

EXHIBIT 1

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

DANIELLE PALLOTTA and CHERYL
LAFLAMME, on behalf of themselves and
all others similarly situated,

Plaintiffs,

v.

UNIVERSITY OF MASSACHUSETTS
MEMORIAL MEDICAL CENTER,
KRONOS INCORPORATED, and UKG
INC.,

Defendants.

Civil Action No. 4:22-cv-10361-ADB

SETTLEMENT AND RELEASE AGREEMENT

This Settlement and Release Agreement (the “Settlement Agreement”) is entered into by and between Plaintiffs Danielle Pallotta, Cheryl LaFlamme, Sandra Bravo, Melissa Lavin, Michelle Lemieux, Catherine Mysliewic and Tania Ward (collectively, the “Plaintiffs”), on behalf of themselves, and on behalf of all members of the Putative FLSA Collective and the Massachusetts Wage Act Class (as those terms are defined herein) and UMass Memorial Medical Center, Inc. (“UMMMC”) and UMass Memorial Health Care, Inc. (“UMMHC”) (collectively the “UMass Defendants”) (together, the “Settling Parties”), pertaining to the alleged failure of the UMass Defendants to accurately pay employees due to the Ultimate Kronos Group (“UKG”), a timekeeping provider, experiencing a cybersecurity incident beginning on or about December 11, 2021, and continuing until the time that UMass Defendants regained full access to all UKG products and services and resumed normal employee timekeeping operations (the “Kronos Outage”).

I. RECITALS

a. WHEREAS, on March 9, 2022, Plaintiffs Danielle Pallotta and Cheryl LaFlamme commenced litigation under the Fair Labor Standards Act (“FLSA”), 29 U.S.C. §§ 201 *et seq.* and the Massachusetts Wage Act in the U.S. District Court for the District of Massachusetts (the “Court”) in the above captioned matter (the “Lawsuit”), on behalf of themselves, and on behalf of all current or former non-exempt employees of Releasees, as the term is defined herein, who worked in the United States at any time during the onset of the Kronos Outage;¹

b. WHEREAS, the remainder of the Plaintiffs brought or intended to bring separate litigation in either the U.S. District Court for the District of Massachusetts or Massachusetts state court alleging substantially similar allegations against Releasees under the FLSA, Massachusetts state law, or both² (the “Related Lawsuits”);

c. WHEREAS, the Settling Parties have agreed to certify a Putative FLSA Collective and a Massachusetts Wage Act Class, and consolidate the Lawsuit and Related Lawsuits solely for the purposes of entering into a global settlement agreement and have agreed to ask the *Pallotta* Court to approve this global settlement agreement;

d. WHEREAS, the Settling Parties have agreed to dismiss the Lawsuit and Related Lawsuits against the UMass Defendants, as soon as possible following the Effective Date of this Agreement;

¹ The Lawsuit also contains unrelated privacy claims against UKG, Inc. and Kronos Incorporated (collectively “UKG”), as well as against UMass Defendants (as that term is defined herein). This Agreement in no way waives or limits the ability of any Plaintiffs or Class Members to engage in legal proceedings against UKG. Plaintiffs and Class Members agree to dismiss with prejudice all privacy claims against the UMass Defendants from the Lawsuit and the Related Lawsuits.

² *Lavin v. University of Massachusetts Memorial Medical Center*, No. 2285CV00056C (Mass. Sup. Ct.); *Ward v. UKG, Inc., UMass Memorial Health Care, Inc., and UMass Memorial Medical Center, Inc.*, No. 22-40084 (D. Mass.); and *Mysliewic v. UKG, Inc., and UMass Memorial Medical Center, Inc.*, No. 22-40083 (D. Mass.).

