declaration  
 17 authenticating the requests for exclusion at the time that the motion for final approval is due.

18 (c) **Objections to Settlement.** The Class Notice will provide that any Class  
 19 Member who does not request exclusion from the Settlement and who wishes to object to the  
 20 Settlement must serve on the Settlement Administrator, not later than forty-five (45) days after the  
 21 Settlement Administrator initially mails the Class Notice, a written objection to the Settlement which  
 22 sets forth the grounds for the objection and the other information required by Paragraph 44(d) or by  
 23 sending the Objection Form which is attached to the Class Notice. The objection must be served as  
 24 follows:

25  
 26 *Brandon Steppe v. Responsible Medical Solutions Corp., et al.*

27 c/o \_\_\_\_\_

28 \_\_\_\_\_

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(d) The written objection must state the Class Member’s (i) name, (ii) address, and (iii) last four digits of their Social Security number. The written objection must state the basis for each objection in clear and concise terms. A Class Member who does not serve a written objection in the manner and by the deadline specified may appear at the Final Approval Hearing to state their objection to the Settlement. If a Class Member fails to submit a written objection, the Class Member will be deemed to have waived all objections and will be foreclosed from making any objections – whether by appeal or otherwise – to the Settlement. Per the Court’s Case Management Order, the Settlement Administrator shall provide a declaration to the Court no later than the filing the Motion for Final Approval authenticating any and all objections received.

(e) If a Class Member submits both a Request for Exclusion and a written objection, the Settlement Administrator shall attempt to contact and determine whether the Class Member would like to withdraw either the Request for Exclusion or the objection. If the Class Member does not withdraw the Request for Exclusion or if the Settlement Administrator cannot contact a Class Member who submits both a Request for Exclusion and an objection, the Request for Exclusion shall be valid and it shall be presumed that the Class Member does not wish to participate in the Settlement.

(f) If the Superior Court rejects the Class Member’s objection, or if the Superior Court approves the settlement despite any objections, the Class Member will be deemed to be a Participating Class Member and will be bound by the terms of this Settlement.

(g) A Class Member who timely submits a valid Exclusion Request will not participate in, or be bound by, the Settlement or the Judgment and will not receive any payment pursuant to the Settlement except for a payment from the portion of the PAGA Payment to the PAGA Group if the Class Member is a PAGA Group Member, and will not be bound by the terms of the Settlement and Judgment, and will not have any right to object, appeal, or comment thereon.

45. **Report.** Not later than seven (7) days after the deadline for submission of requests to be excluded and/or objections, the Settlement Administrator will provide Defense Counsel, with a

1 complete and accurate list of names for all Participating Class Members, all Non-Participating Class  
2 Members, all PAGA Group members, and all Class Members who objected to the settlement. The  
3 report shall also be accompanied by an itemized calculation of the Settlement Shares for each  
4 Participating Class Member, with identifying information redacted, which shall be provided to both  
5 Class and Defense Counsel. The Settlement Administrator shall also provide both Parties with a  
6 report identifying the number of Participating Class Members, the number of Non-Participating Class  
7 Members, the number of PAGA Group members, and the number of Class Members who submitted  
8 a valid, timely, and complete objection. Class Counsel shall also receive a list of Class Members who  
9 objected to the Settlement and/or excluded themselves from the Settlement, which will be used in the  
10 Parties' Final Approval Order.

11       **46. Resolution of Class Member and PAGA Group Member Disputes.** If a Class  
12 Member and/or PAGA Group Member disputes the number of his or her Individual Workweeks  
13 and/or Individual Pay Periods stated in their Class Notice, the Class Member and/or PAGA Group  
14 Member must, within forty-five (45) days after the Settlement Administrator initially mails the Class  
15 Notice, ask the Settlement Administrator to resolve the matter by returning the Class Notice with a  
16 statement of the number of Workweeks and/or Pay Periods that he or she contends were worked and  
17 include any documentation the Class Member and/or PAGA Group Member has to support their  
18 contention. The Settlement Administrator shall notify Defendants of the dispute and provide them  
19 with a copy of the Class Notice and any documentation received in support of the dispute within three  
20 (3) court days of receipt thereof. Defendants shall review their payroll and personnel records and  
21 verify the correct number of Workweeks and/or Pay Periods within five (5) court days of the  
22 Settlement Administrator's notification. Defendants' records will have a rebuttable presumption of  
23 accuracy. After consultation with Class Counsel, Defense Counsel, and the applicable Class Member  
24 and/or PAGA Group Member, the Settlement Administrator will, within three (3) court days of  
25 Defendants' verification, make a determination of the Class Member's and/or PAGA Group  
26 Member's number of Workweeks and/or Pay Periods and that determination will be final, binding on  
27 the Parties and the Class Member and/or PAGA Group Member, and is not appealable.

