

AMENDED STIPULATION OF SETTLEMENT AND RELEASE

This amended stipulation of settlement and release ("Stipulation of Settlement") is made and entered into by and between plaintiff Michelle Otts ("Plaintiff" or "Class Representative"), individually and on behalf of all Direct Care staff members employed between August 17, 2007 and September 9, 2013 ("the Class"), and defendants Care Options Management Plans and Supportive Services, LLC ("COMPASS"), Eric Hess, Sadie Hess, and Joanne McCarley ("Defendants"), and their respective counsel of record, subject to the terms and conditions hereof and the Court's approval. This Stipulation of Settlement is a global resolution which, subject to Court approval, is intended to be a full and final resolution of both Plaintiff's class and individual claims, that were brought, and could have been brought in the Action, pending in the Alameda County Superior Court.

A. Recitals

1. On August 17, 2011, Plaintiff filed a class action complaint against COMPASS in the Superior Court of California, County of Alameda, Case No. RG11591441, entitled *Michelle Otts v. Care Options Management Plans and Supportive Services, LLC*. The complaint alleged causes of action on behalf of Plaintiff and on behalf of a proposed class of Direct Care staff members for: (1) violation of Labor Code § 2802 for failure to reimburse work-related expenses during employment; (2) violation of Labor Code § 1194 for failure to pay overtime wages; and (3) violation of the California Unfair Competition Law ("UCL"), Cal. Bus. & Prof. Code § 17200, based on alleged violations of Cal. Lab. Code §§ 201-204, 226, 226.7, 510, 512, 558, 1174, 1194, 2698 *et seq.* and 2802, and other provisions of California common and/or statutory law, premised on, *inter alia*, alleged inaccurate wage statements, unreimbursed business-related expenses, failure to pay regular and overtime wages for all hours worked, and failure to provide meal periods and failure to provide compensation for work without off-duty meal periods.
2. On October 11, 2011, Plaintiff filed a first amended complaint, which is the operative pleading alleging the same claims as alleged in her original complaint on behalf of Plaintiff and on behalf of a proposed class of Direct Care staff members, and an additional fourth claim for civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Cal. Lab. Code § 2699 *et seq.*, premised on alleged violations of Cal. Lab. Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 558, 1174, 1194, 2802 and 2699.5, and applicable California Industrial Wage Commission ("IWC") Wage Orders on behalf of herself and other aggrieved employees.
3. On September 19, 2012, Defendants filed a motion for summary adjudication as to Plaintiff's claim for overtime wages arising under Labor Code section 1194. On January 11, 2013, the Court granted the motion, which affected not only the claim for unpaid overtime wages, but also the derivative claim for failure to provide meal periods under Labor Code sections 226.7 and 512.
4. On April 2, 2013, Plaintiff filed her motion for class certification, seeking certification of the claim for unreimbursed business expenses under Labor Code section 2802 and for inaccurate wage statements under Labor Code section 226. On August 9, 2013, the Court granted the motion and certified the class as all persons employed in California by COMPASS between August 19, 2007, and the date of notice to the class that a class has been certified. The Court-approved third party administrator, Heffler Claims Group, sent notice to the class on September 9, 2013.
5. On August 5, 2014, after nearly three years of highly contested, hard fought litigation, involving significant law and motion practice, including the above-mentioned summary adjudication and class certification motions, a demurrer, significant motion practice regarding post-

certification communications with the class by Defendants, litigated discovery disputes, written discovery and the exchange of documents and information by the parties, and the deposition of COMPASS's person most knowledgeable witness, as well as the deposition of Plaintiff, Plaintiff and Defendants participated in a mediation with the highly-regarded class action mediator Mark S. Rudy in San Francisco, California. The agreement reached as a result of the mediation between Plaintiff and Defendants is set forth in this Settlement.

