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CALIFORNIA CHIROPRACTIC ASSOCIATION

10
11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF ALAMEDA

13 CALIFORNIA CHIROPRACTIC
14 ASSOCIATION, on behalf of itself and its
members,

15 Plaintiff,

16 vs.

17 MEDRISK, LLC; MEDRISK HOLDCO,
18 LLC; and DOES 1 through 10, inclusive,

19 Defendants.

Case No. RG19045051

**STIPULATION AND AGREEMENT OF
SETTLEMENT AND RELATED
EXHIBITS A - E**

Date: May 16, 2023

Time: 3:00 p.m.

Dept.: 23

Judge: Hon. Brad Seligman

Reservation No.: A-19045051-001

1 This Stipulation and Agreement of Settlement (the “Stipulation”) dated April 17, 2023 is
2 hereby submitted to the Court pursuant to Rule 3.769 of the California Rules of Court in the matter of
3 *California Chiropractic Association v. MedRisk, LLC et al.*, Superior Court of the State of California
4 for the County of Alameda, Case No. RG19045051 (the “Action”). Subject to the approval of the
5 Court, this Stipulation is entered into among plaintiff California Chiropractic Association (“Plaintiff”),
6 on behalf of itself and Settlement Class Members, on the one hand;¹ and MedRisk, LLC and MedRisk
7 Holdco, LCC (together, “MedRisk” or the “Defendants”), on the other hand, by and through their
8 respective counsel. Plaintiff and Defendants are collectively referred herein as the “Parties” or the
9 “Settling Parties.”

10 1. WHEREAS, on Oct. 23, 2019, Plaintiff filed a complaint (the “Federal Complaint”)
11 against Defendants in the United States District Court for the Southern District of California,
12 commencing the matter entitled *California Chiropractic Association v. MedRisk Holdco, LCC, et al.*,
13 Case No. 19CV2040 LAB BLM (the “Federal Action”);

14 2. WHEREAS, in the Federal Complaint, Plaintiff asserted that the Defendants violated
15 California Business and Professions Code §§ 17200 *et seq.* (the “UCL”), as well as certain other
16 provisions of the Business and Professions Code, the Insurance Code, the Labor Code, and the Health
17 and Safety Code, and sought injunctive relief with regard to such practices;

18 3. WHEREAS, on November 5, 2019, the District Court in the Federal Action issued an
19 Order to Show Cause (“OSC”) Re Subject Matter Jurisdiction. Thereafter, in response to the OSC, the
20 Parties exchanged certain confirmatory discovery concerning the citizenship of Defendants, and
21 Plaintiff determined that there was no diversity jurisdiction under 28 U.S.C. section 1332.

22 4. WHEREAS, on November 25, 2019, consistent with Plaintiff’s response to the OSC,
23 Plaintiff also filed a notice of voluntary dismissal of the Federal Action pursuant to Fed. R. Civ. P. 41
24 (a)(1)(A)(i), dismissing the claims asserted in that matter, without prejudice and with the intent of
25 refiling the Action in state court;

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27 ¹ All capitalized words and terms that are not otherwise defined in text shall have the meaning
28 ascribed in the section entitled “Certain Definitions.”

1 5. WHEREAS, on November 27, 2019, Plaintiff filed a complaint (the “Initial State
2 Complaint”) against Defendants in this Court, asserting substantially the same claims asserted in the
3 Federal Court Complaint, and commencing this Action;

4 6. WHEREAS, on April 27, 2020, Defendants filed a demurrer as to the Initial State
5 Complaint. Defendants argued that Plaintiff lacked the threshold requirement of organizational and
6 associational standing under the UCL to bring suit primarily as a representative action on behalf of its
7 chiropractor members.

8 7. WHEREAS, in response to the demurrer, on June 19, 2020, Plaintiff filed an amended
9 complaint (the “Amended State Complaint”) (together with the Federal Complaint and the Initial State
10 Complaint, the “Complaints”) in the Action, asserting substantially the same claims as were alleged
11 in the Federal Complaint and the Initial State Complaint and added certain allegations relating to
12 organizational/associational standing and asserting the claims in this matter as a putative class action;

13 8. WHEREAS, on July 21, 2020, Defendants filed a second demurrer as to the Amended
14 State Complaint on essentially the same grounds. On September 28, 2020, the Court issued an Order
15 overruling the demurrer to the Amended State Complaint;

16 9. WHEREAS, on October 13, 2020, Defendants answered the Amended State
17 Complaint, by generally denying the allegations made therein and asserting various affirmative
18 defenses;

19 10. WHEREAS, the Parties, through their counsel, have since engaged in arms’-length
20 negotiations of the Action over a period of many months both directly and before an experienced
21 mediator and former California Superior Court Judge, the Hon. Louis Meisinger (Ret.) (“Judge
22 Meisinger”) in a full-day private mediation on February 28, 2022;

23 11. WHEREAS, the Settlement set forth in this Stipulation is the product of substantial,
24 protracted arm’s-length negotiations, including significant mediation efforts conducted by Judge
25 Meisinger. The Parties negotiated the amount of the attorneys’ fee and costs at arm’s-length and only
26 after they reached an agreement on all substantive terms of the Settlement;

1 12. WHEREAS, in recognition of the inherent risks and costs of continued litigation and
2 the benefits of resolving this litigation, the Parties desire to settle and resolve any and all actual or
3 potential claims by or between Plaintiff, on the one hand, and the Released Persons, on the other hand,
4 arising out of or relating to the subject matter of the Action;

5 13. WHEREAS, the Defendants deny any wrongdoing or that they have committed any act
6 or omission giving rise to any liability or violation of law, including the UCL, the Business and
7 Professions Code, the Insurance Code, the Health and Safety Code, or the Labor Code. The Released
8 Persons deny each and every one of the claims alleged by Plaintiff in the Action, including all claims
9 in any of the Complaints. Nonetheless, the Defendants have concluded that continuation of the Action
10 would be protracted, time-consuming, and expensive, and that it is desirable that the Action be fully
11 and finally settled in the manner and upon the terms and conditions set forth in this Stipulation. The
12 Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially
13 a complex case like the Action, and believe that it is desirable and beneficial that the Action be settled
14 in the manner and upon the terms and conditions set forth in this Stipulation.

15 14. WHEREAS, Lead Counsel, on the basis of their further investigation and the opinions
16 of retained experts, have thoroughly analyzed both the underlying events and transactions alleged in
17 the Action and the remaining claims against the Defendants, and the potential defenses thereto. As a
18 result of this information and their discussions with Counsel, Plaintiff has sufficient basis to evaluate
19 the Settlement, as described in this Stipulation, and has concluded that the Settlement is fair,
20 reasonable, and adequate;

21 15. WHEREAS, the Parties wish to settle and compromise any dispute regarding the
22 Action or its subject matter, including but not limited to whether the Action was filed by Plaintiff and
23 defended by the Defendants in good faith and with adequate basis in fact under Section 128.7 of the
24 California Code of Civil Procedure, and the Parties agree that the Action is being voluntarily settled
25 after substantial work at the mediation presided over by Judge Meisinger and on advice of counsel,
26 and that the terms of the Settlement are fair, adequate, and reasonable;

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1 16. WHEREAS, Counsel for Plaintiff has fully investigated the facts and law relevant to
2 the merits of the claims, conducted extensive formal and informal discovery, and concluded that the
3 terms and conditions of the Settlement set forth herein are fair, reasonable, and adequate to Plaintiff
4 and the Settlement Class, and in their best interests, after considering: (i) the substantial benefits that
5 the Settlement Class will receive from the Settlement; (ii) the attendant costs and risks of litigation;
6 and (iii) the desirability of permitting the Settlement to be consummated as provided by the terms of
7 this Stipulation;

8 17. NOW, WHEREFORE, without any admission or concession on the part of the Plaintiff
9 of any lack of merit in the claims asserted in the Action whatsoever, and without any admission or
10 concession on the part of Defendants of any liability, wrongdoing, fault, or lack of merit in the defenses
11 asserted in the Action whatsoever, the Parties hereby STIPULATE AND AGREE, through their
12 respective attorneys, subject to approval of the Court pursuant to 3.769 of the California Rules of
13 Court, to the following terms and conditions:

14 **A. CERTAIN DEFINITIONS**

15 As used in this Stipulation, the following terms have the meanings specified below:

16 1. “Attorneys’ Fees and Expenses” means reasonable fees and costs associated with the
17 pursuit of this matter, including attorneys’ fees, costs, litigation expenses, and fees and expenses of
18 experts, which amounts shall not in the aggregate exceed \$1,300,000, approved in accordance with
19 paragraph D.1-5.

20 2. “Chiropractor” means a health care professional authorized to practice under the
21 Chiropractic Act of California.

22 3. “Class Settlement Administrator” means the California Chiropractic Association (the
23 Parties having agreed that a third-party administrator is not required and that the California
24 Chiropractic Association can adequately administer this settlement), which Lead Counsel request the
25 Court to appoint to administer the Settlement and disseminate notice to the Settlement Class.

26 4. “Court” means the Superior Court of the State of California for the County of Alameda.

27 5. “Defense Counsel” means the law firm of McDermott Will & Emery LLP.
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1 6. “DWC” means the Division of Workers’ Compensation of the California Department
2 of Industrial Relations.

3 7. “E&M Services” means chiropractic evaluation and management services qualifying
4 for and appropriately submitted for billing using CPT codes 99201-99205, 99212-15, 993358, 99359,
5 G2212, or such other codes as the DWC may subsequently add to the OMFS for the billing of
6 chiropractic evaluation and management services within the State of California.

7 8. “Effective Date” means the date on which all of the conditions set forth below in
8 paragraph G.1 shall have been satisfied.

9 9. “Effective Period” means the period commencing on the Effective Date and expiring
10 on the date that is three (3) years after the Effective Date.

11 10. “Final” means the earlier of the following: (1) if no timely written objections to the
12 Settlement are made, the date of entry of the Final Order and Judgment, or (2) if timely written
13 objections to the Settlement are made, the date the Final Order and Judgment becomes “Final.” For
14 purposes of this Section, “Final” means the occurrence of any of the following: (i) final affirmance on
15 an appeal of the Final Order and Judgment, the expiration of the time for a petition for review of the
16 Final Order and Judgment and, if the petition is granted, final affirmance of the Final Order and
17 Judgment following review pursuant to that grant, or (ii) final dismissal of any appeal from the Final
18 Order and Judgment or the final dismissal of any proceeding to review the Final Judgment, or (iii) if
19 no appeal is filed, the expiration of the time for the filing or noticing of any appeal from the Court’s
20 Final Order and Judgment.

21 11. “Lead Counsel” means the law firms of Pomerantz LLP and the Law Offices of Zev B.
22 Zysman, APC, counsel for Plaintiff and the Settlement Class.

23 12. “Licensure Application” means an application for licensure as an MPN pursuant to
24 pursuant to 8 C.C.R. § 9767.1, *et seq.*

25 13. “MPN” means a “Medical Provider Network,” as that term is defined in section
26 9767.1(a)(14) of Title 8, California Code of Regulations.

1 14. “Notice and Administration Expenses” means all expenses incurred (whether or not
2 paid) in connection with the preparation, printing, mailing, and publication of the notice to the
3 Settlement Class of the proposed Settlement, all expenses associated with the Notice, and all other
4 expenses of Settlement administration; provided, however, that none of these expenses shall be
5 deemed to include Attorneys’ Fees and Expenses through the Effective Date.

6 15. “OMFS” means the Official Medical Fee Schedule adopted by administrative director
7 of the DWC pursuant to California Labor Code Section 5307.1 and set forth in section 9789.10, *et seq.*
8 of Title 8, California Code of Regulations.

9 16. “Order and Judgment” means the order and judgment entered by the Court,
10 substantially in the form attached hereto as Exhibit B.

11 17. “Person(s)” means any individual, corporation, partnership, limited liability company
12 or partnership, limited partnership, professional corporation, association, joint stock company, trust,
13 estate, unincorporated association, government, or any political subdivision or agency thereof, any
14 other type of legal or political entity, any representative, and, as applicable, their respective spouses,
15 heirs, predecessors, successors-in-interest, representatives, and assigns.

16 18. “Preliminary Approval Order” means an order by the Court, substantially in the form
17 annexed hereto as Exhibit A, providing for, among other things, preliminary approval of the Settlement
18 and notice to the Settlement Class of the Settlement Hearing.

19 19. “Released Claims” means, except as set forth herein, any and all claims for injunctive
20 relief, declaratory relief, or other similar equitable relief (excluding restitution), including Unknown
21 Claims, actions, obligations, attorneys’ fees, indemnities, subrogations, duties, demands,
22 controversies, and liabilities of every nature, at law or in equity (including, without limitation, claims
23 under federal and state securities laws, and at common law), suspected or unsuspected, accrued or
24 unaccrued, matured or unmatured, whether arising out of or relating to the period prior to or after the
25 date of the Initial Complaint through the Effective Date that any Releasing Persons: (a) asserted in
26 the Federal Complaint, the Initial State Complaint, the Amended State Complaint, or the Action; or
27 (b) could have been asserted in any forum that arise out of, are based upon, or are related in any way
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1 directly or indirectly, in whole or in part, to the allegations, transactions, facts, matters or occurrences,
2 omissions involved, set forth, or referred to in the Federal Complaint, the Initial State Complaint, the
3 Amended State Complaint, or the Action. For further clarification, claims that are not Released Claims
4 include any Settlement Class Member’s claims, if any, for restitution or monetary damages.

5 20. “Released Defendants’ Claims” means all claims, demands, rights, remedies, liabilities,
6 and causes of action of every nature and description whatsoever, whether based on federal, state, local,
7 statutory, or common law, or any other law, rule, or regulation, including both known and Unknown
8 Claims, that: (i) have been or could have been asserted in the Action by any of the Released Persons
9 or the successors and assigns of any of them, against the Plaintiff or any of its attorneys; and (ii) arise
10 out of or relate in any way to the institution, prosecution, or Settlement of the Action or the Released
11 Claims, including but not limited to all claims for malicious prosecution or sanctions. “Released
12 Defendants’ Claims” does not include claims to enforce any of the terms of this Stipulation.

13 21. “Released Person(s)” means the Defendants, as well as each of their respective
14 families, parent entities, controlling persons, associates, affiliates, predecessors, successors,
15 subsidiaries, past or present officers, directors, shareholders, stockholders, members, principals,
16 managers, representatives, employees, attorneys, insurers, financial or investment advisors,
17 consultants, accountants, investment bankers, heirs, assigns or transferees.