28       **47. No Solicitation of Objection; Right to Void.** Neither the Parties, nor their respective

1 counsel, will directly or indirectly solicit or otherwise encourage any Class Member to exclude him  
2 or herself from the Settlement, object to the Settlement, and/or appeal from the Judgment. If ten  
3 percent (10%) or more of the Class Members submit a complete, valid, and timely request to be  
4 excluded from the Settlement and are deemed to be Non-Participating Class Members, then  
5 Defendants shall have the unilateral right to void this Settlement. Defendants may do so by giving  
6 notice to Plaintiff and the Court of its election to void the Settlement not later than fourteen (14) days  
7 after the Settlement Administrator issues its report identifying the number of Participating Class  
8 Members, the number of Non-Participating Class Members, and the number of Class Members who  
9 objected to the settlement as described in Paragraph 44(c). Notwithstanding any other provisions in  
10 this Settlement, no sums shall be payable by Defendants in the event that this Settlement is voided as  
11 provided for herein.

12 **48. Additional Briefing and Final Approval.**

13 (a) Not later than sixteen (16) court days before the Final Approval Hearing, the  
14 Plaintiff will prepare and the Parties will jointly file with the Superior Court a Motion for Final  
15 Approval of the Settlement, including payment of the Settlement Administrator's Payment, and a  
16 memorandum in support of their motion ("Motion for Final Approval"). Not later than sixteen (16)  
17 court days before the Final Approval Hearing, Plaintiff and Class Counsel will serve on Defendants  
18 and file with the Superior Court a Motion for Awards of the Class Representative Payment, Class  
19 Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment, pursuant to this  
20 Settlement, and memoranda in support of its motion. Plaintiff will seek fees pursuant to *Laffitte v.*  
21 *Robert Half Intern., Inc.* (2016) 1 Cal. 5th 480, 503. Plaintiff will not seek additional fees from  
22 Defendants or an increase in the Maximum Settlement Amount as part of the Motion for awards of  
23 the Class Representative Payment, Class Counsel Fees Payment, and the Class Counsel Litigation  
24 Expenses Payment.

25 (b) Not later than five (5) court days before the Final Approval Hearing, the Parties  
26 shall be entitled to file and serve a response to any Class Member's objection to the Settlement and/or  
27 reply in support of their Motion for Final Approval, to the extent that any opposition to said Motion  
28 is filed. Plaintiff and Class Counsel may file a reply in support of their Motion for Awards of the

1 Class Representative Payment, Class Counsel Fees Payment, and the Class Counsel Litigation  
2 Expenses Payment, to the extent that any opposition to said Motion is filed.

3 (c) If the Superior Court ultimately does not grant final approval of the Settlement  
4 or grants final approval conditioned on any material change to the Settlement that is not agreed to by  
5 one of the Parties, then either Party will have the right to void the Settlement. If the Settlement is  
6 voided in this manner, the Parties will have no further obligations under the Settlement, including any  
7 obligation by Defendants to pay any amounts that otherwise would have been payable under this  
8 Settlement, except that the voiding Party will pay the Settlement Administrator’s reasonable fees and  
9 expenses incurred as of the date that the Party exercises the right to void the Settlement under this  
10 paragraph. For the purposes of this paragraph, a “material change” is a change to the terms outlined  
11 in the accepted Memorandum of Understanding, a copy of which is attached hereto as **Exhibit B**.  
12 However, an award by the Superior Court of a lesser amount than that sought by Plaintiff and Class  
13 Counsel for the Class Representative Payment, the Class Counsel Fees Payment, and/or the Class  
14 Counsel Litigation Expenses Payment, will not constitute a material change to the Settlement within  
15 the meaning of this paragraph.

16 (d) Upon final approval of the Settlement by the Superior Court at or after the Final  
17 Approval Hearing, the Parties will present for the Superior Court’s approval and entry a Proposed  
18 Final Order and Judgment. The entry of the Final Order and Judgment shall permanently bar all  
19 Participating Class Members from prosecuting against the Released Parties any of Released Claims  
20 during the Class Period, as contained in Section V of this Agreement.

21 (e) After entry of the Judgment, the Superior Court will have continuing  
22 jurisdiction over the Action and the Settlement solely for purposes of (i) enforcing this Settlement,  
23 (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as  
24 may be appropriate under court rules or applicable law.

25 49. **Waiver of Right to Appeal.** Provided that the Judgment is consistent with the terms  
26 and conditions of this Settlement, Plaintiff, Participating Class Members, Defendants, and their  
27 respective counsel hereby waive any and all rights to appeal from the Judgment, including all rights  
28 to any post-judgment proceeding and appellate proceeding, such as a motion to vacate judgment, a



1 motion for new trial, a motion under Code of Civil Procedure Section 473, and any extraordinary  
2 writ, and the Judgment therefore will become non-appealable by them at the time it is entered. The  
3 waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceedings,  
4 or post-judgment proceedings. If an appeal is taken from the Judgment, the time for consummation  
5 of the Settlement (including making payments under the Settlement) will be suspended until such  
6 time as the appeal is finally resolved and the Judgment, consistent with the terms of this Settlement,  
7 becomes Final.