B. Definitions

6. "Action" means the case entitled, *Michelle Otts v. Care Options Management Plans and Supportive Services, LLC, et al.* filed on August 17, 2011 in the Superior Court of the State of California, Alameda County, Case No. RG11591441, and all amendments thereto.
7. "Administration Costs" means the actual and direct costs reasonably charged by the Settlement Administrator for its services in administering the Settlement, currently projected by the Parties not to exceed Fifteen Thousand Dollars (\$15,000.00). Administrative Costs allocated but not paid to the Settlement Administrator shall be added to the Net Settlement Proceeds.
8. "Claimants" means those Class Members who do not request exclusion from the Class.
9. "Class Counsel" means Plaintiff's counsel, Robin G. Workman and Aviva N. Roller of Qualls & Workman LLP.
10. "Class Member" means Direct Care staff members employed by Defendants in California from August 17, 2007 through September 9, 2013.
11. "Class Period" shall mean the period from August 17, 2007, through the date of preliminary approval.
12. "Class Released Claims" shall mean any and all claims, rights, demands, liabilities, and causes of action of every nature and description that were alleged in the Action and certified by the Court at class certification, including, but not limited to, claims for damages, restitution, penalties (including penalties pursuant to the Labor Code Private Attorneys General Act of 2004), interest or other monies, and all federal, state and local wage and hour claims, whether known or unknown, suspected or unsuspected, contingent or noncontingent, whether or not concealed or hidden, which existed or arose during the period of August 17, 2007, through the date of preliminary approval of this Settlement Agreement and which are based upon, relate to, or arose in connection with the facts, causes of action, transactions, events, policies, occurrences, acts, disclosures, statements, omissions or failures to act that were alleged in the Action and set forth in the Complaint, including but not limited to what are or could be the basis of the following claims: (1) failure to reimburse business expenses pursuant to Labor Code section 2802; (2) failure to provide accurate wage statements with respect to unreimbursed business expenses pursuant to Labor Code section 226; (3) unlawful, unfair, and fraudulent business practices under California Business and Professions Code section 17200, *et seq.*; (4) violation of Labor Code Private Attorneys General act of 2004 ("PAGA"), California Labor Code section 2698, *et seq.*; and, (5) claims for any other statutory penalties, interest, attorneys' fees or costs.
13. "Complaint" means the complaint filed in the Action on or about August 17, 2011 and the first amended complaint filed in the Action on or about October 11, 2011.
14. "Court" means the Superior Court of the State of California, County of Alameda.
15. "Defendants' Counsel" means Michael Caples of Caples Law & Mediation.

16. "Exclusion Letter" means a letter submitted by a Class Member to the Settlement Administrator and postmarked by the Objection/Exclusion Deadline that includes the Class Member's name and signature and the following statement, or something similar to, "I request to be excluded from the class action settlement in *Michelle Otts v. Care Options Management Plans and Supportive Services, LLC, et al.*, Alameda County Superior Court Case No. RG11591441."
17. "Fee and Expense Award" means such award of fees and costs/expenses as the Court may authorize to be paid to Class Counsel for the services they have rendered and will render to Plaintiff and the Class in the Action. The Fee and Expense Award will not exceed 33% of the Gross Settlement Amount, plus Class Counsel's actual out-of-pocket costs/expenses in prosecuting this Action, which will not exceed Twenty-Five Thousand Dollars (\$25,000.00).
18. "Final Approval" means that the Final Approval Order and the Judgment have been entered by the Court.
19. "Final Approval Order and the Judgment" means the Order Granting Final Approval of Class Settlement and the Judgment issued by the Court within the meaning and for purposes of Code of Civil Procedure sections 577, 904.1(a), and Rule 3.769 of the California Rules of Court.
20. "Gross Settlement Amount" means the amount of Four Hundred Thousand Dollars that Defendants shall pay as a result of this Stipulation of Settlement.
21. "Individual Settlement Payment" means the portion of the Net Settlement Proceeds distributable to each Claimant.
22. "Individual Workweeks" means weeks of employment for each Class Member as reflected by Defendants' corporate and business records, previously produced in the Action, exclusive of leaves of absence. Approximations and averages will be used to cover periods where data is missing or otherwise not available.
23. "Mediator" means Mark S. Rudy, Esq.
24. "Named Plaintiff Award" means the sum paid to Plaintiff Michelle Otts in recognition of her effort in obtaining the benefits of the Settlement and for her general release of claims. The Named Plaintiff Award shall not exceed Seven Thousand Five Hundred dollars (\$7,500).
25. "Net Settlement Proceeds" means the Gross Settlement Amount less the Fees and Expense Award, the Named Plaintiff Award, the PAGA Payment, Defendants' share of State and Federal payroll taxes, and Administration Costs, as approved and awarded by the Court.
26. "Settlement Notice" means the Court-approved form of notice to Class Members of settlement of the Action.
27. "Objection/Exclusion Deadline" means the date forty-five (45) days following the date on which the Settlement Administrator first mails the Settlement Notice to the Class Members.
28. "PAGA Payment" means the sum of Ten Thousand Dollars (\$10,000.00), which shall be allocated from the Gross Settlement Amount to pay all applicable penalties under PAGA to the Labor and Workforce Development Agency ("LWDA"). Seventy-five percent (75%) of this sum (\$7,500) shall be paid to the LWDA, and the remainder shall be included in the Net Settlement Proceeds and distributed to Claimants.
29. "Parties" means Plaintiff and the Settlement Class and Defendants, collectively.
30. "Payment Obligation and Class Release Date" means no later than June 1, 2015, if no objections are filed. If no objections are filed, Defendant shall deposit \$100,000 with the