18 22. “Releasing Persons” means, collectively and individually, Plaintiff and the Settlement
19 Class, as well as each of their respective successors in interest, predecessors, representatives,
20 executors, administrators, heirs, assigns or transferees, whether immediate or remote, and any person
21 or entity acting for or on behalf of, or claiming under, any of them.

22 23. “Scorecard” means the formula set forth in Exhibit D annexed hereto.

23 24. “Scheduling Criteria” means the criteria set forth in the Exhibit C annexed hereto.

24 25. “Settlement Class” means the Settlement Class for which Plaintiff will seek
25 certification by the Court for the purpose of the Settlement only, consisting of:

26 All members of California Chiropractic Association, located in the State
27 of California, that provided chiropractic treatment services to injured
28 workers in California during the four (4) years preceding June 19, 2020,
through the date of final judgment (the “Settlement Class Period”) in the

1 matter of *California Chiropractic Association v. MedRisk, LLC et al.*,
2 Superior Court of the State of California for the County of Alameda,
Case No. RG19045051 (the “Action”).

3 Excluded from the Settlement Class are Defendants; their corporate parents, subsidiaries, affiliates,
4 and any entity in which Defendants have a controlling interest; any of their officers, directors,
5 employees, or agents; and the judicial officers to whom this matter is assigned as well as their court
6 staff.

7 26. “Settlement Class Member(s)” means a member of the Settlement Class.

8 27. “Settlement Hearing” means the final hearing to be held by the Court to determine: (i)
9 whether the proposed Settlement should be approved as fair, reasonable, and adequate; (ii) whether all
10 Released Claims should be dismissed with prejudice; (iii) whether the Order and Judgment should be
11 entered thereon; and (iv) whether the application for any award of Attorneys’ Fees and Expenses
12 should be approved.

13 28. “Transparency and Process Management Procedures” means the procedures set forth
14 in Exhibit E annexed hereto.

15 29. “Unknown Claims” means: (i) any claims that Plaintiff or any Settlement Class
16 Member does not know or suspect to exist in his, her, or its favor at the time of the release of the
17 Released Persons, which if known by him, her, or it, might have affected his, her, or its decision(s)
18 with respect to the Settlement, including, but not limited to, the decision not to object to the Settlement,
19 provided such claim arises out of or relates to the subject matter of the Released Claims; and (ii)
20 Defendants’ claims that Defendants do not know or expect to exist in their favor, which if known by
21 them might have affected their decision(s) with respect to the Settlement. With respect to any and all
22 Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that upon the
23 Effective Date, the Parties shall be deemed to have waived and by operation of the Order and Judgment
24 shall have waived, any and all provisions, rights, and benefits conferred by any law of any state or
25 territory of the United States, or principle of common law that is similar, comparable, or equivalent to
26 Cal. Civ. Code § 1542, which provides:

27 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
28 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO**
EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE

1 **RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
2 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
3 **DEBTOR OR RELEASED PARTY**

4 Plaintiff acknowledges, and the Settlement Class Members shall be deemed by operation of the Order
5 and Judgment to have acknowledged, that the inclusion of “Unknown Claims” in the definitions of
6 Released Claims and Released Defendants’ Claims was separately bargained for and a key element of
7 the Settlement of which this release is a part.

8 **B. THE SETTLEMENT CONSIDERATION**

9 1. Commencing no later than ten (10) business days following the Effective Date, and
10 continuing to and including the last day of the Effective Period, MedRisk will implement or comply
11 with the following business practice adjustments, therapeutics, or restrictions, with respect to patients
12 and Chiropractors within the State of California:

13 a. MedRisk will implement, utilize, and apply, in connection with the scheduling
14 or assignment of patients within the State of California, the Scheduling Criteria. To the extent that
15 any scheduling or assignment of patients reaches Step Four of the Scheduling Criteria after application
16 of Steps One through Three of the Scheduling Criteria, MedRisk will implement, utilize, and apply
17 the formula described in the Scorecard.

18 b. MedRisk will implement, utilize, and comply with the Transparency and
19 Process Management Procedures.

20 c. MedRisk will comply with the provider bill of rights set forth within Section
21 1375.5 of the California Health & Safety Code.

22 d. During the Effective Period, MedRisk agrees to forward to MedRisk payors, in
23 full, without discounting, all separately billed Evaluation and Management (“E&M”) Services
24 delivered by Chiropractors. MedRisk will notify MedRisk payors that these separately billed Services
25 are not subject to discounting under the MedRisk-payor agreement and will use its commercially
26 reasonable best efforts to ensure that its systems are properly instructed, so that the E&M Services so
27 billed and identified herein are not subject to discounting. Alternatively, Chiropractors may choose
28 to bill MedRisk payors directly for E&M Services provided to Covered Persons. As used in this
Settlement Agreement, E&M Services include without limitation: CPT Codes 99201-99205, 99212-

1 15, 993358, 99359, G2212 or such E&M Services adopted by the California Division of Workers
2 Compensation into the OMFS subsequent to the date of this Settlement.

3 e. In the event that OMFS is increased during the Effective Period, MedRisk will
4 proportionately increase the rate of reimbursement provided to directly contracted Chiropractors
5 whose reimbursement is based upon OMFS. For the purpose of this provision, “proportional,” with
6 respect to contracted Chiropractors whose reimbursement is based upon OMFS, means that the
7 increase in reimbursement is proportional to the increased OMFS rate for contracted services.

8 2. MedRisk shall not change the “preferred” status or otherwise retaliate against any
9 chiropractor who seeks to renegotiate their contract. Pursuant to Labor Code Sections 3215 and
10 3829(a)(b)(3), MedRisk will not penalize a current Chiropractor or any Chiropractor whose rate is
11 available to MedRisk through a subcontract or leased access or any future Chiropractor whether
12 directly contracted or whose services are available through a subcontract or leased access on the basis
13 that the Chiropractor has requested modification of an agreement with MedRisk, submitted a grievance
14 to MedRisk, or otherwise exercised their rights under the terms of this Agreement.

15 3. Unless authorized to do so by the State of California, MedRisk will not hold itself out
16 in any written communications with injured workers, the general public, its clients and prospective
17 clients of any kind (including published or online listings of Chiropractic Networks) as chiropractors.
18 MedRisk further agrees that they will not make any communications to Chiropractors indicating that
19 they will receive more injured worker referrals if they lower their rates or based on being in a particular
20 rate tier. In addition, MedRisk shall not communicate, offer, suggest, or deliver fewer referrals to
21 a Chiropractor solely because that Chiropractor establishes a new contract, or renegotiates a contract
22 for a higher rate. MedRisk shall not solicit, request, receive or accept any discount from any of its
23 contracted Chiropractor, nor provide any consideration to its clients in exchange for any offer,
24 suggestion or agreement with the chiropractor to receive or be in receipt of, preferential referrals of
25 injured workers within their network. MedRisk shall not offer any inducement, consideration for
26 future referrals, bonus score, or preferential tiering to any Chiropractor who contacts MedRisk
27 following a direct communication from a claims administrator.

1 4. MedRisk shall not interfere with or redirect referrals made by the injured worker's
2 primary treating physician ("PTP") which have been approved by a claims adjustor or requested by
3 the injured worker. Except to schedule an appointment with the entity approved by the claims adjustor
4 or requested by the injured worker, MedRisk shall not contact the PTP or injured worker for the
5 purpose of redirecting to a different provider once it has notice that the adjuster has approved a referral
6 to a specific chiropractor. MedRisk shall be deemed to have notice of such approval upon receipt of a
7 copy of the authorization from the claims adjustor or a copy of the Request for Authorization ("RFA")
8 or a writing from the Chiropractor's office confirming the details of the adjustor's verbal authorization
9 including the adjustor's name and phone number, and the claim number.

10 5. MedRisk will at all times cause compliance with requirements of the California Labor
11 Code, including Section 4603.4, its implementing regulations, 8 C.C.R. section 9792.5.0, *et*
12 *seq.*, regarding but not limited to, content and delivery of "Explanations of Review," (EORs).
13 MedRisk will also cause Chiropractors' bills, resulting remittance advice and payments to be
14 compliant with the most recent versions of the California Division of Worker's Compensation Medical
15 Billing and Payment Guide and the California Division of Worker's Compensation Electronic Medical
16 Billing and Payment Companion Guide ("WCMBPG").

17 6. MedRisk will provide written notice to each contracted Chiropractor, in a
18 mutually agreeable form, that provides as follows: "Participating Provider shall have the right
19 to transmit electronic bills consistent with the requirements set forth in the California Division of
20 Worker's Compensation Medical Billing and Payment Guide and the California Division of Workers'
21 Compensation Electronic Medical Billing and Payment Companion Guide through all clearinghouses
22 authorized by the Division of Workers' Compensation. From the date of Settlement, MedRisk shall
23 process all claims consistent with these California e-billing requirements without additional charge by
24 MedRisk."

25 7. MedRisk shall notify all contracted Chiropractors that they may, but will never be
26 required to, opt in to any particular method of payment of their bills which may include but not be
27 limited to, "virtual cards," ACH and checks. Virtual cards may entail a service fee payable by the
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1 provider, but payments through ACH or checks shall entail no service charge payable by the
2 Chiropractor. MedRisk shall not automatically opt in Chiropractors to any particular payment method
3 which requires a service charge. MedRisk shall opt chiropractors into DWC-approved free electronic
4 claims payment at the request of chiropractors, as required by the Labor Code. Furthermore, current
5 and future Chiropractors shall be notified by MedRisk regarding their choice for free electronic claims
6 payment, specifically citing the California Labor Code. Alternative payment methods may not be
7 promoted or used by MedRisk as an inducement to participate in any MPN or other network model,
8 or gain injured worker referrals. And pursuant to Labor Code Sections 3215 and 3820 (a) &
9 (b)(3) contracting practices and referral algorithms shall not be based in whole or in part on which
10 payment option is selected by the Chiropractor.

11 8. MedRisk will provide to the contracted Chiropractor a copy of any remittance advice
12 generated as a result of the Chiropractor's billed services, in the event that any billed services were
13 denied and/or reduced. Further, MedRisk will ensure that the remittance advice provided by it to the
14 Chiropractor contains all relevant reason and remark codes and will provide a phone number on each
15 of its EORs, EOBs or other remittance advice that contracted Chiropractors can use to speak to a
16 MedRisk billing professional for questions or disputes or non-payment of claims. This phone number
17 will be staffed between 9 a.m. and 5 p.m. PST Monday through Friday, holidays excepted, with enough
18 staff, trained and authorized to fully assist the Chiropractor and avoid unreasonable delays or hold
19 times. MedRisk will also use commercially reasonable efforts to ensure that the Chiropractor is able
20 to contact the claims administrator and licensed utilization reviewer known to MedRisk by including
21 their name, email, and phone number on all MedRisk communications regarding individual patients
22 when payment is denied.

23 9. Subject to the indemnification provisions of an individual network Chiropractor's
24 contract, MedRisk will utilize commercially reasonable efforts to ensure that the only reasons it has
25 recouped or will retrospectively recoup money from a Chiropractor is because that Chiropractor has
26 been overpaid by MedRisk or has already been paid directly for the service being recouped. Any
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1 recoupment notice will include all information necessary for the Chiropractor to reconcile its accounts,
2 including the injured worker's name, date of service, amount of recoupment and employer or insurer.

3 10. MedRisk will file a Licensure Application with the DWC seeking licensure as an MPN,
4 within thirty (30) days of receipt of notice of entry of an order by the Court granting preliminary
5 approval of the Settlement. MedRisk will use its commercially reasonable best efforts to secure
6 approval of the Application and licensure as an MPN, provided, however, that the failure to
7 successfully obtain such licensure will not result in termination of this Stipulation, the Settlement that
8 it contemplates, or any other provision contained herein and all such provisions will remain in full
9 force and effect notwithstanding any such failure. MedRisk will provide Plaintiff with copies of all
10 applications papers submitted to the DWC promptly following such submission. Every sixty (60) days
11 following provision to Plaintiff of such initial application papers, and continuing until MedRisk
12 receives a final determination, MedRisk will provide Plaintiff with a written update regarding the
13 status of and material developments with respect to the Application, accompanied by all
14 correspondence with and submissions to the DWC during the preceding sixty (60) day period. All
15 information or material provided pursuant to this provision will be deemed "CONFIDENTIAL" under
16 the Protective Order entered into in connection with this matter and will be treated accordingly.
17 Plaintiff will not use such information or material for any purpose other than monitoring the status of
18 the Application in connection with the Parties' Stipulation and will not use or disclose any information
19 or material except as expressly permitted by the Protective Order. Plaintiff will not interfere with,
20 hinder, or oppose MedRisk's Application. In the event that MedRisk does not become licensed as a
21 MPN, all of the other provisions set forth in this Section B other than this paragraph shall still remain
22 in force during the Effective Period. No other provision of this Stipulation, the Judgement, or this
23 Settlement that they contemplate will become void as a result of the failure to obtain such licensure
24 after submission of an application. Moreover, MedRisk agrees to abide by all of the other provisions
25 set forth in this Section in the event that MedRisk does become licensed, MedRisk is purchased or
26 sold, MedRisk acquires another entity or there is any other change in control involving MedRisk
27 during the Effective Period.

1 11. MedRisk will provide a report, under penalty of perjury, to the Plaintiff every sixty (60)
2 days following the Effective Date regarding MedRisk’s payment of electronically billed claims for the
3 provision of chiropractic services in the State of California. Such report will provide the following
4 information to the extent available to MedRisk: (1) the aggregate number of Valid Claims
5 electronically submitted to MedRisk by California chiropractors during the preceding sixty (60) days
6 (the “Reporting Period”); (2) the average amount of time elapsed from the date upon which
7 electronically submitted claims became Valid Claims from initial submission to the date of issuance
8 of payment; (3) the number of electronically submitted claims MedRisk actually paid within 15 days;
9 (4) an explanation as to all steps MedRisk is taking, or plans to take, to improve compliance with the
10 15 day electronic bill pay requirement with respect to Valid Claims; (5) the time frame(s) within which
11 MedRisk intends to become fully complaint with the 15 day electronic bill pay requirement; and (6)
12 for any claims tendered during such Reporting Period that were not deemed Valid Claims (“Invalid
13 Claims”), a pie chart or other chart breaking down by % what percentage of electronically submitted
14 claims were deemed invalid as a result of each category of issue, including the specific categories
15 described below. For purposes of this Paragraph and Stipulation, “Valid Claims” will include claims
16 (or any portion of claims) that meet all of the following criteria: (1) are complete, including all required
17 information and supporting documentation; (2) were properly submitted to MedRisk, through
18 MedRisk’s system; (3) have been approved by the payor(s) providing coverage or potentially
19 providing coverage for such claims; and (4) for which there is no senior payor obligated to provide
20 first and primary payment for the services covered by such claim(s). For each electronically submitted
21 Valid Claim not paid within 15 days, MedRisk shall pay interest and penalties on such claim(s) as
22 required by the Labor Code.