e. WHEREAS, the Settling Parties agreed to retain an experienced mediator, Ret. Judge Diane Welsh, Esq., to assist with the global settlement of all claims set forth in the Lawsuit and the Related Lawsuits;

f. WHEREAS, following the exchange of data and other information, the Settling Parties participated in a full day mediation session facilitated by Ret. Judge Diane Welsh, Esq.,

g. WHEREAS, the Settling Parties have made a thorough and independent investigation of the facts and law relating to the allegations in the Lawsuit. In entering into this Settlement Agreement, the Settling Parties have considered: (a) the facts developed during informal discovery and the law applicable thereto; (b) the attendant risks of continued litigation and the uncertainty of the outcome of the claims alleged; and (c) the desirability of consummating this settlement according to the terms of this Settlement Agreement. The Settling Parties have each concluded that it is in their best interests to settle the Lawsuit and the Related Lawsuits pursuant to the terms set forth herein; and

h. WHEREAS, in order to avoid the expense and burdens of further litigation, the Settling Parties desire to resolve any and all suits, actions, causes of action, claims, or demands against the UMass Defendants, based on putative violations of the FLSA and/or any state wage and hour law relating to or arising out of the Kronos Outage, including, without limitation, all state, local, and federal claims for unpaid wages (whether minimum wage or overtime), failure to timely pay wages, failure to record hours worked, paystub requirements, reimbursement, and all related claims for statutory damages or penalties, interest, liquidated damages, attorneys' fees, costs, expenses, and all other such amounts, and including, without limitation, all claims that have been asserted in the Lawsuit or in the Related Lawsuits.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises hereinafter set forth, the Settling Parties agree as follows:

II. DEFINITIONS

As used in this Settlement Agreement and the attached exhibits (which are an integral part of the Settlement and are incorporated in their entirety by reference), the following terms shall have the meanings set forth below, unless this Settlement Agreement specifically provides otherwise. Other capitalized terms in this Settlement Agreement but not defined in this section shall have the meanings ascribed to them elsewhere in this Settlement Agreement.

- a. “Claims Administrator”** means CAC Services Group, LLC.
- b. “Effective Date of the Agreement”** means ten (10) days after the Court enters the Order finally approving the Settling Parties’ Settlement and dismissing with prejudice the Lawsuit and Related Lawsuits against the UMass Defendants.
- c. “FLSA Collective” or “FLSA Collective Members” or “Collective Members”** means those Putative FLSA Collective members who consent to join this settlement by completing and returning a valid and timely FLSA Consent Form.
- d. “Lawsuit”** means the above-captioned case, *Pallotta v. University of Massachusetts Memorial Medical Center, et al*, No. 4:22-cv-10361-ADB (D. Mass.).
- e. “Massachusetts Wage Act Class” or “Massachusetts Wage Act Class Members” or “Class Members”** means all hourly employees of UMass Memorial Medical Center, Inc. and/or UMass Memorial Health Care, Inc. who, according to Defendants’ records, did not receive timely payment of wages as a result of the Kronos Outage.
- f. “Named Plaintiffs”** means Danielle Pallotta, Cheryl LaFlamme, Sandra Bravo, Melissa Lavin, Michelle Lemieux, Catherine Mysliewic and Tania Ward.

g. “Notice Packet” means the form of Notice to be sent to the Class following the Court’s entry of an Order granting preliminary approval of the Settlement, the FLSA Consent Form, and postage pre-paid return envelope, in the form attached as Exhibit 1.

h. “Plaintiffs” means the Named Plaintiffs and the Collective Members and Class Members.

i. “Plaintiffs’ Counsel” means Finkelstein, Blankinship, Frei-Pearson & Garber, LLP, Sheff & Cook, LLC, and Gordon Law Group, LLP.

j. “Putative FLSA Collective” or “Putative FLSA Collective Members” means all hourly employees of UMass Memorial Medical Center, Inc. and/or UMass Memorial Health Care, Inc. who, according to Defendants’ records, did not receive timely payment of wages as a result of the Kronos Outage.

k. “Releasees” means UMass Defendants and each of their past, present, and future parent companies, subsidiaries; predecessors; affiliates; divisions; agents; managers; owners; members; officers; directors; partners; investors; legal representatives; accountants; trustees; executors; administrators; real or alleged alter egos; predecessors; successors; transferees; assigns; attorneys; and insurers.