Settlement Administrator within five (5) business days after the Court grants Final Approval of this Settlement and the remainder of the Gross Settlement Amount (\$300,000) by no later than June 1, 2015. If objections are filed and overruled, and no appeal is taken of the Judgment by an objector, then the Effective Date will be seventy-five (75) days after the entry of said Judgment. If an appeal is taken from the Court's overruling of any objections to the Settlement, then the Effective Date will be five (5) business days after the appeal is withdrawn or after an appellate decision affirming the Final Approval becomes final.

31. "Payroll Taxes" means the employer's portion of FICA, FUTA, and all other state and federal payroll taxes.

32. "Percentage Share" means each Class Member's Individual Workweeks divided by the Total Workweeks.

33. "Plaintiff" and "Class Representative" shall be interchangeable and refer to Michelle Otts.

34. "Preliminary Approval" means that the Court has entered an order granting preliminary approval of the terms and conditions of this Stipulation of Settlement, including the manner of providing notice to Class Members.

35. "Qualifying Workweek" shall mean each week or fraction thereof, an individual worked for Defendants in a position covered by the definition of Class Member during the Class Period.

36. "Released Parties" means Defendants, their subsidiaries, affiliates, parents, children; and their past or present officers, directors, members, shareholders, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, and attorneys.

37. "Settlement" means the terms and conditions set forth in this Stipulation of Settlement and Release.

38. "Settlement Administrator" means Heffler Claims Group LLC.

39. "Settlement Class" or "Class" means all Direct Care staff members employed by Defendants in California during the Class Period. Members of the Settlement Class are referred to herein as a "Class Member" or "Class Members."

40. "Total Workweeks" means the sum of all Individual Workweeks for all Class Members.

C. General

41. The Class Representative believes that the Action is meritorious and that class certification is appropriate.

42. Class Counsel represents the following: Class Counsel has conducted a thorough investigation into the facts of the Action, including formal discovery and extensive informal discovery and exchange of information. This included Class Members' mileage records, payroll data and the number of weeks worked by Class Members. Class Counsel is knowledgeable about and has done extensive research with respect to the applicable law and potential defenses to the claims of the Settlement Class. Class Counsel diligently pursued an investigation of the Class Members' claims against Defendants. Based on documents obtained from Defendants through discovery, the forgoing data, and on their own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement with Defendants for the consideration and on the terms

set forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, various defenses asserted by Defendants, and numerous potential appellate issues. Further, the Class Representative carefully evaluated the terms of the Settlement, and, based on that review, determined that it is fair and reasonable, and therefore hereby waives her right to object to the Settlement or appeal any aspect of the Settlement. Any such objection or appeal shall therefore be void and of no force or effect.

D. Settlement Components

43. The Settlement in this Action shall have six components: (1) the Individual Settlement Payments; (2) the Named Plaintiff Award; (3) the Fee and Expense Award; (4) the Administration Costs; (5) the Defendants' share of State and Federal payroll taxes, and (6) the PAGA Payment. All of these components are included in the Gross Settlement Amount.