23 12. MedRisk will provide a report, under penalty of perjury, to the Plaintiff every sixty (60)
24 days following the Effective Date, that details the percentage of referrals during the Reporting Period
25 which were referred based upon each step of the Scheduling Criteria.

26 13. The monitoring and reporting obligations set forth in Paragraphs B.10, B.11, and B.12
27 above shall apply only to chiropractic services in the State of California and only for the Effective
28

1 Period, and shall not extend to any other specialty, location, or time period, and will expire the earlier
2 of: (a) three (3) years following the Effective Date or (b) the date upon which the DWC grants a
3 Licensure Application, whichever has occurred first.

4 **C. SCOPE AND EFFECT OF SETTLEMENT AND RELEASES**

5 1. The obligations incurred pursuant to this Stipulation shall be in full and final disposition
6 of the Action and any and all Released Claims as against all Released Persons, and of any and all
7 Released Defendants' Claims as against the Plaintiff, Settlement Class Members, and their attorneys.

8 2. Pursuant to the Order and Judgment, except with respect to claims to enforce any of
9 the terms of this Stipulation, upon the Effective Date, Plaintiff and each of the Settlement Class
10 Members on behalf of themselves, their current, former and future heirs, executors, administrators,
11 successors, attorneys, insurers, agents, representatives, and assigns, and any Person they represent,
12 shall, with respect to each and every Released Claim, release, waive and forever relinquish and
13 discharge, and shall forever be enjoined from prosecuting, all Released Claims and any and all claims
14 arising out of, relating to, or in connection with the Settlement, or the resolution of the Action against
15 the Released Persons. Further, all Settlement Class Members on behalf of themselves, their current,
16 former and future heirs, executors, administrators, successors, attorneys, insurers, agents,
17 representatives, and assigns, expressly covenant not to assert any Released Claim against any of the
18 Released Persons. The Released Persons' liability to Plaintiff and to the Settlement Class thus
19 expressly is extinguished under the Settlement.

20 3. Notice provided shall inform all Settlement Class Members that their claims against
21 Defendants are wholly released and extinguished as provided in this Section C.

22 4. Pursuant to the Order and Judgment, upon the Effective Date, Defendants shall release
23 and forever discharge each and every one of the Released Defendants' Claims, and shall forever be
24 enjoined from prosecuting the Released Defendants' Claims as against the Plaintiff, Settlement Class
25 Members, or their attorneys, including but not limited to claims for malicious prosecution or sanctions.

1 **D. LEAD COUNSEL’S REQUEST FOR AN AWARD OF ATTORNEYS’ FEES AND**
2 **EXPENSES**

3 1. Lead Counsel intends to submit an application to the Court on behalf of Lead Counsel
4 for: (i) an award of reasonable attorneys’ fees; and (ii) an award of reasonable litigation costs and
5 expenses, plus interest, incurred in connection with the prosecution of the Action. The Parties
6 represent that the amount of the attorneys’ fees and costs to be requested by Lead Counsel was
7 negotiated at arm’s-length, separate and apart from any benefits to the Settlement Class, and only after
8 agreement was reached on all substantive terms of the Settlement, with the assistance of Judge
9 Meisinger.

10 2. MedRisk shall pay any amounts approved by the Court in accordance with the
11 foregoing paragraph D.1 up to the maximum amount of \$1,300,000 within thirty (30) days of the date
12 upon which any order approving Lead Counsel’s application shall have become Final.

13 3. If as a result of any appeal and/or further proceedings on remand, or successful
14 collateral attack, the Attorneys’ Fees and Expenses award is overturned or lowered, or if the Settlement
15 is terminated or is not approved by the Court, or if there is an appeal and any order approving the
16 Settlement does not become final and binding upon the Settlement Class, then, Lead Counsel shall be
17 obligated to make appropriate refund or repayment within thirty (30) days after the Court or any
18 appellate court enters an order reversing or reducing any award of Attorneys’ Fees or Expenses.

19 4. Defendants and their insurance carriers shall have no responsibility or liability for the
20 allocation of any Attorneys’ Fees or Expenses among any counsel or to any other person or any
21 obligation of Lead Counsel to make appropriate refunds or repayments or interest earned thereon.
22 Except as contemplated by this Section, and except for payment of the Notice and Administration
23 Expenses, this Stipulation will provide that the Parties will otherwise bear their own costs and
24 expenses.

25 5. The Settlement is not conditioned upon any award of Attorneys’ Fees or Expenses, and
26 any objection to or appeal from such an award shall not affect the finality of the Settlement or the
27 Order and Judgment of dismissal.

1 **E. THE PRELIMINARY APPROVAL ORDER**

2 1. Promptly after execution of this Stipulation, the Parties shall submit this Stipulation
3 together with its exhibits to the Court and shall jointly apply for entry of a Preliminary Approval Order
4 substantially in the form annexed hereto as Exhibit A, providing for, among other things, preliminary
5 approval of the Settlement and notice to the Settlement Class of the Settlement Hearing. The
6 Preliminary Approval Order (Exhibit A hereto) to be submitted to the Court shall contain exhibits
7 substantially in the form set forth in: (i) the Notice of Pendency and Proposed Settlement of Class
8 Action (“Notice”) (Exhibit A-1 to the Preliminary Approval Order); (ii) the Summary E-mail Notice
9 of Pendency and Proposed Settlement of Class Action (“Summary E-mail Notice”) (Exhibit A-2 to
10 the Preliminary Approval Order); and (iii) the Postcard Notice of Pendency and Proposed Settlement
11 of Class Action (“Postcard Notice”) (Exhibit A-3 to the Preliminary Approval Order). The Class
12 Settlement Administrator will post the Notice, along with other important case-related documents, on
13 Settlement Website at the URL www.calchiro.org.

14 2. The Released Persons are not liable or responsible for the method of, or representations
15 made in, the Notice, the Summary E-mail Notice, or the Postcard Notice.

16 **F. ORDER AND JUDGMENT TO BE ENTERED BY THE COURT APPROVING THE**
17 **SETTLEMENT**

18 1. The Parties shall seek to have the Court enter an Order and Judgment substantially in
19 the form of Exhibit B hereto.

20 2. The Order and Judgment will provide that: (i) nothing in the Order and Judgment will
21 bar the Released Persons from pursuing claims that are outside the scope or independent of the
22 Released Claims, including but not limited to any claim that any Released Person may have for
23 indemnification in connection with the Action, or for advancement of fees and expenses,
24 indemnification, or contribution in connection with any other claim, demand, controversy, action, or
25 liability; and (ii) nothing in the Order and Judgment will bar or constitute a release of any claim by
26 any of the Released Persons for any insurance coverage, including, without limitation, insurance
27 coverage arising out of, related to, or in connection with the Action or the Released Claims.
28

1 **G. CONDITIONS OF SETTLEMENT**

2 1. The Effective Date shall be the date on which all of the following conditions have been
3 satisfied:

4 a. The Court has entered the Preliminary Approval Order (Exhibit A hereto) in all
5 material respects, or such other preliminary approval order that the Parties agree is consistent with the
6 Settlement;

7 b. No party has exercised, within the required time period, any right to terminate
8 the Settlement as permitted by Section H below;

9 c. The Court has entered the Order and Judgment (Exhibit B hereto) in all material
10 respects, or such other final approval order and judgment as the Parties agree is consistent with the
11 Settlement; and

12 d. The Court's Order and Judgment has become "Final," as defined in paragraph
13 A.9.

14 2. Upon the occurrence of all of the events referenced in paragraph G.1 above, Plaintiff
15 shall have, and each and all of the Settlement Class Members shall hereby be deemed to have, and by
16 operation of the Order and Judgment shall have, fully, finally, and forever released, waived, settled,
17 and discharged, in accordance with the terms of Section C above, the Released Persons from and with
18 respect to the Released Claims.

19 **H. RIGHTS OF TERMINATION AND EFFECTS THEREOF**

20 1. Defendants and Plaintiff shall each have the right to terminate the Settlement and this
21 Stipulation by providing written notice of their election to do so to all other counsel for the Settling
22 Parties within thirty (30) days after the date on which any of the following occurs:

23 a. the Court declines to enter the Preliminary Approval Order (Exhibit A hereto)
24 in any material respect, or an alternative preliminary approval order that all Parties agree is consistent
25 with the terms of the Settlement;

1 b. the Court declines to issue an order to approve this Stipulation in any material
2 respect, except with respect to any decision by the Court concerning the Attorneys' Fees and Expenses
3 and Award to Plaintiff;

4 c. the Court declines to enter the Order and Judgment (Exhibit B hereto) in any
5 material respect, or such alternative final approval order and judgment that all Parties agree is
6 consistent with the terms of the Settlement; or

7 d. the Order and Judgment is modified or reversed in any material respect by a
8 Court of Appeals or the United States Supreme Court.

9 2. If this Stipulation and the Settlement are terminated pursuant to the terms set forth
10 herein, all of the Parties shall be deemed to have reverted *nunc pro tunc* to their respective status prior
11 to the execution of this Stipulation and the Parties shall proceed in all respects as if this Stipulation
12 had not been executed and the related orders had not been entered, without prejudice in any way from
13 the negotiation, fact, or terms of the Settlement, and preserving all of their respective claims and
14 defenses in the Action, and shall revert to their respective positions in the Action. No order of the
15 Court or modification or reversal of any order of the Court concerning the Attorneys' Fees or Expenses
16 shall constitute grounds for termination of this Stipulation or the Settlement.

17 3. The rights of termination provided by Sections H.1 above is exclusive, and Defendants
18 and Plaintiff otherwise have no termination rights.

19 **I. MISCELLANEOUS PROVISIONS**

20 1. The Parties: (i) acknowledge that it is their intent to consummate the Settlement
21 contemplated by this Stipulation; (ii) agree to cooperate to the extent necessary to effectuate and
22 implement all terms and conditions of this Stipulation; and (iii) agree to exercise their best efforts and
23 to act in good faith to accomplish the foregoing terms and conditions of this Stipulation.

24 2. The Parties acknowledge and warrant as follows:

25 a. By executing this Stipulation, each of the Parties represents that they have
26 carefully read and fully understand this Stipulation and its final and binding effect;

1 b. By executing this Stipulation, each of the Parties represents that they have the
2 right, legal capacity, power and authority to enter into this Stipulation and to perform their obligations
3 hereunder, without requiring additional consent, approval, or authorization of any other Person, board,
4 entity, tribunal, or other regulatory or governmental authority;

5 c. By executing this Stipulation, each of the Parties represents that the execution
6 and delivery of this Stipulation and the performance of each and every obligation in this Stipulation
7 does not and will not result in a breach of or constitute a default under, or require any consent under,
8 any duty, relationship, contract, agreement, covenant, promise, guarantee, obligation or instrument to
9 which the executing Settling Party is a party or by which the executing Settling Party is bound or
10 affected;

11 d. By executing this Stipulation, each of the Parties represents that there is no
12 demand for non-monetary or injunctive relief, or any civil, criminal, administrative, or arbitration
13 proceeding for nonmonetary or injunctive relief known or suspected to exist against them that would
14 affect this Stipulation or their ability to enter into, execute or perform each and every obligation in this
15 Stipulation;

16 e. By executing this Stipulation, each of the Parties represents that no
17 representations, warranties, inducements or promises of any kind or character have been made by any
18 other Party, Released Person, or anyone else to induce the execution of this Stipulation except as
19 expressly provided in this Stipulation, and that this Stipulation constitutes the entire agreement
20 between the Settling Parties;

21 f. By executing this Stipulation, each of the Parties represents that this Stipulation
22 is fair and is executed voluntarily, with full knowledge of the consequences and implications of the
23 obligations contained in this Stipulation;

24 g. By executing this Stipulation, each of the Parties represents that this Stipulation
25 is not the result of any fraud, duress, or undue influence, and that they have not assigned, transferred,
26 or conveyed, or purported to assign, transfer, or convey, voluntarily, involuntarily, or by operation of
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1 law, any or all of their respective rights and claims or any security interest with respect to any of their
2 respective rights and claims;

3 h. By executing this Stipulation, each of the Parties represents that they have had
4 the opportunity to be represented by counsel of their choice throughout the negotiations which
5 preceded the execution of this Stipulation and in connection with the preparation and execution of this
6 Stipulation; and

7 i. By executing this Stipulation, each of the Parties represents that they have been
8 afforded sufficient time and opportunity to review this Stipulation with advisors and counsel of their
9 choice.

10 3. All of the exhibits attached hereto are hereby incorporated by reference as though fully
11 set forth in this Stipulation.

12 4. No amendment or modification of this Stipulation shall be effective unless in writing
13 and signed by, or on behalf of, the Parties or their successors-in-interest.

14 5. Whenever this Stipulation requires or contemplates that a Party shall or may give notice
15 to the other, unless otherwise specified, notice shall be provided by email and/or next-day (excluding
16 Saturday and Sunday) express delivery service as follows, and shall be deemed effective upon delivery
17 to the indicated electronic or physical address, as the case may be, below:

18 (i) If to the Settlement Class:

19
20 Jordan L. Lurie
21 Ari Y. Basser
22 Pomerantz LLP
23 1100 Glendon Avenue, 15th Floor
24 Los Angeles, CA 90024

25 -and-

26 Zev B. Zysman
27 Law Offices of Zev B. Zysman, APC
28 15760 Ventura Boulevard, Suite 700
Encino, CA 91436

(ii) If to Defendants:

Thomas A. Ryan
Jason D. Strabo
Erica B. Lang

1 McDermott Will & Emery LLP
2 2049 Century Park East, Suite 3200
3 Los Angeles, CA 90067-3206

4 6. Except as otherwise provided herein, each Party shall bear its own costs, except for an
5 award of Attorneys' Fees and Expenses and payment of the Notice and Administration Expenses.