8 **50. Vacating, Reversal, or Material Modification of Judgment on Appeal or Review.**

9 If, after a notice of appeal, a petition for review, or a petition for *certiorari*, or any other motion,  
10 petition, writ, or application, the reviewing court vacates, reverses, or modifies the Judgment such  
11 that there is a material modification to the Settlement, and that court's decision is not completely  
12 reversed and the Judgment is not fully affirmed on review by a higher court, then either Party will  
13 have the right to void the Settlement, which the Party must do by giving written notice to the other  
14 Parties, the reviewing court, and the Superior Court, not later than fourteen (14) days after the  
15 reviewing court's decision vacating, reversing, or materially modifying the Judgment becomes final.  
16 For the purposes of this paragraph, a "material change" is a change to the terms outlined in the  
17 accepted Memorandum of Understanding, a copy of which is attached hereto as **Exhibit B**. A  
18 vacation, reversal, or modification of the Superior Court's award of the Class Representative  
19 Payment, the Class Counsel Fees Payment, and/or Class Counsel Litigation Expenses Payment will  
20 not constitute a vacation, reversal, or material modification of the Judgment within the meaning of  
21 this paragraph.

22 **51. Establishment of Settlement Account.** Within seven (7) calendar days after the  
23 Effective Date, the Settlement Administrator will provide the Parties with an accounting of all  
24 anticipated payments from the Settlement Fund Account as specified in this Settlement Agreement  
25 and approved by the Court, including, but not limited to: (a) Plaintiff's Enhancement Payment; (b)  
26 the Class Counsel Fees Payment; (c) the Class Counsel Litigation Expenses Pay; (d) Settlement  
27 Administration Costs; (e) the PAGA Payment; and (f) Payment of Settlement Shares to Class  
28 Members and related taxes thereon. The Settlement Administrator shall establish a Settlement

1 Account within ten (10) days of the Effective Date and notify the Parties when the Settlement Account  
2 has been established. Within ten (10) days after receiving notification of the Settlement Account and  
3 statement for the Settlement Account Deposit, Defendants shall pay into the Settlement Account an  
4 amount equal to the Settlement Account Deposit. Defendants shall have no obligation to pay any  
5 additional funds into the Settlement Account, besides its share of employer taxes.

6 **52. Payment of Settlement Shares and PAGA Payment Shares.** The Settlement  
7 Administrator shall pay to each Participating Class Member his or her Settlement Share and to each  
8 PAGA Group Member his or her PAGA Payment Share from the Settlement Account. The Settlement  
9 Administrator shall pay each Settlement Share by sending a check in the appropriate amount after  
10 withholdings to the Participating Class Member at the address indicated in the Class Member's Data.  
11 The Settlement Administrator shall pay each PAGA Payment Share by sending a check in the  
12 appropriate amount to the PAGA Group Member at the address indicated in the PAGA Group  
13 Member's Data. Such payment shall be sent by the Settlement Administrator via U.S. Mail within  
14 fourteen (14) days of its receipt of the Settlement Account Deposit from Defendants.

15 **53. Uncashed Settlement Share and PAGA Payment Share Checks.** Any checks paid  
16 to Participating Class Members and/or PAGA Group Members shall be negotiable for one hundred  
17 and eighty (180) calendar days from the date of their issuance. A Participating Class Member must  
18 cash his or her Settlement Share check within one hundred and eighty (180) calendar days after it is  
19 mailed to him or her. A PAGA Group Member must cash his or her PAGA Payment Share check  
20 within one hundred and eighty (180) calendar days after it is mailed to him or her. If a check remains  
21 uncashed after one hundred and eighty (180) calendar days from the initial mailing, or if a check is  
22 returned to the Settlement Administrator as undeliverable during the one hundred eighty-day period,  
23 the Settlement Administrator shall take all reasonable efforts to identify the Participating Class  
24 Member's and/or PAGA Group Member's correct address, including the performance of a "skip-  
25 trace." If an updated address can be identified, the Settlement Administrator shall issue another check  
26 to the Participating Class Member and/or PAGA Group Member and mail it to the Participating Class  
27 Member and/or PAGA Group Member at his or her updated address. If an updated address for the  
28 Participating Class Member and/or PAGA Group Member cannot be identified, if a reissued check is

1 once again returned to the Settlement Administrator as undeliverable, or if the reissued check remains  
2 uncashed after one hundred eighty (180) calendar days, the Settlement Administrator will keep an  
3 accounting of such funds and shall give notice to the Parties of the total balance of uncashed  
4 Settlement Shares and/or PAGA Payment Shares. A Participating Class Member who fails to  
5 negotiate or receive their Settlement Share check despite the procedures described above shall  
6 nevertheless remain bound by the Settlement and the releases contained herein. A PAGA Group  
7 Member who fails to negotiate or receive their PAGA Payment Share check despite the procedures  
8 described above shall nevertheless remain bound by the Settlement.

9 54. The funds represented by Settlement Share and/or PAGA Payment Share checks  
10 remaining uncashed for more than one hundred and eighty (180) calendar days after issuance shall be  
11 voided and then shall be transmitted to the Controller of the State of California to be held pursuant to  
12 the Unclaimed Property Law, California Civil Code Section 1500, *et seq.*, in the names of those  
13 Participating Class Members and/or PAGA Group Members who did not cash their checks until such  
14 time they claim their property. The Parties agree that this disposition results in no “unpaid residue”  
15 under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out  
16 to Participating Class Members, whether or not they all cash their settlement checks.