(a) **Calculation of the Individual Settlement Payments:** The Settlement Administrator shall have the authority and obligation to calculate the amounts of Individual Settlement Payments in accordance with the methodology set forth in this Settlement and orders of the Court. The Parties recognize and agree that the claims for relief in the Action are extremely difficult to determine with any certainty for any given year, or at all, and are subject to myriad differing calculations and formulas. The Parties agree that the formula for allocating the Individual Settlement Payments to Claimants provided herein is reasonable and that the payments provided herein are designed to provide a fair settlement to such persons, in light of the uncertainties of the compensation alleged to be owed to the Class and the calculation of such amounts.

It shall be the responsibility of the Settlement Administrator to timely and properly withhold from Individual Settlement Payments payable to Claimants all applicable payroll and employment taxes, but not federal, state, and local income taxes, and to prepare and deliver the necessary tax documentation and, thereafter, to cause the appropriate deposits of withholding taxes and informational and other tax return filing to occur. Each Claimant's share of all applicable payroll and employment taxes withheld and deposited with the applicable governmental authorities in accordance with this Stipulation of Settlement shall be a part of, and paid out of, the Individual Settlement Payment to each Claimant. Each Claimant will be responsible for paying all applicable state, local, and federal income taxes on all amounts the Claimant receives pursuant to this Stipulation of Settlement.

The Parties agree that the Individual Settlement Payments will be calculated on the basis of the number of Individual Workweeks. The Individual Settlement Payments will therefore be dependent upon each Claimant's dates of employment, and will be calculated by multiplying the applicable Net Settlement Proceeds by each Class Member's applicable Percentage Share, and the result of this multiplication will be the Class Member's Individual Settlement Payment.

The Individual Settlement Payments will be allocated as follows: 90% to settlement of claims for reimbursement and interest, and 10% to settlement of statutory penalties, which portion will be paid without withholding any amount. The Individual Settlement Payments shall be reported on an IRS Form 1099.

(b) **Named Plaintiff Award:** Defendants agree not to object to Class Counsel's request for the Named Plaintiff Award to the Class Representative. The Named Plaintiff Award will be paid in addition to Plaintiff's Individual Settlement Payment. Should the Named Plaintiff Award approved by the Court be less than the amount sought or denied entirely, the difference shall be added to the Net Settlement Proceeds. Any non-approval or modification by the Court of any requested Named Plaintiff Award shall not be a basis for terminating this Settlement and shall have

no force or effect on the releases contained in this Stipulation of Settlement. An IRS Form 1099 will be issued to the Class Representative in connection with the Named Plaintiff Award.

(c) **Class Counsel's Fees and Costs:** Defendants agree not to object to Class Counsel's request for its Fee and Expense Award. Should the Fee and Expense Award approved by the Court be less than the amount sought or denied entirely, the difference shall be added to the Net Settlement Proceeds. Any non-approval or modification by the Court of any requested Fee and Expense Award shall not be a basis for terminating this Settlement and shall have no force or effect on the releases contained in this Stipulation of Settlement. A Form 1099 will be issued to Class Counsel's firm with respect to the award of attorneys' fees and costs. The Parties acknowledge that good and sufficient consideration provided for in this Settlement shall constitute full satisfaction of any obligation to pay any amounts to any person, attorney or law firm for attorneys' fees, expenses or costs in the Action incurred by any attorney on behalf of Plaintiff or the Class, and shall relieve Defendants and Defendants' Counsel of any other claims or liability to any other attorney or law firm for any attorneys' fees, expenses and/or costs to which any of them may claim to be entitled on behalf of Class Counsel, Plaintiff and/or the Class, and upon the Payment Obligation and Class Release Date, Class Counsel, Plaintiff and the Class will be deemed to have released Defendants from any and all claims for fees and costs resulting from, arising from or connected with the Action.

44. **Remedial Measures by Defendants.** As part of the consideration in this action, Defendants agree to raise the mileage reimbursement rate to 35 cents per mile for Direct Care staff members, effective as of the date of Final Approval. Defendants further agree to implement a procedure whereby a Direct Care staff member may submit proof of automobile-related expenses above and beyond 35 cents per mile to COMPASS. COMPASS shall, in good faith, review all such submissions and reimburse additional expenses as submitted.