6 7. In the event that there is an event of alleged noncompliance with any terms of the
7 Settlement, such matter will be presented for arbitration before Judge Meisinger or a suitable mutually
8 agreeable alternative on an expedited basis. In the event that Judge Meisinger is unavailable or
9 unwilling to oversee such arbitration, and the Parties are unable to agree on an alternative arbitrator,
10 JAMS will appoint a successor arbitrator according to the then applicable JAMS rules governing the
11 appointment of arbitrators. The prevailing party in any such arbitration will be entitled to an award of
12 their reasonable attorneys' fees and costs associated with such arbitration. The party seeking to resolve
13 the event of an alleged noncompliance ("Petitioner") shall present a letter, setting forth the dispute, to
14 the alleged non-complaint party ("Respondent"). Respondent shall have ten (10) business days to
15 respond and remedy the alleged violation. If no response is received and/or Petitioner determines that
16 the remedy is inadequate, Petitioner may bring the matter to the arbitrator's immediate attention. At
17 that point, the arbitrator shall determine how to proceed in order to resolve the dispute on an expedited
18 basis (e.g., detailed submissions, oral argument etc.). Notwithstanding the foregoing, Plaintiff retains
19 the right, as it deems necessary, to file suit to enforce this Stipulation and/or to enforce any of its terms.

20 8. Lead Counsel, on behalf of the Settlement Class, is authorized to take all appropriate
21 action required or permitted to be taken by the Settlement Class pursuant to this Stipulation to
22 effectuate its terms and is also expressly authorized to enter into any modifications or amendments to
23 this Stipulation on behalf of the Settlement Class.

24 9. The persons signing this Stipulation represent that they are authorized to do so on
25 behalf of their respective clients.

26 10. This Stipulation may be executed in one or more original, photocopied, PDF copies or
27 facsimile counterparts. All executed counterparts and each of them shall be deemed to be one and the
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1 same instrument. A copy of the complete set of executed counterparts of this Stipulation shall be
2 electronically filed with the Court.

3 11. This Stipulation shall be binding upon, and inure to the benefit of, the successors,
4 assigns, executors, administrators, heirs, and representatives of the Parties. No assignment shall
5 relieve any party hereto of any obligations hereunder.

6 12. All terms of this Stipulation and all exhibits hereto shall be governed and interpreted
7 according to the laws of the State of California without regard to its rules of conflicts of law.

8 13. Other than as described above with respect to arbitration, Plaintiff, on behalf of itself
9 and each member of the Settlement Class, and Defendants hereby irrevocably submit to the jurisdiction
10 of the Court for any suit, action, proceeding, or dispute arising out of or relating to this Stipulation,
11 the applicability of this Stipulation, or the enforcement of this Stipulation. The administration and
12 consummation of the Settlement as embodied in this Stipulation shall be under the authority of the
13 Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards
14 of Attorneys' Fees and Expenses to Lead Counsel, and enforcing the terms of this Stipulation.

15 14. Because of the arm's-length negotiations that preceded the execution of this
16 Stipulation, all Parties have contributed substantially and materially to the preparation of this
17 Stipulation. This Stipulation shall not be construed against any Party on the basis that such party was
18 the primary drafter of this Stipulation, or if so construed, this Stipulation shall be construed as if all
19 Parties participated equally in such drafting.

20 15. Neither this Stipulation, nor the fact of the Settlement, is an admission or concession
21 by Released Persons of any liability or wrongdoing whatsoever. This Stipulation shall not constitute
22 a finding of the validity or invalidity of any factual allegation or any claims in the Action or of any
23 liability or wrongdoing by any of the Released Persons. This Stipulation, the fact of the Settlement,
24 the Settlement proceedings, the Settlement negotiations, and any related documents, shall not be used
25 or construed as an admission of any factual allegation, fault, liability, or wrongdoing by any person or
26 entity, and shall in no event be offered or received in evidence as an admission, concession,
27 presumption, or inference against any party in any action or proceeding of any nature.
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1 Notwithstanding the foregoing, the Settling Parties and other Released Persons may file or refer to the
2 Stipulation, the fact of the Settlement, the Settlement Proceedings, and any orders or judgment entered
3 in connection therewith: (a) to effectuate the liability protections granted hereunder or thereunder,
4 including without limitation, to support a defense or counterclaim based on principles of res judicata,
5 collateral estoppel, release, good-faith settlement, or any theory of claim preclusion or issue preclusion
6 or similar defense or counterclaim, and any argument that the Settling Parties' argument and/or
7 conduct of their business are in compliance with applicable laws and/or regulations; or (b) to enforce
8 the terms of the Stipulation and/or this Order and Final Judgment.

9 16. The Parties intend the Settlement to be a final and complete resolution of all claims and
10 disputes asserted or that could be asserted by the Settlement Class Members against the Released
11 Persons with respect to the Released Claims. Accordingly, the Parties agree to cooperate to seek
12 maintenance of the stay of the Action pending negotiation, execution, and final approval by the Court.
13 Plaintiff agrees to not initiate or pursue any proceedings against the Defendants concerning the
14 Released Claims, other than those necessary to obtain final approval of the Settlement and dismissal
15 with prejudice of the underlying Action.

16 17. The Parties agree that the amount paid and the other terms of the Settlement were
17 negotiated at arm's-length in good faith by the Parties, and reflect an agreement that was reached
18 voluntarily after consultation with experienced legal counsel.

19 18. All agreements made and orders entered during the course of the Action relating to the
20 confidentiality of information shall survive the Settlement.

21 19. The Parties agree that Plaintiff will submit any press release relating to this Settlement
22 or the terms of this Stipulation to Defendants for their approval prior to publication.

23 19. The headings in this Stipulation are used for purposes of convenience and ease of
24 reference only and are not meant to have any legal effect, nor are they intended to influence the
25 construction of this Stipulation in any way.

26 20. The waiver by one Released Person of any breach of this Stipulation by any other
27 Settling Party shall not be deemed a waiver by any other Released Person or of any other breach of
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1 this Stipulation. The provisions of this Stipulation may not be waived except by a writing signed by
2 the affected Party or counsel for that Party. No failure or delay on the part of any Party in exercising
3 any right, remedy, power, or privilege under this Stipulation shall operate as a waiver thereof or of
4 any other right, remedy, power, or privilege of such Party under this Stipulation; nor shall any single
5 or partial exercise of any right, remedy, power, or privilege under this Stipulation on the part of any
6 Party operate as a waiver thereof or of any other right, remedy, power, or privilege of such Party under
7 this Stipulation, or preclude further exercise thereof or the exercise of any other right, remedy, power,
8 or privilege.

9 21. The Parties agree that nothing contained in this Stipulation shall cause any Party to be
10 the agent or legal representative of another Party for any purpose whatsoever, nor shall this Stipulation
11 be deemed to create any form of business organization between the Parties, nor is any Party granted
12 any right or authority to assume or create any obligation or responsibility on behalf of any other Party,
13 nor shall any Party be in any way liable for any debt of another Settling Party as a result of this
14 Stipulation except as explicitly set forth in this Stipulation.

15 22. The Parties agree that the Settlement is not contingent on any of the Parties settling
16 with any other party in the Action or in any other litigation.

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1 IN WITNESS WHEREOF, the Parties, intending to be legally bound by this Stipulation, have
2 caused this Stipulation to be executed, by their duly authorized attorneys, as of the day and year first
3 above written.

4
5 CALIFORNIA CHIROPRACTIC ASSOCIATION

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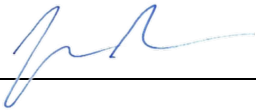
8 _____ Date: April 20, 2023

9 /s/
10 By: Jordan L. Lurie / Ari Y. Basser
11 **POMERANTZ LLP**
12 Counsel for Plaintiff

13 _____
14 /s/
15 By: Zev B. Zysman
16 **LAW OFFICES OF ZEV B. ZYSMAN, APC**
17 Counsel for Plaintiff

13 _____ Date: April ____, 2023

16 MEDRISK, LLC AND MEDRISK HOLDCO, LCC

17 

18 _____ Date: April 26, 2023

19 /s/
20 By: Thomas A. Ryan / Jason D. Strabo
21 **McDERMOTT WILL & EMERY LLP**
22 Counsel for Defendants

1 IN WITNESS WHEREOF, the Parties, intending to be legally bound by this Stipulation, have
2 caused this Stipulation to be executed, by their duly authorized attorneys, as of the day and year first
3 above written.

4
5 CALIFORNIA CHIROPRACTIC ASSOCIATION
6

7
8 _____

Date: April __, 2023

9 /s/
10 By: Jordan L. Lurie / Ari Y. Basser
11 **POMERANTZ LLP**
12 Counsel for Plaintiff

13 _____
14 

Date: April 20, 2023

15 /s/
16 By: Zev B. Zysman
17 **LAW OFFICES OF ZEV B. ZYSMAN, APC**
18 Counsel for Plaintiff

19 MEDRISK, LLC AND MEDRISK HOLDCO, LCC
20

21 _____

Date: April __, 2023

22 /s/
23 By: Thomas A. Ryan / Jason D. Strabo
24 **McDERMOTT WILL & EMERY LLP**
25 Counsel for Defendants
26
27
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EXHIBIT A

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

CALIFORNIA CHIROPRACTIC
ASSOCIATION, on behalf of itself and its
members,

Plaintiff,

v.

MEDRISK, LLC, MEDRISK HOLDCO,
LLC, and DOES 1 through 10, inclusive,

Defendants.

Case No. RG19045051

**[PROPOSED] ORDER
PRELIMINARILY APPROVING
SETTLEMENT AND
PROVIDING FOR NOTICE**

Hon. Brad Seligman

CLASS ACTION

1 **EXHIBIT A**

2 On _____ (month) ____ (day), 2023, this Court heard Plaintiff California Chiropractic
3 Association’s (“Plaintiff” or “CCA”) unopposed motion for preliminary approval of class settlement
4 and provisional class certification under California Rule of Court 3.769(c) and (d).

5 Having read and considered the Stipulation and Agreement of Settlement (the “Stipulation” or
6 “Settlement”), the proposed “Notice of Pendency and Proposed Settlement of Class Action”
7 (“Notice”), the proposed “Summary Notice of Pendency and Proposed Settlement of Class Action”
8 (“Summary E-mail Notice”), the proposed “Postcard Notice of Pendency and Proposed Settlement of
9 Class Action” (“Postcard Notice”), Plaintiff’s Motion for Preliminary Approval of Class Action
10 Settlement, Plaintiff’s Memorandum of Points and Authorities in support thereof, and all other
11 submissions made relating to the proposed Settlement, the Court finds good cause to GRANT the
12 motion, and hereby rules as follows:

13 FINDINGS:

- 14 1. Unless indicated otherwise, capitalized terms used herein have the same meanings
15 defined in the Stipulation.
- 16 2. The Stipulation is preliminarily approved as fair, reasonable and adequate.
- 17 3. The Class is provisionally certified, for settlement purposes only, as follows:

18 All members of California Chiropractic Association, located in the State of California,
19 that provided chiropractic treatment services to injured workers in California during
20 the four (4) years preceding June 19, 2020, through the date of final judgment (the
21 “Settlement Class Period”) in the matter of *California Chiropractic Association v.*
22 *MedRisk, LLC et al.*, Superior Court of the State of California for the County of
Alameda, Case No. RG19045051 (the “Action”).

23 4. The Stipulation, including the Notice, Summary Email Notice and Postcard Notice
24 attached to the Stipulation and hereto as Exhibits A1-A3, is preliminarily approved.

25 5. The (a) Notice, Email Notice and Postcard Notice constitute the best notice practicable
26 under the circumstances, (b) constitute valid, due, and sufficient notice to all members of the Class,
27 and (c) comply fully with the requirements of California Code of Civil Procedure section 382,
28 California Rules of Court 3.766 and 3.769, the California and United States Constitutions, and other

1 applicable law. The Notice, Email Notice and Postcard Notice are preliminarily approved. No
2 Settlement Class Member will be relieved from the terms of the Settlement, including the releases
3 provided for therein, based upon the contention or proof that such Settlement Class Member failed to
4 receive actual or adequate notice.

5 6. For settlement purposes only, the Class is so numerous that joinder of all Class
6 Members is impracticable, Plaintiff's claims are typical of those of the Class, there are questions of
7 law and fact common to the Class and such common questions which predominate over any questions
8 affecting only individual members of the Class, and Class certification is superior to other available
9 methods for the fair and efficient adjudication of the controversy.

10 7. Dawn Benton, Executive Vice President and Chief Executive Officer, California
11 Chiropractic Association is appointed and approved as the Claims Administrator for the Settlement.
12 Plaintiff California Chiropractic Association is conditionally certified as the class representative to
13 implement the Settlement. The Law Offices of Zev B. Zysman, APC and Pomerantz LLP are
14 conditionally appointed as Class Counsel. Plaintiff and Class Counsel will fairly and adequately
15 protect the interests of the Class. Class Counsel has the authority to act on behalf of the Class with
16 respect to all acts or consents required by or that may be given pursuant to the Stipulation or such other
17 acts that are reasonably necessary to consummate the Settlement.

18 8. The plan of notice for this Settlement is approved: (a) the Claims Administrator shall
19 use reasonable efforts to identify those Settlement Class Members for whom CCA has an email address
20 in its business records and cause the Summary E-mail Notice, to be sent by email to all Settlement
21 Class Members, within fourteen (14) calendar days of the entry of this Order, advising them of the
22 Settlement and of the availability of documentation on the settlement website; (b) the Claims
23 Administrator shall use reasonable efforts to identify those Settlement Class Members for whom CCA
24 has a postal address in its business records and cause the Postcard Notice to be mailed, by first-class
25 mail, to all Settlement Class Members for whom CCA does not have email addresses, within fourteen
26 (14) calendar days of the entry of this Order, or for whom the Summary E-mail Notice bounced back
27 or was returned; (c) the Claims Administrator shall publish the Settlement Website, within fourteen
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1 (14) calendar days of the entry of this Order, and shall cause at least the operative Complaint, Notice,
2 Stipulation, Preliminary Approval Order, and Motion for Attorneys' Fees and Costs to be posted under
3 the "Important Notices" link on the following Settlement Website: www.calchiro.org. The Claims
4 Administrator shall, at or before the Settlement Hearing, serve upon Defense Counsel, and file with
5 the Court, proof of mailing of the E-mail Notice and Postcard Notice, to Settlement Class Members.
6 Such filing may be performed by Class Counsel.