17 55. **Final Report by Settlement Administrator to Superior Court.** Within ten (10) days  
18 after final disbursement of all funds from the Settlement Account, the Settlement Administrator will  
19 serve on the Parties and file with the Superior Court a declaration providing a final summary report  
20 on the disbursements of all funds from the Settlement Account. Within ten (10) days after  
21 transmission of any remaining unclaimed funds to Controller of the State of California the Settlement  
22 Administrator will serve on the Parties and file with the Superior Court a declaration providing a final  
23 summary report on the transmission of any remaining unclaimed funds to Controller of the State of  
24 California as outlined Paragraph 54.

#### 25 **IV. SETTLEMENT TERMS AND CONDITIONS**

26 56. **Conditional Certification for Settlement Purposes.** Solely for the purposes of  
27 effectuating this Settlement, and subject to Court approval, the Parties hereby stipulate to the  
28 conditional certification of the following Settlement Class: “all persons who, during the Class Period,

1 have previously been or currently are employed in California by Defendant Responsible Medical  
2 Solutions Corp. as an hourly-paid non-exempt employee.” The Parties agree that if for any reason  
3 the Settlement is not preliminarily and/or finally approved, the conditional certification of the  
4 Settlement Class will be of no force or effect, does not constitute an admission by Defendants that  
5 class certification is proper, and will not be deemed admissible in this or any other proceeding, and  
6 that the Parties will litigate the issue of class certification.

7       **57. Settlement Shares.** Subject to the terms and conditions of this Settlement, the  
8 Settlement Administrator will calculate the estimated Settlement Shares for each Class Member  
9 within ten (10) days after Defendants provide the Settlement Administrator with the Class Members’  
10 Data. The Settlement Share for each Class Member will be calculated as follows, understanding that  
11 the formulas below do not constitute an admission by either Party, and are intended only to provide a  
12 practical means to simplify and administer the claims process:

13               (a)   **Number of Class Members and Workweeks.** Defendants shall determine  
14 the total number of Class Members and the aggregate number of Workweeks for those Class Members  
15 who worked during the Class Period. This information shall be provided to the Settlement  
16 Administrator along with the Class Members’ Data as described in Paragraph 43(a) above.

17               (b)   **Calculation of the Workweek Value.** The Settlement Administrator shall  
18 determine the value of a Workweek (“Workweek Value”) by taking the Net Settlement Amount and  
19 dividing it by the sum of all Class Members’ Workweeks who do not opt out of the Settlement.

20               (c)   **Calculation of Settlement Shares.** The Settlement Administrator shall assign  
21 to each Participating Class Member a Settlement Share which shall be equal to the Workweek Value  
22 multiplied by each Participating Class Member’s Individual Workweeks. Upon calculation of the  
23 Participating Class Members’ Settlement Shares, the Settlement Administrator shall furnish to Class  
24 Counsel and Defense Counsel a worksheet containing a list of employee identification numbers for  
25 the Class Members with their corresponding Individual Workweeks and Settlement Shares.

26       **58. PAGA Payment Shares.** Subject to the terms and conditions of this Settlement, the  
27 Settlement Administrator will calculate the PAGA Payment Shares for each PAGA Group Member  
28 within ten (10) days after Defendants provide the Settlement Administrator with the PAGA Group

1 Members' Data. The PAGA Payment Share for each PAGA Group Member will be calculated as  
2 follows, understanding that the formulas below do not constitute an admission by either Party, and  
3 are intended only to provide a practical means to simplify and administer the claims process:

4 (a) **Number of PAGA Group Members and Pay Periods.** Defendants shall  
5 determine the total number of PAGA Group Members and the aggregate number of Pay Periods for  
6 those PAGA Group Members as of the time of Preliminary Approval. This information shall be  
7 provided to the Settlement Administrator along with the Class Members' Data as described in  
8 Paragraph 43(a) above.

9 (b) **Calculation of the Pay Period Value.** The Settlement Administrator shall  
10 determine the value of a Pay Period ("Pay Period Value") by taking the PAGA Payment amount and  
11 dividing it by the sum of all PAGA Group Members' Pay Periods.

12 (c) **Calculation of PAGA Payment Shares.** The Settlement Administrator shall  
13 assign to each PAGA Group Member a PAGA Payment Share which shall be equal to the Pay Period  
14 Value multiplied by each PAGA Group Member's Individual Pay Periods. Upon calculation of the  
15 PAGA Group Members' PAGA Payment Shares, the Settlement Administrator shall furnish to Class  
16 Counsel and Defense Counsel a worksheet containing a list of employee identification numbers for  
17 the PAGA Group Members with their corresponding Individual Pay Periods Pay Periods and PAGA  
18 Payment Shares.