E. Releases.

45. Upon the Payment Obligation and Class Release Date, Plaintiff and the Class Members (other than those who submit a timely and valid Exclusion Letter), stipulate and agree that they shall be deemed to have, and by operation of the Court's order granting final approval of the settlement set forth in this Stipulation of Settlement and the Judgment entered pursuant thereto shall have expressly waived, relinquished and fully, finally and forever settled and released the Class Released Claims. Plaintiff and the Class Members (other than those who submit a timely and valid Exclusion Letter) agree not to sue or otherwise make a claim against any of the Released Parties for the Class Released Claims.

46. In addition, Plaintiff agrees not to object to the Settlement, request exclusion from the Settlement or appeal any aspect of the Settlement. Any such objection, request for exclusion, or appeal shall therefore be void and of no force or effect. The Named Plaintiff Award is paid in exchange for Plaintiff's work in this case and for his agreement to execute a general release of all Released Parties for all claims, demands, rights, liabilities, and causes of action, including without limitation known or unknown claims, whether for economic damages, non-economic damages, punitive damages, restitution, tort, contract, penalties, injunctive or declaratory relief, attorneys fees, costs, or other monies or remedies. This release by Plaintiff includes all federal and state statutory claims, and federal and state common law claims (including but not limited to those for contract, tort, and equity), including, without limitation, the Americans with Disabilities Act, Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964 (as amended), 42 U.S.C. §1981, 42 U.S.C. § 1983, the Fair Labor Standards Act, the Employee Retirement Security Income Act of 1974, the California Constitution, the California Fair Employment and Housing Act, the California Unfair Competition Act (California Business and Professions Code section 17200 et seq.), the California Labor Code, including section 132a claims, and claims for additional

compensation relating to stock options. Plaintiff acknowledges the language of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Plaintiff expressly waives the protection of Section 1542. Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by him to exist may hereafter be discovered. It is his intention to settle fully and release all of the claims he now has against the Released Parties, whether known or unknown, suspected or unsuspected. The Named Plaintiff Award shall be paid to Plaintiff specifically in exchange for the general release of the Released Parties from all claims, including those specified in this paragraph and a covenant not to sue the Released Parties.

F. Preliminary Approval

47. Class Counsel shall request a hearing before the Court to seek Preliminary Approval of the Settlement on the earliest practical mutually available date. In conjunction with such hearing, Class Counsel shall submit this Settlement and any other documents necessary to implement the Settlement.

G. Notice and Claim Process.

48. Within five (5) calendar days after entry of the order granting Preliminary Approval, Defendants shall provide to the Settlement Administrator a list of all Class Members, including their last known address, telephone number, social security number, and Individual Workweeks.

49. Within ten (10) calendar days after receiving the Class Member list from Defendants, the Settlement Administrator shall send the Notice via First Class Mail to all Class Members. Prior to the initial mailing, the Settlement Administrator will check the addresses provided by Defendants through the National Change of Address System.

50. If an original Notice is returned as undeliverable with a forwarding address provided by the United States Postal Service, the Settlement Administrator will promptly resend the Notice to that forwarding address. If an original Notice is returned as undeliverable without a forwarding address, the Settlement Administrator will make reasonable efforts to locate forwarding addresses, including a skip trace, and if it obtains a more recent address, will resend the Notice.

51. At least five (5) calendar days prior to the final approval hearing, the Settlement Administrator will provide a declaration of due diligence and proof of mailing with regard to the mailing of the Notice to counsel for the Parties.

52. Absent a showing of good cause to the Court, the Settlement Administrator's determination of eligibility for any Individual Settlement Payment under the terms of this Settlement shall be conclusive, final, and binding on all Parties and all Class Members, so long as the Settlement Administrator has first consulted with the Parties regarding any disputes or questions as to eligibility.

53. The Notice shall provide that Class Members who wish to exclude themselves from the Settlement must submit an Exclusion Letter. Any Class Member who properly requests exclusion using this procedure will not be entitled to any payment from the Settlement and will not

be bound by the Settlement or have any right to object, appeal or comment thereon. Class Members who fail to submit a valid and timely Exclusion Letter shall be bound by all terms of the Settlement and any judgment entered in the Action if the Settlement is approved by the Court.

54. To object to the Settlement, a Class Member must file his or her objection with the Court and serve it on all Parties no later than the Objection/Exclusion Deadline, or ten (10) calendar days after the re-mailing of the Notice to that Class Member, whichever is later.