7 9. A hearing (the "Settlement Hearing") pursuant to Rule 3.769 of the California Rules of
8 Court is hereby scheduled to be held before the Court on _____, 2023 at _____ to determine whether
9 the Settlement should be finally approved as fair, reasonable, and adequate. This Court may order the
10 Settlement Hearing to be postponed, adjourned, or continued. If that occurs, the updated hearing date
11 shall be posted on the Settlement Website but, other than the website posting, no additional notice to
12 Settlement Class Members shall be required.

13 10. Settlement Class Members have the option to appear at the Settlement Hearing, either
14 in person or through personal counsel hired at the Settlement Class Member's expense, to object to
15 the fairness, reasonableness, or adequacy of the Settlement and the award of attorneys' fees and costs.
16 However, Settlement Class Members (with or without their attorneys) intending to make an
17 appearance at the Fairness Hearing must inform the Parties and the Court by providing a "Notice of
18 Intention to Appear" by no later than the deadline set forth below. Such a "Notice of Intention to
19 Appear" must be timely served upon the Claims Administrator. Only Settlement Class Members who
20 serve timely Notices of Intention to Appear may speak at the Settlement Hearing. The timeliness of
21 any Notice of Intention to Appear shall be conclusively determined by the postmark date if mailed, or
22 the delivery date if delivered by some other means.

23 11. Class Members who desire to object to the Settlement must serve a written objection
24 on the Claims Administrator per the schedule set forth below. Written objections must state: (1) the
25 case name and number (*California Chiropractic Association v. MedRisk, LLC, et al.*, Case No.
26 RG19045051; (2) the Class Member's full name, address, email address, and telephone number; (3)
27 the words "Notice of Objection" or "Formal Objection"; (4) in clear and concise terms, the legal and
28

1 factual arguments supporting the objection; (5) facts supporting the person’s status as a Class Member;
2 (6) the Class Member’s signature and the date; and (7) the following language immediately above the
3 Class Member’s signature and date: “I declare under penalty of perjury under the laws of the State of
4 California that the foregoing statements regarding class membership are true and correct to the best of
5 my knowledge.”

6 12. Settlement Class Members who fail to object to the Settlement in the manner specified
7 above will: (1) be deemed to have waived their right to object to the Settlement; (2) be foreclosed from
8 objecting (whether by a subsequent objection, intervention, appeal, or any other process) to the
9 Settlement Agreement; and (3) not be entitled to speak at the Settlement Hearing. The timeliness of
10 any objection shall be conclusively determined by the postmark date if mailed, or the delivery date if
11 delivered by some other means.

12 13. Any submissions filed in response to any objections or in further support of the
13 Settlement, and any application for Attorneys’ Fees and Costs shall be filed per the schedule below.

14 14. The Court reserves the right to approve the Settlement with such modifications as may
15 be agreed upon or consented to by the Settling Parties and without further notice to the Settlement
16 Class where to do so would not impair Settlement Class Members’ rights in a manner inconsistent
17 with Rule 3.769 and due process of law.

18 15. All discovery and pretrial proceedings and deadlines are stayed and suspended until
19 further notice from the Court, except for such actions as are necessary to implement the Settlement
20 and this Order.

21 16. In the event that the Settlement does not become Final and effective in accordance with
22 the terms and conditions set forth in the Stipulation, then the Stipulation shall be rendered null and
23 void of no further force or effect, and all Settling Parties shall be deemed to have reverted *nunc pro*
24 *tunc* to their respective status prior to the execution of the Stipulation, and the Settling Parties shall
25 proceed in all respects as if the Stipulation had not been executed and the related orders had not been
26 entered, without prejudice in any way from the negotiation, fact, or terms of the Settlement, and
27 preserving all of their respective claims and defenses in the Action, and shall revert to their respective
28

1 positions in the Action.

2 17. Nothing in this Order is, or may be construed as, an admission or concession on any
3 point of fact or law by or against any Party.

4 18. Notwithstanding the foregoing paragraph, the Settling Parties and other Released
5 Persons may file or refer to this Order and Final Judgment, the Stipulation, and Preliminary Approval
6 Order: (a) to effectuate the liability protections granted hereunder or thereunder, including without
7 limitation, to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel,
8 release, good-faith settlement, or any theory of claim preclusion or issue preclusion or similar defense
9 or counterclaim; or (b) to enforce the terms of the Stipulation and/or this Order and Final Judgment.

10 19. The Court retains exclusive jurisdiction over the action to consider all further matters
11 arising out of, or relating to, the Settlement.

12 20. Without further order of the Court, the Settling Parties may agree to reasonable
13 extensions of time to carry out any of the provisions in the Stipulation.

14 21. On _____, at _____, this Court will hold a Settlement Hearing to determine
15 whether the Stipulation should be finally approved as fair, reasonable, and adequate. Based on the
16 date of this Order and the date of the Settlement Hearing, the following are the timing for the events
17 described in this Order:

18

Event	Timing
Last day for the Claims Administrator, to send Summary Email Notice and Postcard Notice, and start operating Settlement Website	14 days after entry of this Order
Last day for Plaintiff to file Motion for Attorneys' Fees	46 days after entry of this Order

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<p>1 Last day for Class Members to object to the 2 Settlement and/or file Notice of Intent to 3 Appear at Settlement Hearing</p>	<p>60 days after entry of this Order</p>
<p>5 Last day for Parties, individually or jointly, to 6 file briefs in support of the Final Order and 7 Judgment</p>	<p>14 days before Settlement Hearing</p>
<p>8 Last day for Parties, individually or jointly, to 9 file a response to any objection</p>	<p>7 days before Settlement Hearing</p>

11 This Court may order the Settlement Hearing to be postponed, adjourned, or continued. If
12 that occurs, the updated hearing date shall be posted on the Settlement Website but, other than the
13 website posting, the Parties will not be required to provide any additional notice to Settlement Class
14 Members.

15 **IT IS SO ORDERED.**

18 Dated: _____

HON. JUDGE BRAD SELIGMAN

EXHIBIT A1

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

CALIFORNIA CHIROPRACTIC,
ASSOCIATION, on behalf of itself and its
members,

Plaintiff,

v.

MEDRISK, LLC, MEDRISK HOLDCO, LLC,
and DOES 1 through 10, inclusive,

Defendants.

Case No. RG19045051

**NOTICE OF PENDENCY OF CLASS
ACTION SETTLEMENT**

Hon. Brad Seligman

CLASS ACTION

EXHIBIT A-1

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

California Chiropractic Association v. MedRisk, LLC and MedRisk Holdco, LLC
Superior Court for the State of California County of Alameda,
Case No. RG19045051

Under law, a California Court has authorized this Notice. This is not a solicitation from a lawyer.

This Notice is about a proposed settlement (the “Settlement”) of a class action lawsuit (“Action”) against MedRisk LLC and MedRisk Holdco, LLC (together, “MedRisk” or the “Defendants”) involving allegations that Defendants violated California Business and Professions Code §§ 17200, *et seq.*, as well as certain other provisions of the California Business and Professions Code, the Insurance Code, the Labor Code, and the Health and Safety Code by, among other things, acting as an illegal for-profit “middleman” in California’s workers’ compensation system by soliciting and receiving improper payments for the referral of healthcare and managing services to injured California workers. By this Action, Plaintiff California Chiropractic Association (“Plaintiff” or “CCA”) seeks equitable and injunctive relief only, *i.e.*, to change Defendants’ conduct with regard to the alleged practices. This Action does not seek damages or any monetary relief.

This Action is brought on behalf of all members of CCA, located in the State of California, that provided chiropractic treatment services to injured workers in California during the four (4) years preceding June 19, 2020, through the date of final judgment (the “Settlement Class Period”) in the matter of *California Chiropractic Association v. MedRisk, LLC et al.*, Superior Court of the State of California for the County of Alameda, Case No. RG19045051 (the “Action”).

On _____, 2023, the Honorable Brad Seligman of the Superior Court of the State of California for the County of Alameda granted preliminary approval of this class action settlement and ordered the litigants to notify all Settlement Class Members of the Settlement. This Notice is provided because you have the right to know about the Settlement of a class action lawsuit. Your legal rights will be affected whether you act or do not act. Therefore, you should read this notice carefully.

IF YOU WANT MORE DETAILS

Please do not contact the Court regarding this Notice. All inquiries concerning this Notice, the Settlement, or any other questions by Settlement Class Members should be directed to the Class Settlement Administrator, Dawn Benton, Executive Vice President and Chief Executive Officer, California Chiropractic Association, PO Box 254489, Sacramento, CA 95865 or to Lead Counsel identified below:

<p>Jordan L. Lurie, Esq. (jllurie@pomlaw.com) Ari Y. Bassar, Esq. (abassar@pomlaw.com) Pomerantz LLP 1100 Glendon Avenue, 15th Floor Los Angeles, CA 90024 310-432-8492</p> <p>-and-</p> <p>Zev B. Zysman, Esq. (zev@zysmanlawca.com) Law Offices of Zev B. Zysman, APC 15760 Ventura Boulevard, Suite 700 Encino, CA 91436 818-783-8836</p>
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COMMON QUESTIONS AND ANSWERS CONCERNING THE SETTLEMENT

1. Why did I get this Notice?

You may have been a member of the California Chiropractic Association (“CCA”), were located in the State of California, and provided chiropractic treatment services to injured workers in California during the Settlement Class Period.

2. What is this lawsuit about?

The case is known as *California Chiropractic Association v. MedRisk, LLC et al.*, Case No. RG19045051 (the “Action”), and the Court in charge of the case is the Superior Court of the State of California for the County of Alameda.

Among other things, the Action is about whether the Defendants violated California Business and Professions Code §§ 17200, *et seq.*, as well as certain other provisions of the California Business and Professions Code, the Insurance Code, the Labor Code, and the Health and Safety Code. By this Action, Plaintiff seeks injunctive relief only, *i.e.*, to change Defendants’ conduct with regard to such practices. This Action does not seek damages or any monetary relief, and the Settlement does not preclude your right to seek such relief.

In this Action, Plaintiff primarily asserts that Defendants act as an illegal for-profit “middleman” in California’s workers’ compensation system by soliciting and receiving improper payments for the referral of healthcare and managing services to injured California workers. Plaintiff alleges that MedRisk violates California law by demonstrating a preference to health care professionals who agree to the lowest prices, and by acting as an unlicensed “claims administrator” and “adjuster.” Plaintiff alleges that MedRisk solicits deeper discounts from those health care professionals in exchange for more referrals; obtains discounts for these referrals; and ultimately receives payments from the payors of workers’ compensation claims as compensation for making those referrals, the difference between which MedRisk retains. Plaintiff claims that the financial structure of these alleged arrangements constitutes unlawful referral in exchange for financial compensation, in violation of California Labor Code sections 3215 and 3280. Plaintiff further asserts that certain of Plaintiff’s individual members have lost and continue to lose patients and continue to have patients diverted to providers who are more willing to contract with MedRisk. Plaintiff also alleges that MedRisk fails to provide adequate explanation of review (“EORs”) and unlawfully fails to accept electronic billing from providers. Based primarily on this alleged conduct, Plaintiff asserts a single cause of action for violation of the Unfair Competition Law under California Business and Professions Code section 17200, *et seq.* (“UCL”). Plaintiff seeks injunctive, declaratory, and equitable relief only on behalf of its individual members in its capacity as an association.

Defendants dispute the allegations in the case, have contested and will contest the claims, if this matter is not resolved. Following arms’ length negotiations of the Action both directly and before an experienced mediator and former California Superior Court Judge, the Hon. Louis Meisinger (Ret.) (“Judge Meisinger”); the Plaintiff and Defendants (together, the “Defendants,” the “Settling Parties,” or the “Released Parties”) entered into the Stipulation and Agreement of Settlement (the “Stipulation”). The Settlement resolves all of the claims in the Action against the Defendants for injunctive relief.

3. Why is this a class action?

Initially, this Action was brought individually by the CCA on behalf of its members. However, California law requires such a claim to be pursued as a class action. In a class action, one or more

persons and/or entities, called lead plaintiff(s), sue on behalf of all persons and/or entities who have similar claims. All of these persons and/or entities are referred to collectively as a class, and these individual persons and entities are known as class members. One court resolves all of the issues for all class members. In this Action, because it seeks injunctive relief only, class members may object to the Settlement but not opt out.

4. Why is there a Settlement?

Plaintiff and the Settling Parties do not agree regarding the merits of Plaintiff's allegations with respect to Defendants' alleged misconduct in violation of the California Business and Professions Code §§ 17200, *et seq.*, as well as certain other provisions of the California Business and Professions Code, the Insurance Code, the Labor Code, and the Health and Safety Code. In recognition of the inherent risks and costs of continued litigation and the benefits of resolving this litigation, the Parties desire to settle and resolve any and all actual or potential claims by or between Plaintiff, on the one hand, and the Released Persons, on the other hand, arising out of or relating to the subject matter of the Action. Plaintiff and Lead Counsel believe the settlement is best for all Settlement Class Members primarily because of the relief attained through Settlement and because of the risks associated with continued litigation, and the nature of the defenses raised by the Settling Parties.

This matter has not gone to trial, and the Court has not decided in favor of any party involved in this Action. Instead, Plaintiff and the Settling Parties have agreed to settle the Action.

5. How do I know if I am part of the Settlement Class?

To be a Settlement Class Member, you must have been a member of California Chiropractic Association, located in the State of California, and provided chiropractic treatment services to injured workers in California, during the four (4) years preceding filing of the Amended State Complaint, on June 19, 2020, through the date of final judgment in the Action.

6. What does the Settlement provide?

The following are the key provisions of the Settlement:

1. Commencing no later than ten (10) business days following the Effective Date, and continuing to and including the last day of the Effective Period, MedRisk will implement or comply with the following business practice adjustments, therapeutics, or restrictions, with respect to patients and Chiropractors within the State of California:

a. MedRisk will implement, utilize, and apply, in connection with the scheduling or assignment of patients within the State of California, Scheduling Criteria described in more detail in the Stipulation and Agreement of Settlement.