19 59. **Taxes and Withholdings.** Each Settlement Share is intended to settle the Class  
20 Members' claims for unpaid wages and penalties. Accordingly, twenty percent (20%) of each  
21 Settlement Share shall represent unpaid wages and the remaining eighty percent (80%) of each  
22 Settlement Share shall represent penalties and interest. The portion of the Settlement Share  
23 representing unpaid wages shall be paid to each Participating Class Member subject to any applicable  
24 employee-side tax withholdings and deductions, and the Settlement Administrator shall issue an IRS  
25 Form W-2 to each Participating Class Member for that amount. The portion of the Settlement Share  
26 representing penalties shall be paid to the Participating Class Member in full without deductions or  
27 withholdings, and the Settlement Administrator shall issue an IRS Form 1099 to each Participating  
28 Class Member for that amount. Each Participating Class Member shall be individually responsible

1 for their own share of applicable income tax withholdings and deductions from the Settlement Share  
2 attributable to the portion of the settlement for which an IRS Form 1099 will be issued. Defendants  
3 shall be responsible for payment of the Employer Payroll Tax attributable to the Settlement Share  
4 payments constituting wages. The Employer's Payroll Tax shall not be deducted from the Maximum  
5 Settlement Amount and shall not be included in any payments of Settlement Shares. The Parties  
6 agree and understand that Defendants have not made any representations regarding the tax obligations  
7 or consequences, if any, related to this Settlement. The Parties agree that Defendants and each  
8 Participating Class Member are solely responsible for determining the tax consequences of payments  
9 made pursuant to this Settlement and for paying taxes, if any, which are determined to be owed by  
10 each of them on such payments (including penalties and interest related thereto) by any taxing  
11 authority, whether state, local, or federal.

12         60. Each PAGA Payment Share is intended to settle the PAGA Group Members' claims  
13 for civil penalties. Accordingly, one hundred percent (100%) of each PAGA Payment Share shall  
14 represent civil penalties. The PAGA Payment Share shall be paid to the PAGA Group Member in  
15 full without deductions or withholdings, and the Settlement Administrator shall issue an IRS Form  
16 1099 to each PAGA Group Member for that amount, to the extent the PAGA Group Member's PAGA  
17 Payment Share is Six Hundred Dollars and Zero Cents (\$600.00) or more. Each PAGA Group  
18 Member shall be individually responsible for his or her own share of applicable income tax  
19 withholdings and deductions for his or her PAGA Payment Share.

20         61. **Total Payment Amount.** In no event will Defendants be required to pay more than  
21 the Maximum Settlement Amount for distribution to the Plaintiff, Class Counsel, Participating Class  
22 Members, PAGA Group Members, LWDA, Settlement Administrator, or for any other costs or  
23 expenses not otherwise enumerated. However, Defendants shall be responsible for paying any  
24 Employer Payroll Taxes for the payment of Settlement Shares attributable to wages, which shall not  
25 be paid from the Settlement Account and shall not be included in the Maximum Settlement Amount.

26         62. **Payments to Plaintiff and Class Counsel and Others.** Subject to the terms and  
27 conditions of this Settlement, the Settlement Administrator will make the following payments out of  
28 the Maximum Settlement Amount as follows:

1           (a)     **To Plaintiff:** In addition to his Settlement Share, Plaintiff will apply to the  
2 Superior Court for a Class Representative Payment in an amount not to exceed Seven Thousand Five  
3 Hundred Dollars and Zero Cents (\$7,500.00). Defendants will not oppose this Class Representative  
4 Payment. The Settlement Administrator will pay the Class Representative Payment approved by the  
5 Superior Court out of the Maximum Settlement Amount. Payroll tax withholding and deductions will  
6 not be taken from the Class Representative Payment and an IRS Form 1099 will be issued to Plaintiff  
7 for this payment.

8           (b)     **To Class Counsel:** Class Counsel will apply to the Superior Court for the  
9 Class Counsel Fees Payment in an amount not to exceed Two Hundred and Eight Thousand, Three  
10 Hundred Thirty-Three Dollars and Thirty-Three Cents (\$208,333.33), or one-third (1/3) of the  
11 Maximum Settlement Amount. Class Counsel will also submit to the Superior Court a memorandum  
12 of costs for the Class Counsel Litigation Expenses Payment in an amount not to Nineteen Thousand  
13 Dollars and Zero Cents (\$19,000.00) as request reasonable costs of suit to be paid from the Maximum  
14 Settlement Amount. Defendants will not oppose these requests. The Settlement Administrator will  
15 pay the amounts approved by the Superior Court out of the Maximum Settlement Amount.  
16 Withholding and deductions will not be taken from the Class Counsel Fees Payment or Class Counsel  
17 Litigation Expenses Payment and one or more IRS Forms 1099 will be issued to Class Counsel with  
18 respect to those payments.

19           (c)     **To the LWDA:** As part of their Motions for Preliminary and Final Approval,  
20 the Parties will jointly apply to the Superior Court for approval of the LWDA Payment in the amount  
21 of Fifteen Thousand Dollars and Zero Cents (\$15,000.00), which shall constitute the LWDA's  
22 seventy-five percent (75%) share of Eleven Thousand Two Hundred Fifty Dollars and Zero Cents  
23 (\$11,250.00) in civil penalties paid under this Settlement. The remaining Three Thousand Seven  
24 Hundred Fifty Dollars and Zero Cents (\$3,750.00) in civil penalties shall be distributed on a *pro rata*  
25 basis based upon the number of pay periods worked by each PAGA Group Member ("PAGA  
26 Payment").