l. “Released Claims” means the Named Plaintiffs, the FLSA Collective, and the Massachusetts Wage Act Class members shall be deemed to have released and forever discharged UMass Defendants from all claims, demands, rules or regulations, or any other causes of action of whatever nature, whether known or unknown, regarding the following claims, arising during any pay period from December 11, 2021, through the earlier of either the date each Putative FLSA Collective Member submits a consent form or the Effective Date:

1. All claims for recovery of wages, including but not limited to regular wages, minimum wages, and overtime wages in accordance with state or federal law;
2. All claims for liquidated and/or penalty damages under the FLSA and/or any other applicable state statutory, contractual or common law wage-and-hour theory, including the Massachusetts Wage Act, MGL ch. 149, et seq.;
3. All claims relating to the calculation or payment of wages, failure to timely pay wages, failure to record hours worked, paystub requirements, reimbursement, and all related claims for statutory damages or penalties arising under the FLSA and/or any other applicable state wage-and-hour law, including the Massachusetts Wage Act, MGL ch. 149, et seq.;
4. All claims for conversion, breach of contract, quantum meruit, unjust enrichment, theft of labor, or other common law cause of action related to any alleged failure to pay for work performed or to be performed;
5. All privacy related claims, including but not limited to negligence and negligence per se claims, claims under any Massachusetts consumer protection statutes, intrusion upon seclusion and invasion of privacy claims including but not limited to claims under M.G.L.A. 214 § 1B, breach of fiduciary duty claims, breach of implied contract claims, breach of covenant of good faith and fair dealing claims; and
6. All related claims for interest, costs, declaratory or injunctive relief and attorneys' fees.

m. “Related Lawsuits” means *Lavin v. University of Massachusetts Memorial Medical Center*, No. 2285CV00056C (Mass. Sup. Ct.); *Ward v. UKG, Inc., UMass Memorial Health Care, Inc., and UMass Memorial Medical Center, Inc.*, No. 22-40084 (D. Mass.); and *Mysliewic v. UKG, Inc., and UMass Memorial Medical Center, Inc.*, No. 22-40083 (D. Mass.).

n. “Settlement” means the Settling Parties’ settlement of the Lawsuit and Related Lawsuits pursuant to the terms of this Settlement Agreement.

o. “Settlement Amount” means the total payments required of the UMass Defendants under this Settlement Agreement in the maximum amount of One Million Two Hundred Thousand Dollars (\$1,200,000.00), which shall be distributed pursuant to the terms of this Settlement Agreement, pending approval by the Court.

p. “Settling Parties” means the Named Plaintiffs, the Collective Members, the Class Members, and the UMass Defendants.

q. “UMass Defendants’ Counsel” means Jackson Lewis, P.C.

III. STIPULATION FOR CLASS CERTIFICATION

a. The Settling Parties stipulate and agree to the certification of the FLSA Collective and the Massachusetts Wage Act Class (collectively, the “Settlement Class”) for purposes of this Settlement only. Should, for whatever reason, this Settlement not become final, such stipulation to class certification as part of the Settlement shall become null and void *ab initio* and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate in a non-settlement context. UMass Defendants expressly reserve their right to oppose class or collective certification should this Settlement not become final.