- b. MedRisk will implement, utilize, and comply with the transparency and process management procedures described in more detail in the Stipulation and Agreement of Settlement.
- c. MedRisk will comply with the provider bill of rights set forth within Section 1375.5 of the California Health & Safety Code.
- d. MedRisk agrees to forward to MedRisk payors, in full, without discounting, all separately billed Evaluation and Management (“E&M”) Services delivered by Chiropractors. MedRisk will notify MedRisk payors that these separately billed Services are not subject to discounting under the MedRisk-payor agreement and will use its commercially reasonable best efforts to ensure that its systems are properly instructed, so that the E&M Services so billed and identified herein are not subject to discounting. Alternatively, Chiropractors may choose to bill MedRisk payors directly for E&M Services provided to Covered Persons.
- e. In the event that Official Medical Fee Schedule (“OMFS”) is increased during the Effective Period, MedRisk will proportionately increase the rate of reimbursement provided to directly contracted Chiropractors whose reimbursement is based upon OMFS. For the purpose of this provision, “proportional,” with respect to contracted Chiropractors whose reimbursement is based upon OMFS, means that the increase in reimbursement is proportional to the increased OMFS rate for contracted services.
- f. MedRisk will not change the “preferred” status or otherwise retaliate against any Chiropractor who seeks to renegotiate their contract. Pursuant to Labor Code Sections 3215 and 3829(a)(b)(3), MedRisk will not penalize a current Chiropractor or any Chiropractor whose rate is available to MedRisk through a subcontract or leased access or any future Chiropractor whether directly contracted or whose services are available through a subcontract or leased access on the basis that the Chiropractor has requested modification of an agreement with MedRisk, submitted a grievance to MedRisk, or otherwise exercised their rights under the terms of this Stipulation.
- g. Unless authorized to do so by the State of California, MedRisk will not hold itself out in any written communications with injured workers, the general public, its clients and prospective clients of any kind (including published or online listings of Chiropractic Networks) as chiropractors. MedRisk further agrees that it will not make any communications to Chiropractors indicating that they will receive more injured worker referrals if they lower their rates or based on being in a particular rate tier. In addition, MedRisk will not communicate, offer, suggest, or deliver fewer referrals to a Chiropractor solely because that Chiropractor establishes a new contract, or renegotiates a contract for a higher rate.

- h. MedRisk will not solicit, request, receive or accept any discount from any of its contracted Chiropractors nor provide any consideration to its clients in exchange for any offer, suggestion or agreement with the Chiropractor to receive or be in receipt of, preferential referrals of injured workers within their network. MedRisk will not offer any inducement, consideration for future referrals, bonus score, or preferential tiering to Chiropractors who contact MedRisk following a direct communication from a claims administrator.
- i. MedRisk will not interfere with or redirect referrals made by the injured worker's primary treating physician ("PTP") which have been approved by a claims adjuster or requested by the injured worker. Except to schedule an appointment with the entity approved by the claims adjuster or requested by the injured worker, MedRisk will not contact the PTP or injured worker for the purpose of redirecting to a different provider once it has notice that the adjuster has approved a referral to a specific Chiropractor.
- j. MedRisk will at all times cause compliance with requirements of the California Labor Code, including Section 4603.4, its implementing regulations, 8 C.C.R. section 9792.5.0, *et seq.*, regarding but not limited to, content and delivery of EORs.
- k. MedRisk will provide written notice to each contracted Chiropractor, in a mutually agreeable form, that provides as follows: "Participating Provider shall have the right to transmit electronic bills consistent with the requirements set forth in the California Division of Worker's Compensation Medical Billing and Payment Guide and the California Division of Workers' Compensation Electronic Medical Billing and Payment Companion Guide through all clearinghouses authorized by the Division of Workers' Compensation. From the date of Settlement, MedRisk shall process all claims consistent with these California e-billing requirements without additional charge by MedRisk."
- l. MedRisk will notify all contracted Chiropractors that they may, but will never be required to, opt in to any particular method of payment of their bills which may include but not be limited to, "virtual cards," ACH and checks.
- m. MedRisk will provide to the contracted Chiropractor a copy of any remittance advice generated as a result of the Chiropractor's billed services, in the event that any billed services were denied and/or reduced. Further, MedRisk will ensure that the remittance advice provided by it to the Chiropractor contains all relevant reason and remark codes and will provide a phone number on each of its EORs, EOBs or other remittance advice that contracted Chiropractors can use to speak to a MedRisk billing professional for questions or disputes or non-payment of claims. MedRisk will also use commercially reasonable efforts to ensure that the Chiropractor is able to contact the claims administrator and licensed utilization reviewer known to MedRisk by including their name, email, and

phone number on all MedRisk communications regarding individual patients when payment is denied.

2. MedRisk will file a Licensure Application with the DWC seeking licensure as an MPN, within thirty (30) days of receipt of notice of entry of an order by the Court granting preliminary approval of the Settlement. MedRisk will use its commercially reasonable best efforts to secure approval of the Application and licensure as an MPN, provided, however, that the failure to successfully obtain such licensure will not result in termination of the Stipulation, the Settlement that it contemplates, or any other provision contained therein and all such provisions will remain in full force and effect notwithstanding any such failure. No other provision of this Notice, the Judgement, or this Settlement that they contemplate will become void as a result of the failure to obtain such licensure after submission of an application. MedRisk will provide Plaintiff with copies of all applications papers submitted to the DWC promptly following such submission. Every sixty (60) days following provision to CCA of such initial application papers and continuing until MedRisk receives a final determination MedRisk will provide CCA with a written update regarding the status of and material developments with respect to the Application, accompanied by all correspondence with and submissions to the DWC during the preceding sixty (60) day period.

3. MedRisk will provide a report, under penalty of perjury, to CCA every sixty (60) days following the Effective Date regarding MedRisk's payment of electronically billed claims for the provision of chiropractic services in the State of California. Such report will provide the following information to the extent available to MedRisk: (1) the aggregate number of Valid Claims electronically submitted to MedRisk by California chiropractors during the preceding sixty (60) days (the "Reporting Period"); (2) the average amount of time elapsed from the date upon which electronically submitted claims became Valid Claims from initial submission to the date of issuance of payment; (3) the number of electronically submitted claims MedRisk actually paid within 15 days; (4) an explanation as to all steps MedRisk is taking, or plans to take, to improve compliance with the 15 day electronic bill pay requirement with respect to Valid Claims; (5) the time frame(s) within which MedRisk intends to become fully compliant with the 15 day electronic bill pay requirement; and (6) for any claims tendered during such Reporting Period that were not deemed Valid Claims ("Invalid Claims"), a pie chart or other chart breaking down by % what percentage of electronically submitted claims were deemed invalid as a result of each category of issue, including the specific categories described below. For purposes of the Settlement, "Valid Claims" will include claims (or any portion of claims) that meet all of the following criteria: (1) are complete, including all required information and supporting documentation; (2) were properly submitted to MedRisk, through MedRisk's system; (3) have been approved by the payor(s) providing coverage or potentially providing coverage for such claims; and (4) for which there is no senior payor obligated to provide first and primary payment for the services covered by such claim(s). For each electronically submitted Valid Claim not paid within 15 days, MedRisk will pay interest and penalties on such claim(s) as required by the Labor Code.

7. What do I have to do?

You have two options. You may do nothing and be bound by the terms of the Settlement, or you may object. As this Settlement provides injunctive relief only, the Settlement does not allow Settlement Class Members to opt-out.

8. What am I giving up to stay in the Settlement Class?

Unless you object to the Settlement (see Section 9 below), you will remain in the Settlement Class. That means that if the Settlement is approved, you and all Settlement Class Members will release all “Released Claims” (and therefore agree never to sue, continue to sue, or be part of any other lawsuit) against the “Released Persons” as described below:

- a. The “Released Claims” means any and all claims for injunctive relief, declaratory relief, or other similar equitable relief (excluding restitution), including Unknown Claims, actions, obligations, attorneys’ fees, indemnities, subrogations, duties, demands, controversies, and liabilities of every nature, at law or in equity (including, without limitation, claims under federal and state securities laws, and at common law), suspected or unsuspected, accrued or unaccrued, matured or unmatured, whether arising out of or relating to the period prior to or after the date of the Initial Complaint through the Effective Date that any Releasing Persons (i) asserted in the Federal Complaint, the Initial State Complaint, the Amended State Complaint, or the Action; or (ii) could have been asserted in any forum that arise out of, are based upon, or are related in any way directly or indirectly, in whole or in part, to the allegations, transactions, facts, matters or occurrences, omissions involved, set forth, or referred to in the Federal Complaint, the Initial State Complaint, or the Amended State Complaint, or the Action. For further clarification, claims that are *not* Released Claims include any Settlement Class Member’s claims, if any, for restitution or monetary damages.
- b. “Released Defendants’ Claims” means all claims, demands, rights, remedies, liabilities, and causes of action of every nature and description whatsoever, whether based on federal, state, local, statutory, or common law, or any other law, rule, or regulation, including both known and Unknown Claims, that: (i) have been or could have been asserted in the Action by any of the Released Persons or the successors and assigns of any of them, against any of the Plaintiffs or any of their attorneys; and (ii) arise out of or relate in any way to the institution, prosecution, or Settlement of the Action or the Released Claims, including but not limited to all claims for malicious prosecution or sanctions. “Released Defendants’ Claims” does not include claims to enforce any of the terms of the Settlement.
- c. The “Released Persons” means the Defendants, as well as each of their respective families, parent entities, controlling persons, associates, affiliates, predecessors, successors, subsidiaries, past or present officers, directors, shareholders, stockholders, members, principals, managers, representatives, employees, attorneys, insurers,

financial or investment advisors, consultants, accountants, investment bankers, heirs, assigns or transferees.

- d. “Releasing Persons” means, collectively and individually, Plaintiffs and the Settlement Class, as well as each of their respective successors in interest, predecessors, representatives, executors, administrators, heirs, assigns or transferees, whether immediate or remote, and any person or entity acting for or on behalf of, or claiming under, any of them.
- e. “Settlement Class” means the Settlement Class for which Plaintiff will seek certification by the Court for the purpose of the Settlement only, consisting of: All members of California Chiropractic Association who are located in the State of California that provided chiropractic treatment services to injured workers in California, during the four (4) years preceding June 19, 2020, through the date of final judgment (the “Settlement Class Period”) in the matter of California Chiropractic Association v. MedRisk, LLC et al., Superior Court of the State of California for the County of Alameda, Case No. RG19045051 (the “Action”). Excluded from the Settlement Class are Defendants; their corporate parents, subsidiaries, affiliates, and any entity in which Defendants have a controlling interest; any of their officers, directors, employees, or agents; and the judicial officers to whom this matter is assigned as well as their court staff.
- f. “Unknown Claims” means: (i) any claims that Plaintiff or any Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of the Released Persons, which if known by him, her, or it, might have affected his, her, or its decision(s) with respect to the Settlement, including, but not limited to, the decision not to object to the Settlement, provided such claim arises out of or relates to the subject matter of the Released Claims; and (ii) Defendants’ claims that Defendants do not know or expect to exist in their favor, which if known by them might have affected their decision(s) with respect to the Settlement. With respect to any and all Released Claims and Released Defendants’ Claims, the Parties stipulate and agree that upon the Effective Date, the Parties shall be deemed to have waived and by operation of the Order and Judgment shall have waived, any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States, or principle of common law that is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which provides:

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

- g. Plaintiff acknowledges, and the Settlement Class Members shall be deemed by operation of the Order and Judgment to have acknowledged, that the inclusion of “Unknown Claims” in the definitions of Released Claims and Released Defendants’ Claims was separately bargained for and a key element of the Settlement of which this release is a part.

You do not release the Released Persons from any claim or action to enforce the Settlement.

Remaining in the Settlement Class also means that all of the Court’s orders will apply to you and legally bind you.

9. How do I object to the Settlement?

If you are a member of California Chiropractic Association, located in the State of California, and provided chiropractic treatment services to injured workers in California, during the four (4) years preceding June 19, 2020, through the date of final judgment in this action, you have a right to object to the relief afforded by the Settlement. This includes whether the proposed Settlement of the Settlement Class’s claims against the Defendants should be approved as fair, reasonable and adequate, whether the application by Lead Counsel for an award of attorneys’ fees and expenses should be approved, and whether the Action should be dismissed with prejudice against the Defendants as set forth in the Stipulation filed with the Court.

If you wish to object you must send your written objection to the Class Settlement Administrator, Dawn Benton, Executive Vice President and Chief Executive Officer, California Chiropractic Association, California Chiropractic Association, PO Box 254489, Sacramento, CA 95865, no later than (*i.e.*, postmarked by) _____.

The Stipulation of Settlement, the Court’s Preliminary Approval Order, the operative Complaint, the Motion for Attorneys’ Fees and other documents are available on the Class Settlement Administrator’s website under the “Important Notices” link at www._____.com or by writing to the Class Settlement Administrator or by contacting Lead Counsel at the above addresses.

If you submit an objection, you must use the words “Notice of Objection” or “Formal Objection,” explain in clear and concise terms, the legal and factual arguments supporting your objection, and the facts supporting your status as a Settlement Class Member. Please identify the specific portions of the Settlement to which you object and the reasons why you object. Please include your full name, mailing address, phone number, and email address, your signature and date, and the following language immediately above your signature: “I declare under penalty under the laws of the State of California that the foregoing statements regarding class membership are true and correct to the best of my knowledge,” and reference to the case name and number (*California Chiropractic Association v. MedRisk, LLC, et al.*, Case No. RG19045051).

Even if you object, you do not have the ability to “opt out” of this Settlement if the Court approves it.

Settlement Class Members also have the option to object by appearing at the Final Fairness Hearing, either in person or through personal counsel hired at the Settlement Class Member’s expense. However, Settlement Class Members intending to make an appearance at the Final Fairness Hearing must so inform the Parties and the Court on or before (*i.e.*, postmarked by) _____ by providing a “Notice to Intention to Appear” to the Class Settlement Administrator at the address noted above.

10. Do I have a lawyer in this case?

The Court appointed the law firm of Pomerantz LLP and the Law Offices of Zev B. Zysman, APC, also referred to as “Lead Counsel,” to represent you and the Settlement Class Members. If you want to be represented by your own lawyer, you may hire one at your own expense. Contact information for Lead Counsel are provided above.