55. Defendants shall deposit with the Settlement Administrator One Hundred Thousand Dollars (\$100,000) within five (5) calendar days after the Payment Obligation and Class Release Date. Defendants shall deposit the remainder of the Gross Settlement Amount, Three Hundred Thousand Dollars (\$300,000), no later than June 1, 2015.

56. The Settlement Administrator will mail or wire all required payments no later than five (5) calendar days after receipt of the total Gross Settlement Amount from Defendants. If a Claimant's check is returned to the Settlement Administrator, the Settlement Administrator will make all reasonable efforts to re-mail it to the Claimant at his or her correct address. It is expressly understood and agreed that the checks for the Individual Settlement Payments will become void and no longer available if not cashed within one hundred twenty days (120) calendar days after mailing. One half of the amount represented by checks remaining uncashed after the 120-day deadline will be forwarded to the Legal Aid Society-Employment Law Center in San Francisco, California, and one half shall be forwarded to the Northern California Special Olympics. Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification of such completion to the Court, Class Counsel and Defendants' Counsel.

57. No person shall have any claim against Defendants, Defendants' Counsel, Plaintiff, the Class, Class Counsel or the Settlement Administrator based on mailings, distributions and payments made in accordance with this Stipulation of Settlement.

H. Motion for Final Approval.

58. Plaintiff shall timely file the motion for final approval and request entry of the Final Approval Order and the Judgment.

I. Termination.

59. Defendants shall have the unilateral and unfettered right to individually terminate this Settlement agreement, and declare it null and void, such that all parties are returned to their respective positions in this action prior to the signing of this Settlement agreement, if any of the following conditions occurs:

i. The extent and manner of notice provided for in this Stipulation of Settlement are not approved by the Court (or any other court) in all material respects;

ii. The Court fails to issue a Preliminary Approval order in accordance with the terms of this Stipulation of Settlement;

iii. The Court fails to enter a Final Approval Order and Judgment dismissing the Action with prejudice and incorporating the material terms of the Stipulation of Settlement, including but not limited to the scope of the Released Claims and Released Parties; or

iv. The Final Approval Order and Judgment is appealed and is reversed or modified on appeal.

60. If any of the conditions described above occur, and the Defendants elect to terminate the Stipulation of Settlement, then Defendants shall send to Class Counsel written notice of the

election to terminate within ten (10) days of Defendants' receipt of the final report from the Settlement Administrator detailing the Opt Out and Exclusion requests and: (i) the Stipulation of Settlement (including without limitation the class certification provisions of the Stipulation of Settlement) shall have no further force and effect with respect to any Party to the Action and shall not be offered in evidence or used in the Action or any other proceeding by the parties or by anyone else; (ii) counsel for Defendants shall seek to have any Court orders, filings, or other entries on the Court's file that result from the Stipulation of Settlement set aside, withdrawn, and stricken from the record; (iii) the Stipulation of Settlement, and all negotiations, proceedings, and documents prepared, and statements made in connection with either of them, shall be without prejudice to any Party and shall not be deemed or construed to be an admission or confession by any Party of any fact, matter, or proposition of law; and (iv) all Parties to the Action shall stand in the same procedural position as if the Stipulation of Settlement had not been negotiated, made, or filed with the Court.

J. Parties' Authority.

60. The signatories hereto represent that they are fully authorized to enter into this Settlement and bind the Parties to the terms and conditions hereof.

K. Mutual Full Cooperation.

61. The Parties and their counsel agree to fully cooperate with each other to accomplish the terms of this Settlement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions or actions that may become necessary to effectuate the terms of this Settlement, the Parties shall seek the assistance of the Mediator to resolve such disagreement.

62. Further, the Class Representative carefully evaluated the terms of the Settlement, and, based on that review, determined that it is fair and reasonable, and therefore hereby agrees not to and waives her right to object to the Settlement, request exclusion from the Settlement or appeal any aspect of the Settlement. Any such objection or appeal shall therefore be void and of no force or effect. Defendants agree not to dispute that the Settlement is fair, reasonable and adequate.

L. No Prior Assignments.

63. The Parties hereto represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Settlement.

M. No Admission.

64. Nothing contained herein, nor the consummation of this Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants or any of the other Released Parties. Each of the Parties hereto entered into this Settlement with the intention of avoiding further disputes and litigation with the attendant risk, inconvenience and expenses. This Settlement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or any other similar law, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement.