27           (d)     **To the Settlement Administrator:** The Settlement Administrator will be paid  
28 from the Maximum Settlement Amount its reasonable fees and expenses as approved by the Superior

1 Court, which are estimated not to exceed \$7,000.00 (Seven Thousand Dollars and Zero Cents).

2       **63. Appointment of Settlement Administrator.** The Parties will ask the Superior Court  
3 to appoint Phoenix Settlement Administrators, a qualified and experienced administrator based in  
4 California where the Action is venued, to serve as the Settlement Administrator, which, as a condition  
5 of appointment, will agree to be bound by this Agreement with respect to the performance of its duties  
6 and its compensation. The Settlement Administrator’s duties will include (i) calculating Settlement  
7 and PAGA Payment Shares; (ii) preparing, printing, and mailing the Class Notice to all Class  
8 Members; (iii) using reasonable measures to contact all Class Members, including conducting a  
9 National Change of Address search on all Class Members before mailing the Class Notice to each  
10 Class Member’s address; (iv) re-mailing the Class Notice to the Class Member’s new address for  
11 those Class Members whose address had changed; (v) setting up a toll-free telephone number to  
12 receive calls from Class Members; (vi) receiving requests for exclusion and objections to the  
13 Settlement; (vii) providing the Parties with weekly status reports about the delivery of Class Notices  
14 and any requests for exclusion and objections; (viii) issuing the checks to effectuate the payments due  
15 under the Settlement; (ix) using reasonable measures to deliver issued checks to Participating Class  
16 Members, including use of a “skip-trace” for undeliverable checks; and (x) otherwise administering  
17 the Settlement pursuant to this Agreement including paying and reporting the employer’s share of the  
18 payroll taxes to the appropriate taxing agency. The Settlement Administrator will have the final  
19 authority to resolve all disputes concerning the calculation of a Participating Class Member’s  
20 Settlement Share and/or PAGA Group Member’s PAGA Payment Share, subject to the terms set forth  
21 in this Agreement. The Settlement Administrator’s reasonable fees and expenses are estimated to not  
22 exceed \$7,000.00 (Seven Thousand Dollars and Zero Cents) and will be paid out of the Maximum  
23 Settlement Amount, as set forth herein, subject to Court approval.

24 **V. RELEASE OF CLAIMS**

25       **64. Participating Class Members Released Claims.** As of the date of the Judgment,  
26 each Participating Class Member, and without the need to manually sign a release document, shall  
27 release the Released Parties from all causes of action and claims that were alleged in the Action or  
28 reasonably could have been alleged based on the facts and legal theories contained in the Action,



1 including all of the following claims for relief from January 25, 2015, to January 10, 2022: (1) Failure  
2 to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay Minimum & Regular  
3 Wages.; (4) Failure to Pay Overtime Wages; (5) Failure to Indemnify Necessary Business Expenses;  
4 (6) Failure to Provide Accurate Itemized Wage Statements and Written Notice of Sick Leave; (7)  
5 Failure to Timely Pay All Wages Due Upon Separation of Employment, and (8) Violation of Business  
6 & Professions Code section 17200. The Class Released Claims for the Participating Class Members  
7 excludes all claims for vested benefits, wrongful termination, unemployment insurance, disability,  
8 social security, workers' compensation, claims while classified as exempt, and claims outside of the  
9 Class Period. The Class Released Claims only covers the time period of January 25, 2015, to January  
10 10, 2022.

11       **65.     PAGA Group Released Claims.** As of the date of the Judgment, Plaintiff and the  
12 LWDA, shall release the Released Parties and the State of California for claims for civil penalties  
13 under the California Labor Code Private Attorneys General Act of 2004 arising from January 25,  
14 2018, to January 10, 2022 that were alleged in Plaintiff's LWDA Exhaustion Letter or to the extent  
15 alleged in Plaintiff's First Amended Complaint, including, but not limited to the following claims for  
16 relief: (1) Failure to Provide Meal Periods; (2) Failure to Provide Rest Periods; (3) Failure to Pay  
17 Minimum & Regular Wages; (4) Failure to Pay Overtime Wages; (5) Failure to Indemnify Necessary  
18 Business Expenses; (6) Failure to Provide Accurate Itemized Wage Statements and Written Notice of  
19 Sick Leave, and (7) Failure to Timely Pay All Wages Due Upon Separation of Employment ("PAGA  
20 Released Claims"). The PAGA Released Claims only covers the time period of January 25, 2018, to  
21 January 10, 2022.

22       **66.** Released Parties includes Defendant Steven Schutz, Defendant Responsible Medical  
23 Solutions Corp., and Responsible Medical Solutions Corp.'s past and present, officers, directors,  
24 employees and agents.

25       **67.** The PAGA Released Claims, coupled with the approval Order and Judgment has full  
26 *res judicata* effect, is final, and precludes and bars any future suits involving the PAGA Released  
27 Claims between January 25, 2018, and January 10, 2022. *Arias v. Sup Ct. (Angelo Dairy)* (2009) 46  
28 Cal.4th 969, 986 ("Because an aggrieved employee's action under the Labor Code Private Attorneys

1 General Act of 2004 functions as a substitute for an action brought by the government itself, a  
2 judgment in that action binds all those, including nonparty aggrieved employees, who would be bound  
3 by a judgment in an action brought by the government”).