11. How will the lawyers be paid?

Plaintiff’s Lead Counsel have not been paid any attorneys’ fees or expenses to date. Lead Counsel intends to submit an application to the Court on behalf of Lead Counsel for: (i) an award of reasonable attorneys’ fees; and (ii) an award of reasonable litigation costs and expenses, incurred in connection with the prosecution of the Action in an amount not to exceed \$1,300,000.

12. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Fairness Hearing on _____, _____ at __:00 __.m., before the Honorable Brad Seligman at the Superior Court of the State of California for the County of Alameda, Administration Building, Department 23, 1221 Oak Street, Oakland, California 94612, or by telephone or videoconference.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and should be approved by the Court; whether the application by Lead Counsel for an award of attorneys’ fees and expenses should be approved; and whether the Order and Final Judgment as provided under the Stipulation should be entered, dismissing the Amended State Complaint on the merits and with prejudice, and to determine whether the release by the Settlement Class of the Released Persons as set forth in the Stipulation, should be ordered; and such other matters as the Court may deem appropriate.

13. Do I have to come to the hearing?

No. Lead Counsel will answer any questions about the Settlement that the Court may have. However, you are welcome to attend at your own expense. If you send an objection, you do not have to come to Court to talk about it. Lead Counsel will provide your objection to the Court. As long as you mail your written objection on time, the Court will consider it.

14. What happens if I do nothing at all?

If you do nothing, you accept the terms of the Settlement and its binding effect.

15. Are there more details about the Settlement?

This Notice summarizes the proposed Settlement. More details are in the documents available on the Class Settlement Administrator’s website at www._____.com or by writing to the Class Settlement Administrator, Dawn Benton, Executive Vice President and Chief Executive Officer, California Chiropractic Association, or Lead Counsel at the above addresses.

In addition, the pleadings and other records in this litigation may be examined online on the Alameda County Superior Court’s website, known as “eCourt Public Portal,” at <https://eportal.alameda.courts.ca.gov>.

After arriving at the website, click the “Search” tab at the top of the page, then select the Document Downloads link, enter the case number and click “Submit.” Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

PLEASE DO NOT CALL OR WRITE TO THE COURT OR THE COURT CLERK’S OFFICE FOR INFORMATION OR ADVICE.

Dated: _____, 2023

HON. JUDGE BRAD SELIGMAN

EXHIBIT A2

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EXHIBIT A-2

[EMAIL NOTICE]

To: XXXXXXXXXXXX

From: XXXXXXXXXXXX

Re: LEGAL NOTICE OF SETTLEMENT OF CLASS ACTION

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ALAMEDA

California Chiropractic Association v. MedRisk, LLC

Case No. RG19045051

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY.

YOUR RIGHTS MAY BE AFFECTED BY PROCEEDINGS IN THIS ACTION.

THIS NOTICE IS ABOUT a proposed settlement (the “Settlement”) of a class action lawsuit (“Action”) against MedRisk LLC and MedRisk Holdco, LLC (together, “MedRisk” or the “Defendants”) involving allegations that Defendants violated California Business and Professions Code §§ 17200, *et seq.*, as well as certain other provisions of the California Business and Professions Code, the Insurance Code, the Labor Code, and the Health and Safety Code by, among other things, acting as an illegal for-profit “middleman” in California’s workers’ compensation system by soliciting and receiving improper payments for the referral of healthcare and managing services to injured California workers. By this Action, Plaintiff California Chiropractic Association (“Plaintiff” or “CCA”) seeks equitable and injunctive relief only, *i.e.*, to change Defendants’ conduct with regard to the alleged practices. This Action does not seek damages or any monetary relief. Pursuant to the Settlement, if approved, MedRisk will implement or comply with various business practice adjustments, therapeutics, or restrictions, with respect to patients and Chiropractors within the State of California, including a Licensure Application with the DWC and periodic reporting regarding MedRisk’s payment of electronically billed claims for the provision of chiropractic services in the State of California.

1 This Action is brought on behalf of all members of CCA, located in the State of California, that
2 provided chiropractic treatment services to injured workers in California, during the four (4) years
3 preceding June 19, 2020, through the date of final judgment in this action (the “Settlement Class”) in
4 the matter of *California Chiropractic Association v. MedRisk, LLC et al.*, Superior Court of the State
5 of California for the County of Alameda, Case No. RG19045051 (the “Action”).

6 Additional complete information about the Settlement, including the Stipulation of
7 Settlement, the Court’s Preliminary Approval Order, the Notice of Pendency and Proposed
8 Settlement of Class Action (“Notice”), the operative Amended Complaint, the Motion for Attorneys’
9 Fees and other documents are available under the “Important Notices” link on the CCA website at
10 www._____.com or you may obtain copies or other information by writing to the
11 Class Settlement Administrator, Dawn Benton, Executive Vice President and Chief Executive
12 Officer, California Chiropractic Association, PO Box 254489, Sacramento, CA 95865.

13 **YOU ARE HEREBY FURTHER NOTIFIED**, pursuant to Rule 3.769 of the California
14 Rules of Court and an Order of the Superior Court of the State of California for the County of Alameda,
15 that a hearing will be held on _____, 2023, at _____.m., before the Hon. Brad Seligman,
16 Administration Building, Department 23, 1221 Oak Street, Oakland, California 94612, or by
17 telephone or videoconference, to determine: (1) whether the proposed Settlement of the Settlement
18 Class’s claims against the Defendants should be approved as fair, reasonable and adequate; (2) whether
19 the application by Class Counsel for an award of attorneys’ fees and expenses should be approved;
20 and (3) whether the Action should be dismissed with prejudice against the Defendants as set forth in
21 the Stipulation filed with the Court.

22 As further described in the Notice, you may do nothing and be bound by the terms of the
23 Settlement, or you may object. As this Settlement provides injunctive relief only, the Settlement
24 does not allow Settlement Class Members to opt-out. Any objections to the Settlement or attorney’s
25 fees and expenses must be filed, in accordance with the procedures set forth in the Notice, no later
26 than _____, **2023**.

1 Inquiries, other than requests for the Notice, may be made to the Class Settlement
2 Administrator or Lead Counsel for the Settlement Class: Jordan L. Lurie and Ari Y. Bassler,
3 Pomerantz LLP, 1100 Glendon Avenue, 15th Floor, Los Angeles, California 90024, Telephone: 310-
4 432-8492 or Zev B. Zysman, the Law Offices of Zev B. Zysman, APC, 15760 Ventura Boulevard,
5 Suite 700, Encino, California 91436 Telephone: 818-783-8836.

6 In addition, the pleadings and other records in this litigation may be examined online on the
7 Alameda County Superior Court’s website, known as “eCourt Public Portal,” at
8 <https://eportal.alameda.courts.ca.gov>. After arriving at the website, click the “Search” tab at the top
9 of the page, then select the Document Downloads link, enter the case number and click “Submit.”
10 Images of every document filed in the case may be viewed at a minimal charge. You may also view
11 images of every document filed in the case free of charge by using one of the computer terminal
12 kiosks available at each court location that has a facility for civil filings.

13 **PLEASE DO NOT CONTACT THE COURT,**
14 **THE CLERK’S OFFICE, THE DEFENDANTS, OR DEFENDANTS’ COUNSEL.**

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16 Dated: _____, 2023

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18 _____
19 HON. JUDGE BRAD SELIGMAN
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EXHIBIT A3

EXHIBIT A-3

**[POST CARD NOTICE]
SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA**

California Chiropractic Association v. MedRisk, LLC
No. RG19045051

SUMMARY NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION, SETTLEMENT HEARING, AND MOTION FOR AWARD OF ATTORNEYS' FEES AND REIMBURSEMENT OF LITIGATION EXPENSES

TO: All members of California Chiropractic Association (“CCA”), located in the State of California, that provided chiropractic treatment services to injured workers in California during the four (4) years preceding June 19, 2020, through the date of final judgment (the “Settlement Class Period”) in the matter of *California Chiropractic Association v. MedRisk, LLC et al.*, Superior Court of the State of California for the County of Alameda, Case No. RG19045051 (the “Action”).

This Notice is about a proposed settlement (the “Settlement”) of a class action lawsuit (“Action”) against MedRisk LLC and MedRisk Holdco, LLC (together, “MedRisk” or the “Defendants”) involving allegations that Defendants violated California Business and Professions Code §§ 17200, *et seq.*, as well as certain other provisions of the California Business and Professions Code, the Insurance Code, the Labor Code, and the Health and Safety Code by, among other things, acting as an illegal for-profit “middleman” in California’s workers’ compensation system by soliciting and receiving improper payments for the referral of healthcare and managing services to injured California workers. By this Action, Plaintiff California Chiropractic Association (“Plaintiff” or “CCA”) seeks equitable and injunctive relief only, *i.e.*, to change Defendants’ conduct with regard to the alleged practices. This Action does not seek damages or any monetary relief. Pursuant to the Settlement, if approved, MedRisk will implement or comply with various business practice adjustments, therapeutics, or restrictions, with respect to patients and Chiropractors within the State of California, including a Licensure Application with the DWC and periodic reporting regarding MedRisk’s payment of electronically billed claims for the provision of chiropractic services in the State of California.

Additional complete information about the Settlement is available under the “Important Notices” link on the CCA website at www._____.com or you may obtain copies or other information by writing to the Class Settlement Administrator, Dawn Benton, Executive Vice President and Chief Executive Officer, California Chiropractic Association, PO Box 254489, Sacramento, CA 95865.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 3.769 of the California Rules of Court and an Order of the Superior Court of the State of California for the County of Alameda, that a hearing will be held on _____, **2023 at .m.**, before the Hon. Brad

Seligman, Administration Building, Department 23, 1221 Oak Street, Oakland, California 94612, or by telephone or videoconference. At this hearing, the Court will consider whether the proposed Settlement of the Settlement Class’s claims against the Defendants should be approved as fair, reasonable and adequate, whether the application by Lead Counsel for an award of attorneys’ fees and expenses should be approved, and whether the Action should be dismissed with prejudice against the Defendants as set forth in the Stipulation filed with the Court.

As further described in the Notice, you may do nothing and be bound by the terms of the Settlement, or you may object. As this Settlement provides injunctive relief only, the Settlement does not allow Settlement Class Members to opt-out. Any objections to the Settlement or attorney’s fees and expenses must be filed, in accordance with the procedures set forth in the Notice, no later than _____, **2023**.

Inquiries, other than requests for the Notice, may be made to the Class Settlement Administrator or Lead Counsel for the Class: Jordan L. Lurie and Ari Y. Bassar, Pomerantz LLP, 1100 Glendon Avenue, 15th Floor, Los Angeles, California 90024, Telephone: 310-432-8492 or Zev B. Zysman, the Law Offices of Zev B. Zysman, APC, 15760 Ventura Boulevard, Suite 700, Encino, California 91436 Telephone: 818-783-8836.

In addition, the pleadings and other records in this litigation may be examined online on the Alameda County Superior Court’s website, known as “eCourt Public Portal,” at <https://eportal.alameda.courts.ca.gov>. After arriving at the website, click the “Search” tab at the top of the page, then select the Document Downloads link, enter the case number and click “Submit.” Images of every document filed in the case may be viewed at a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

INQUIRIES SHOULD NOT BE DIRECTED TO THE COURT, THE CLERK’S OFFICE, THE DEFENDANTS, OR DEFENDANTS’ COUNSEL

DATED: _____, 2023.

HON. JUDGE BRAD SELIGMAN

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA

CALIFORNIA CHIROPRACTIC
ASSOCIATION, on behalf of itself and its
members,

Plaintiff,

v.

MEDRISK, LLC, MEDRISK HOLDCO,
LLC, and DOES 1 through 10, inclusive,

Defendants.

Case No. RG19045051

CLASS ACTION

**[PROPOSED] FINAL APPROVAL
ORDER AND JUDGMENT**

Hon. Brad Seligman

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EXHIBIT B

On the _____ day of _____, 2023, a hearing having been held on Plaintiff California Chiropractic Association’s (“Plaintiff”) Motion for Final Approval of the Class Action Settlement and Plaintiff’s Unopposed Motion for Attorneys’ Fees and Expenses before this Court to determine, among other things: (1) whether the terms and conditions of the Stipulation and Agreement of Settlement dated _____ (the “Stipulation”) are fair, reasonable, and adequate for the settlement of all claims asserted by the Settlement Class against: MedRisk, LLC and MedRisk Holdco, LLC (together, the “Settling Defendants”); (2) whether to approve the proposed Settlement of Class Action; (3) whether to approve the application by Lead Counsel for an award of attorneys’ fees and expenses; and the Court having considered all matters submitted to it at the hearing and otherwise; and

It appearing that the “Summary Notice of Pendency and Proposed Settlement of Class Action” (“Summary E-mail Notice”) and the “Postcard Notice of Pendency and Proposed Settlement of Class Action” (“Postcard Notice”) substantially in the form approved by the Court in the Court’s Order Preliminarily Approving Settlement and Providing For Notice (“Preliminary Approval Order”) was provided to all reasonably identifiable potential Class Members; and

It appearing that the “Notice of Pendency and Proposed Settlement of Class Action” (“Notice”) substantially in the form approved by the Court in the Preliminary Approval Order was made available in accordance with the Preliminary Approval Order.

Based on this review and the findings below, the Court finds good cause to grant the Motion for Final Approval of the Class Action Settlement and the Motion for Attorneys’ Fees, and Expenses Costs.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. Unless indicated otherwise, capitalized terms used herein have the same meanings defined in the Stipulation.
2. The Court has jurisdiction over the subject matter of the Action, Plaintiff, all Settlement Class Members, and the Settling Defendants.

1 3. Excluded from the Settlement Class are Defendants; their corporate parents,
2 subsidiaries, affiliates, and any entity in which Defendants have a controlling interest; any of
3 their officers, directors, employees, or agents; and the judicial officers to whom this matter is
4 assigned as well as their court staff.

5 4. The Court hereby finds that the forms and methods of notifying the Settlement
6 Class of the Settlement and its terms and conditions met the requirements of due process and
7 California Rules of Court, Rule 3.769, constituted the best notice practicable under the
8 circumstances; and constituted due and sufficient notice to all persons and entities entitled
9 thereto of these proceedings and the matters set forth herein, including the Settlement, to all
10 Persons entitled to such notice. No Settlement Class Member is relieved from the terms of the
11 Settlement, including the releases provided for therein, based upon the contention or proof that
12 such Settlement Class Member failed to receive actual or adequate notice. A full opportunity has
13 been offered to Settlement Class Members to object to the proposed Settlement and to participate
14 in the hearing thereon. The Court further finds that the notice provisions of the California Rules
15 of Court Rule 3.769, were fully discharged and that the statutory waiting period has elapsed.
16 Thus, it is hereby determined that all Settlement Class Members are bound by this Order and
17 Judgment.