65. Defendants deny any liability and wrongdoing of any kind associated with the claims alleged in the Action, and further deny that the Action is appropriate for class treatment for any purpose other than this Settlement. Defendants contend, among other things, that they complied at all times with the California Labor Code, the Industrial Welfare Commission Wage Orders, and the California Business and Professions Code.

N. Construction.

66. The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement shall not be construed in favor of or against any of the Parties by reason of the extent to which any Party or her or its counsel participated in the drafting of this Settlement.

O. Jurisdiction of the Court.

67. Except for those matters to be resolved by the Settlement Administrator as expressly stated, any dispute regarding the interpretation or validity of or otherwise arising out of this Settlement, or relating to the Action or the Released Claims, shall be subject to the exclusive jurisdiction of the Court, and the Plaintiff, Class Members, and Defendants agree to submit to the personal and exclusive jurisdiction of the Court. The Court shall retain jurisdiction solely with respect to the interpretation, implementation and enforcement of the terms of this Settlement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement embodied in this Settlement and all orders and judgments entered in connection therewith.

P. California Law Governs.

68. All terms of this Stipulation of Settlement shall be governed by and interpreted according to the laws of the State of California, regardless of its conflict of laws.

Q. Invalidity of Any Provision.

69. The Parties request that before declaring any provision of this Stipulation of Settlement invalid, the Court shall first attempt to construe all provisions valid to the fullest extent possible consistent with applicable precedents.

R. Headings.

70. The headings contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement or any provision hereof.

S. Amendment or Modification.

71. This Settlement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

T. Entire Agreement.

72. This Settlement contains the entire agreement between Plaintiff and Defendants relating to the Settlement and transactions contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

U. Binding On Assigns.

73. This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

V. No Solicitation of Settlement Objections or Exclusions.

74. The Parties and their counsel shall not seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement or requests for exclusion from the Settlement, or encourage Class Members to appeal from the Court's Final Approval Order and Judgment.

W. Interim Stay of Proceedings.

75. The Parties agree to hold in abeyance all proceedings in the Action, except such proceedings necessary to implement and complete the Settlement, pending the final approval hearing to be conducted by the Court.

X. Counterparts.

76. This Settlement may be executed in counterparts, and when each of the Parties has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement, which shall be binding upon and effective as to all Parties.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

CLASS COUNSEL:Dated: September 12, 2014

QUALLS & WORKMAN, LLP

By: _____

ROBIN G. WORKMAN

Dated: September 19, 2014**CLASS REPRESENTATIVE:**

MICHELLE OTTS

DEFENDANTS' COUNSEL:

Dated: September __, 2014

CAPLES LAW & MEDIATION

By: _____

MICHAEL E. CAPLES

DEFENDANTS:

Dated: September __, 2014

CARE OPTIONS MANAGEMENT PLANS &
SUPPORTIVE SERVICES, LLC

By: _____

[SIGNATURES CONTINUE TO FOLLOWING PAGE]

CLASS COUNSEL:

Dated: September __, 2014

QUALLS & WORKMAN, LLP

By: _____

ROBIN G. WORKMAN

Dated: September __, 2014

CLASS REPRESENTATIVE:

MICHELLE OTTS

DEFENDANTS' COUNSEL:

Dated: September 24, 2014

CAPLES LAW & MEDIATION

By: _____

MICHAEL E. CAPLES

DEFENDANTS:


Dated: September 24, 2014

CARE OPTIONS MANAGEMENT PLANS &
SUPPORTIVE SERVICES, LLC

By: _____

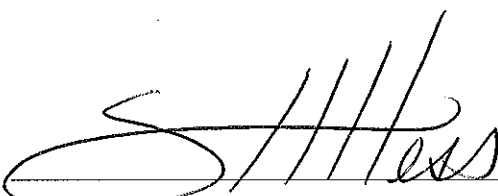
[SIGNATURES CONTINUE TO FOLLOWING PAGE]

Dated: September 24, 2014



ERIC HESS

Dated: September 24, 2014



SADIE HESS

Dated: September 24, 2014



JOANNE MCCARLEY