4 68. The Released Claims and PAGA Released Claims described in Paragraphs 64 & 65  
5 expressly exclude all claims made for vested benefits, wrongful termination, unemployment  
6 insurance, disability, social security, workers’ compensation, claims while classified as exempt, and  
7 claims outside of the Class Period and/or PAGA Period.

8 69. **Class Counsel.** As of the Effective Date, and except as otherwise provided by this  
9 Settlement, Class Counsel and any counsel associated with Class Counsel waive any further claims  
10 to costs and attorneys’ fees and expenses against Defendants or the Releasees arising from or related  
11 to the Action, including but not limited to claims based on the Labor Code, the Code of Civil  
12 Procedure, PAGA, the Fair Labor and Standards Act, the Business and Professions Code, or any other  
13 contract, statute or law (“Class Counsel Released Claims”).

14 70. **No Effect on Other Benefits.** The payment of Settlement Shares and/or PAGA  
15 Payment Shares will not result in any additional employee benefit payments (such as 401(k), vacation,  
16 or bonus) and shall not have any effect on the eligibility for, or calculation of, any employee benefit.

17 **VI. DUTIES OF THE PARTIES**

18 71. **Mutual Full Cooperation.** The Parties agree to cooperate fully with one another to  
19 accomplish and implement the terms of this Stipulation. Such cooperation shall include, but not be  
20 limited to, execution of such other documents and the taking of such other actions as may reasonably  
21 be necessary to fulfill the terms of this Settlement unless the Court denies the Settlement with  
22 prejudice. The Parties shall use their best efforts, including all efforts contemplated by this Stipulation  
23 and any other efforts that may become necessary by court order or otherwise, to effectuate this  
24 Stipulation and the terms set forth herein. As soon as practicable after execution of this Stipulation,  
25 Class Counsel, with the cooperation of Defendants and Defense Counsel, shall take all necessary and  
26 reasonable steps to secure the Court’s approval of this Stipulation. The Parties will work together to  
27 make any non-material modifications of the Settlement requested by the Court to obtain approval of  
28 the Parties’ Settlement.

1           72.     **Duty to Support and Defend the Class Settlement.** The Parties agree to abide by  
2 all of the terms of the Settlement in good faith and to support the Settlement fully and to use their best  
3 efforts to defend this Settlement from any legal challenge, whether by appeal or collateral attack.

4           73.     **Duties Prior to Court Approval.** Class Counsel shall promptly submit this  
5 Stipulation to the Court for preliminary approval and determination by the Court as to its fairness,  
6 adequacy, and reasonableness. Promptly upon execution of this Stipulation, Class Counsel shall  
7 apply to the Court for the entry of a preliminary order, scheduling a hearing on the question of whether  
8 the proposed Class Settlement should be approved as fair, reasonable, and adequate as to the Class  
9 Members, approving as to form and content the proposed Class Notice attached hereto as **Exhibit A**,  
10 respectively, and directing the mailing of the Class Notice to Settlement Class Members.

11           74.     **Non-Monetary Relief and Catalyzation of Policy Change.** Although Defendants  
12 deny any liability of any kind associated with the claims alleged in the Action, deny any liability or  
13 intentional wrongdoing, Responsible Medical Solutions Corp. revised and updated its meal and rest  
14 period policies and practices.

15 **VII.   MISCELLANEOUS TERMS**

16           75.     **No Admission of Liability.** Defendants deny that they have engaged in any unlawful  
17 activity, have failed to comply with the law in any respect, or have any liability to anyone under the  
18 claims asserted in the Action. This Settlement is entered into solely for the purpose of compromising  
19 highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission  
20 of liability or wrongdoing by Defendants, an admission by Plaintiff that any of his claims were non-  
21 meritorious, or any defense asserted by Defendants was meritorious. This Settlement and the fact  
22 that Plaintiff and Defendants were willing to settle the Action will have no bearing on, and will not  
23 be admissible in connection with, any litigation (other than solely in connection with the Settlement).

24           76.     The Parties also agree that this release constitutes a resolution of a good faith dispute  
25 concerning wages and complies with Labor Code Section 206.5, which reads in part:

26  
27                   “Execution of release of claim or right on account of wages due. No  
28                   employer shall require the execution of any release of any claim or

1 right on account of wages due, or to become due, or made, or made  
2 as an advance on wages to be earned, unless payment of those wages  
3 has been made.”  
4

5 77. Whether or not the Judgment becomes Final, neither the Settlement, any document,  
6 statement, proceeding or conduct related to the Settlement, nor any reports or accounting of those  
7 matters, will be (i) construed as, offered or admitted in evidence as, received as, or deemed to be  
8 evidence for any purpose adverse to Defendants or any other beneficiary of the releases granted under  
9 this Settlement (the “Released Parties”), including, but not limited to, evidence of a presumption,  
10 concession, indication or admission by any of the Released Parties of any liability, fault, wrongdoing,  
11 omission, concession or damage; or (ii) disclosed, referred to or offered in evidence against any of  
12 the Released Parties, or any other civil, criminal or administrative action or proceeding except for  
13 purposes of effectuating this Settlement.