18 5. The Settlement is approved as fair, reasonable and adequate, and in the best
19 interests of the Settlement Class, and that it satisfies the standards and applicable requirements
20 for final approval of this class action settlement under California law, including the provisions of
21 California Code of Civil Procedure section 382 and California Rules of Court, Rule 3.769.
22 Plaintiff and the Settling Defendants are directed to consummate the Settlement in accordance
23 with the terms and provisions of the Stipulation.

24 6. Plaintiff and the Settlement Class Members hereby release and forever discharge
25 the Released Persons from any and all Released Claims. Plaintiff and the Settlement Class
26 Members are hereby permanently and forever enjoined from prosecuting, attempting to
27 prosecute, or assisting others in the prosecution of the Released Claims against the Released
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1 Persons, as set forth in the Stipulation. For purposes of this Final Approval Order and Judgment
2 (“Order and Final Judgment”):

3 a. “Released Claims” means any and all claims for injunctive relief, declaratory
4 relief, or other similar equitable relief (excluding restitution), including
5 Unknown Claims, damages, actions, obligations, attorneys’ fees, indemnities,
6 subrogations, duties, demands, controversies, and liabilities of every nature, at
7 law or in equity (including, without limitation, claims under federal and state
8 securities laws, and at common law), suspected or unsuspected, accrued or
9 unaccrued, matured or unmatured, whether arising out of or relating to the
10 period prior to or after the date of the Initial Complaint through the Effective
11 Date that any Releasing Persons: (a) asserted in the Federal Complaint, the
12 Initial State Complaint, or the Amended State Complaint, or the Action; or (b)
13 could have been asserted in any forum that arise out of, are based upon, or are
14 related in any way directly or indirectly, in whole or in part, to the allegations,
15 transactions, facts, matters or occurrences, omissions involved, set forth, or
16 referred to in the Federal Complaint, the Initial State Complaint, the Amended
17 State Complaint, or the Action. For further clarification, claims that are not
18 Released Claims include any Settlement Class Member’s claims, if any, for
19 restitution or monetary damages.

20 b. “Released Person(s)” means the Defendants, as well as each of their
21 respective families, parent entities, controlling persons, associates, affiliates,
22 predecessors, successors, subsidiaries, past or present officers, directors,
23 shareholders, stockholders, members, principals, managers, representatives,
24 employees, attorneys, insurers, financial or investment advisors, consultants,
25 accountants, investment bankers, heirs, assigns or transferees.

26 c. “Unknown Claims” means: (i) any claims that Plaintiff or any Settlement
27 Class Member does not know or suspect to exist in his, her, or its favor at the
28 time of the release of the Released Persons, which if known by him, her, or it,

1 might have affected his, her, or its decision(s) with respect to the Settlement,
2 including, but not limited to, the decision not to object to the Settlement,
3 provided such claim arises out of or relates to the subject matter of the
4 Released Claims; and (ii) Defendants' claims that Defendants do not know or
5 expect to exist in his, her, or its favor, which if known by him, her, or it might
6 have affected his, her, or its decision(s) with respect to the Settlement. With
7 respect to any and all Released Claims and Released Defendants' Claims, the
8 Parties stipulate and agree that upon the Effective Date, the Parties shall be
9 deemed to have waived and by operation of the Order and Judgment shall
10 have waived, any and all provisions, rights, and benefits conferred by any law
11 of any state or territory of the United States, or principle of common law that
12 is similar, comparable, or equivalent to Cal. Civ. Code § 1542, which
13 provides:

14 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH**
15 **THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR**
16 **SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF**
17 **EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR**
18 **HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER**
19 **SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

20 Plaintiff acknowledges, and the Settlement Class Members shall be deemed
21 by operation of the Order and Judgment to have acknowledged, that the
22 inclusion of "Unknown Claims" in the definitions of Released Claims and
23 Released Defendants' Claims was separately bargained for and a key element
24 of the Settlement of which this release is a part.

25
26 7. The Settling Defendants, including any and all of their successors in interest or
27 assigns, hereby release and forever discharge any and all Released Defendants' Claims, to the
28 extent they relate to the subject matter of this Action or its prosecution thereof, against the

1 Plaintiff, any of the Settlement Class Members, and any of their counsel, including Lead
2 Counsel. For purposes of this Order and Final Judgment:

3 a. “Released Defendants’ Claims” means all claims, demands, rights, remedies,
4 liabilities, and causes of action of every nature and description whatsoever,
5 whether based on federal, state, local, statutory, or common law, or any other
6 law, rule, or regulation, including both known and Unknown Claims, that: (i)
7 have been or could have been asserted in the Action by any of the Released
8 Persons or the successors and assigns of any of them, against the Plaintiff or
9 any of its attorneys; and (ii) arise out of or relate in any way to the institution,
10 prosecution, or Settlement of the Action or the Released Claims, including but
11 not limited to all claims for malicious prosecution or sanctions. “Released
12 Defendants’ Claims” does not include claims to enforce any of the terms of
13 this Stipulation.

14 8. Nothing in this Order and Judgment:

15 a. bars the Released Persons from pursuing claims that are outside the scope of
16 or independent of the Released Claims, including but not limited to any claim
17 that any Released Person may have for indemnification in connection with the
18 Action, or for advancement of fees and expenses, indemnification, or
19 contribution in connection with any other claim, demand, controversy, action,
20 or liability; or

21 b. bars or constitutes a release of any claim by any of the Released Persons for
22 insurance or reinsurance coverage arising out of, related to, or in connection
23 with this Action or the Released Claims.

24 9. Lead Counsel are awarded attorneys’ fees and expenses in the amount of
25 \$_____ such amounts being fair and reasonable in light of the nature of this case,
26 Lead Counsel’s experience and efforts in prosecuting this Action, and the benefits obtained for
27 the Settlement Class, and to be paid by Settling Defendants. Lead Counsel shall thereafter be
28 solely responsible for allocating the Attorneys’ Fees and Expenses among other Plaintiff’s

1 counsel in a manner in which Lead Counsel in good faith believe reflects the contributions of
2 such counsel to the initiation, prosecution, and resolution of the Action. If, and when, as a result
3 of any appeal and/or further proceedings on remand, or successful collateral attack, the foregoing
4 Attorneys' Fees and Expense award is overturned or lowered, or if the Settlement is terminated
5 or is not approved by the Court, or if there is an appeal and any order approving the Settlement
6 does not become Final and binding upon the Settlement Class, then, within thirty (30) business
7 days after receiving notice from Defense Counsel of such an order from a court of appropriate
8 jurisdiction, each Lead Counsel law firm shall refund to the Settling Defendants such fees and
9 expenses previously paid to them by the Settling Defendants plus interest thereon in an amount
10 consistent with such reversal or modification. Each Lead Counsel law firm receiving attorneys'
11 fees and litigation costs and expenses, as a condition of receiving such fees and expenses, on
12 behalf of itself and each partner and/or shareholder of it, (including the law firm and its partners
13 and/or shareholders) shall be subject to the jurisdiction of the Court for the purpose of enforcing
14 this Stipulation, and each shall be liable for repayment of the attorneys' fees and litigation costs
15 and expenses allocated to it, including all amounts paid as referral fees to other law firms, as well
16 as accrued interest thereon.

17 10. The Court hereby finds that the proposed Settlement of Class Action is a fair and
18 reasonable method to resolve this Action.

19 11. The Court finds that all parties and their counsel have complied with each
20 requirement of California Rules of Court Rule 3.769 as to all proceedings herein.

21 12. Neither this Order and Final Judgment, the Preliminary Approval Order, the
22 Stipulation (including the exhibits thereto), nor any of the negotiations, documents or
23 proceedings connected with them shall be:

- 24 a. referred to or used against the Released Persons or against the Plaintiff or the
25 Settlement Class as evidence of wrongdoing by anyone;
- 26 b. construed as, or received in evidence as, an admission, concession or
27 presumption against the Settlement Class or any of them, that any of their
28 claims are without merit; or

1 c. used or construed as an admission of any fault, liability or wrongdoing by any
2 person or entity, or offered or received in evidence as an admission,
3 concession, presumption or inference against any of the Released Persons in
4 any proceeding other than such proceedings as may be necessary to
5 consummate or enforce the Stipulation.

6 13. Notwithstanding the foregoing Paragraph 12, the Settling Parties and other
7 Released Persons may file or refer to this Order and Final Judgment, the Stipulation and/or
8 Preliminary Approval Order: (a) to effectuate the liability protections granted hereunder or
9 thereunder, including without limitation, to support a defense or counterclaim based on
10 principles of *res judicata*, collateral estoppel, release, good-faith settlement, or any theory of
11 claim preclusion or issue preclusion or similar defense or counterclaim; or (b) to enforce the
12 terms of the Stipulation and/or this Order and Final Judgment.

13 14. Exclusive jurisdiction is hereby retained over the Settling Parties for all matters
14 relating to the Action, including the administration, interpretation, effectuation or enforcement of
15 the Stipulation, the Settlement and this Order and Final Judgment, and including any application
16 for fees and expenses incurred in connection with the Settlement of this Action.

17 15. Without further order of the Court, the Settling Parties may agree to reasonable
18 extensions of time to carry out any of the provisions in the Stipulation.

19 16. The finality of this Order and Final Judgment shall not be affected, in any manner,
20 by any appeal concerning the Attorneys' Fees and Expenses awarded herein.

21 17. In the event that the Settlement does not become Final and effective in accordance
22 with the terms and conditions set forth in the Stipulation, then the Stipulation shall be rendered
23 null and void of no further force or effect, and all Settling Parties shall be deemed to have
24 reverted *nunc pro tunc* to their respective status prior to the execution of the Stipulation, and the
25 Settling Parties shall proceed in all respects as if the Stipulation had not been executed and the
26 related orders had not been entered, without prejudice in any way from the negotiation, fact, or

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1 terms of the Settlement, and preserving all of their respective claims and defenses in the Action,
2 and shall revert to their respective positions in the Action.

3
4 Dated: _____, 2023

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6 _____
7 HON. JUDGE BRAD SELIGMAN

EXHIBIT C

APPENDIX 1
MedRisk Scheduling Criteria

Step One: If the treating physician has selected a Chiropractor and the adjuster has approved this selection, MedRisk will schedule the patient with the treating physician's and adjuster's choice. If the selected Chiropractor is not a contracted MedRisk provider, the MedRisk scheduler will either perform a courtesy scheduling with the non-contracted Chiropractor, ensuring that the provider understands that payment obligations lie directly with the payer, or hand back the patient to the adjuster for referral to another network or to the provider directly.

Step Two: If the adjuster has obtained a modification to the treating physician's selection or if there is no selection by the treating physician, the MedRisk scheduler will schedule the patient with adjuster's choice if the selected Chiropractor is a contracted MedRisk provider. If the selected Chiropractor is not a contracted MedRisk provider, the MedRisk scheduler either will perform a courtesy scheduling or, will hand back the patient to the adjuster for handling.

Step Three: If neither the treating physician nor the adjuster has identified a specific Chiropractor, the scheduler will schedule the patient with a Chiropractor of the patient's choice if the selected Chiropractor is a contracted MedRisk provider. If the selected Chiropractor is not a contracted MedRisk provider, the MedRisk scheduler either will perform a courtesy scheduling or will hand back the patient to the adjuster for handling.

Step Four: If neither the treating physician nor the claims adjuster nor the patient express a preference for a specific Chiropractor, the scheduler will recommend a selection following MedRisk's ranking of access and quality standards (clinical capacity, patient access, clinical expertise, and administrative operations). Operationally, the key determining factor is the ability of the provider to timely treat the patient within 72 hours of scheduling.

Step Five: If neither the treating physician nor the claims adjuster nor the patient express a preference for a specific Chiropractor and the scheduler identifies more than one provider with comparable access and quality ranking, the scheduler will schedule patient with the provider with the most competitive pricing.

EXHIBIT D

**Appendix 2
Scorecard**

Medrisk Scheduling Criteria Step Four

1	Patient Access	Facility must be located near patient's home or workplace. A specific search radius is set based on preference.	0-30 pts
2	Clinical Capacity	Provider must have credentialing and proven capacity for delivering the services ordered by the treating physician.	0-30 pts
3	Clinical Expertise	Provider must treat within applicable treatment guidelines and use the recommended treatment outcomes, based on a balance of active and passive interventions throughout the Episode of Care.	0-20 pts
4	Clinical Operations	Provider must timely schedule and treat the patient and within 72 hours of the Initial Evaluation must transmit to MedRisk a clear and complete assessment of the patient's condition and a treatment plan. The provider must transmit timely updates of the patient's condition and recovery status.	0-15 pts
5	Administrative Operations and Communication	Provider must bill on a timely basis for all of the treatments with proper documentation that enables MedRisk to process payments. Provider can earn bonus points by affirmatively notifying MedRisk when a patient covered by MedRisk requests treatment prior to MedRisk scheduling (e.g., adjuster/nurse case manager or treating physician referral based on MedRisk Provider Listing).	0-15 pts
	Outcome for Steps One to Four	A score of __ or less is Unfavorable, the lowest ranking. A score of greater than __ but less than __ would get Acceptable rating, which is middle tier. A score of __ or greater would get a Favorable rating, which is the highest ranking.	

Medrisk Scheduling Criteria Step Five

Price	If neither the treating physician nor the claims adjuster nor the patient express a preference for a specific chiropractor and the scheduler identifies more than one provider with comparable access and quality ranking, the scheduler will schedule patient with the provider with the most competitive pricing.
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EXHIBIT E

Appendix 3 Transparency & Process Management

MedRisk will list the names, addresses and telephone numbers of contracted providers in its network listings.

MedRisk will share with each contracted provider a description of how its proprietary scoring process operates and the score MedRisk has attributed to each such provider.

Contracted providers will be able to obtain their network scorecard and/or rating tier information from MedRisk.

Providers will also be able to visit MedRisk's provider portal to see a complete listing of the Medrisk customers for chiropractic treatment which MedRisk will update on a quarterly basis.

MedRisk affiliates that operate MPNs will continue to comply with all MPN requirements.