14 78. Notwithstanding Paragraph 78 of this Settlement, any and all provisions of this  
15 Settlement may be admitted in evidence and otherwise used in any and all proceedings to enforce any  
16 or all terms of this Settlement, or in defense of any claims released or barred by this Settlement.

17 79. **Confidentiality.** The Parties and their Counsel will keep the settlement confidential  
18 through preliminary approval. Thereafter, the Parties will agree to make no comments to the media  
19 or otherwise publicize the terms of the settlement. However, Plaintiff’s counsel shall be allowed to  
20 discuss the Settlement Administration with Class Members, and disclose the Settlement to any Court  
21 for any matter for the of determining Plaintiff’s counsel’s adequacy as counsel.

22 80. **Integrated Agreement.** After this Settlement is signed and delivered by all Parties  
23 and their counsel, this Settlement and its exhibits will constitute the entire agreement between the  
24 Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties,  
25 covenants, or inducements have been made to any Party concerning this Settlement or its exhibits  
26 other than the representations, warranties, covenants, and inducements expressly stated in this  
27 Settlement and its exhibits.

28 81. **Attorney Authorization.** Class Counsel and Defense Counsel warrant and represent

1 that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action  
2 required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms,  
3 and to execute any other documents required to effectuate the terms of this Settlement. The Parties  
4 and their counsel will cooperate with each other and use their best efforts to affect the implementation  
5 of the Settlement. In the event the Parties are unable to reach agreement on the form or content of  
6 any document needed to implement the Settlement, or on any supplemental provisions that may  
7 become necessary to effectuate the terms of this Settlement, the Parties will seek the assistance of  
8 mediator Todd Smith, Esq., and if no resolution is reached the Superior Court, and in all cases all  
9 such documents, supplemental provisions and assistance of the court will be consistent with this  
10 Settlement.

11       **82. Modification of Agreement.** This Agreement, and any and all parts of it, may be  
12 amended, modified, changed, or waived only by an express written instrument signed by all Parties,  
13 their successors-in-interest, and/or the Parties' respective counsel, as authorized.

14       **83. Settlement Binding on Successors.** This Settlement Agreement will be binding upon,  
15 and inure to the benefit of, the successors of each of the Parties.

16       **84. Applicable Law.** All terms and conditions of this Settlement and its exhibits will be  
17 governed by and interpreted according to the laws of the State of California, without giving effect to  
18 any conflict of law principles or choice of law principles.

19       **85. Cooperation in Drafting.** The Parties have cooperated in the drafting and preparation  
20 of this Settlement. This Settlement will not be construed against any Party on the basis that the Party  
21 was the drafter or participated in the drafting.

22       **86. Fair Settlement.** The Parties and their respective counsel believe and warrant that  
23 this Settlement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at  
24 this Settlement through arms-length negotiations, taking into account all relevant factors, current and  
25 potential.

26       **87. Headings.** The descriptive heading of any section or paragraph of this Settlement is  
27 inserted for convenience of reference only and does not constitute a part of this Settlement.

28       **88. Notice.** All notices, demands or other communications given under this Settlement

1 will be in writing and deemed to have been duly given as of the third business day after mailing by  
2 U.S. Mail, addressed as follows:

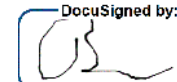
3 *To Class Counsel:* GRAHAMHOLLIS APC  
4 Graham S.P. Hollis, Esq.  
5 Vilmarie Cordero, Esq.  
6 Erik A. Dos Santos, Esq.  
3555 Fifth Avenue, Suite 200  
San Diego, California 92103

7  
8 *To Defense Counsel:* Matthew C. Sgnilek, Esq.  
9 Andrea Rosenkranz, Esq.  
O'HAGAN MEYER  
4695 MacArthur Court, Suite 210  
10 Newport Beach, CA 92660

11 89. **Execution in Counterpart.** This Settlement may be executed in one or more  
12 counterparts. All executed counterparts and each of them will be deemed to be one and the same  
13 instrument provided that counsel for the Parties will exchange between themselves original signed  
14 counterparts. Facsimile signatures, scanned PDF signatures, and electronic signatures will be  
15 presumptive evidence of execution of the original, which shall be produced on reasonable request.  
16 Any executed counterpart will be admissible to prove the existence and contents of this Settlement.  
17  
18

19 DATED: 6/30/2022

**BRANDON STEPPE**

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DATED: 6/30/2022

**STEVEN SCHUTZ**

DocuSigned by:  
Steven Schutz  
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DATED: 6/30/2022

**RESPONSIBLE MEDICAL SOLUTIONS CORP.**

By: Allen Phelps  
255F1EB939A74D1...  
Its: CEO

DATED: 6/30/2022

**GRAHAMHOLLIS APC**

By: Erik Dos Santos  
Graham S.P. Hollis, Esq.  
Vilmarie Cordero, Esq.  
Erik A. Dos Santos, Esq.  
Attorney for Plaintiff  
BRANDON STEPPE

DATED: 6/29/2022

**O'HAGAN MEYER**

By: Andrea Rosenkranz  
Matthew C. Scuderi, Esq.  
Andrea Rosenkranz, Esq.  
Attorneys for Defendants RESPONSIBLE MEDICAL SOLUTIONS CORP. and STEVEN SCHUTZ