IV. OBTAINING COURT APPROVAL AND EFFECTUATING SETTLEMENT

This Settlement requires approval by the Court. The Settling Parties agree to the following

steps in the sequence set forth below to effectuate the Settlement and to obtain Court approval:

a. Preliminary Approval. Within fourteen (14) days of the execution of this Settlement Agreement by each of the Settling Parties, the Named Plaintiffs will file a motion for preliminary approval of the Settlement (the “Motion for Preliminary Approval”) by the Court. The Settling Parties agree to continue and or request a stay of the proceedings in the Related Lawsuits as between the Settling Parties, pending final approval of the Settlement. Attached as Exhibit 1 is the proposed Notice Packet which will be sent to the Collective Members and Class Members. This Notice Packet shall be attached to the Motion for Preliminary Approval. For purposes of this Settlement Agreement, “Preliminary Approval” shall occur upon the issuance of a Court order granting the Motion for Preliminary Approval and approving the form and content of the Notice Packet in Exhibit 1.

b. Class List. Within seven (7) days of Preliminary Approval, the UMass Defendants shall provide the Settlement Administrator with a list, in Microsoft Excel or Comma Separated Value format, of the names, employee numbers, last known physical addresses, personal email addresses, and for all Putative FLSA Collective and Massachusetts Wage Act Class members (“Class List”), so that the Claims Administrator can issue the Notice Packet in the form agreed to by the Parties, attached as Exhibit 1. A copy of the Class List without the contact information shall be provided to Plaintiffs’ Counsel solely for the purposes directly related to this Lawsuit and effectuating the Settlement—for example, responding to inquiries made by any Putative FLSA Collective/Massachusetts Wage Act Class members.

c. Notice Packet. The Claims Administrator will send the Notice Packet by first class mail and by email to known Class Members within seven (7) days of receiving the Class List. Class Members shall have ninety (90) days to file claims to participate with the Claims

Administrator from the date Notice is issued by the Claims Administrator. There will also be a postcard reminder forty-five (45) days before the close of the claims period for those Class Members who had not before then made a claim, and, for those Class Members whose notice is returned, skip tracing and remailings for returned notices. Class Members may also submit claims via the Administrator's website.

d. Undeliverable Notice Packets. If any Notice Packet is returned as undeliverable, the Claims Administrator shall promptly attempt to locate such Collective Member or Class Member either using any additional contact information available or an electronic search using available information ("Tracing"). For any Notice Packet returned as undeliverable, the Claims Administrator shall, within five (5) days from the date the Notice Packet was returned as undeliverable, mail an additional Notice Packet to such Collective Member or Class Member at the address identified by Tracing ("Remailing"). The Claims Administrator shall not perform Tracing and/or Remailing more than one time for any Collective Member or Class Member. To the extent any mailed Notice Packet is returned as undeliverable, the Collective Member or Class Member shall be permitted thirty (30) days from any remailing of the Notice Packet to submit their objection (the "Remailing Period").

e. Period for Objecting to Settlement. Collective Members and Class Members will have ninety (90) days from the date their Notice Packet is mailed (the "Notice Period") to submit written objections to the Settlement to the Claims Administrator, if any. To be valid and effective, an objection must be signed, dated and post-marked or otherwise received by the Claims Administrator by the last day of the Notice Period. The Notice Packets provide that Collective Members and Class Members who wish to object to the Settlement must send a written statement of their objection to the Claims Administrator by the end of the Notice Period.

The Settling Parties take the following positions with respect to objections, which shall be reflected in the Motion for Final Approval: No person shall be entitled to be heard at the final approval hearing or to object to the Settlement and no written objections shall be received or considered by the Court unless they were timely sent to the Claims Administrator as set forth in the Notice Packet; persons who fail to send timely written objections as required by the Notice Packet shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the Settlement; and persons who are not Settlement Class members may not object to the Settlement.

f. Incomplete FLSA Consent Form. Collective Members and Class Members shall have ninety (90) days from the date their Notice Packet is mailed to return their FLSA Consent Form. In the event any Collective Member or Class Member returns an incomplete FLSA Consent Form, the Claims Administrator shall promptly provide the Collective Member or Class Member within seven (7) days with a letter requesting the information that was not provided and allow the Class Member until fourteen (14) days from the mailing of such cure letter to respond (the “Cure Period”). Any Collective Member or Class Member who fails to timely submit or cure the deficiencies noted in the cure letter will not be eligible to participate in this Settlement.

g. Motion for Final Approval. At least seven (7) days before the hearing scheduled by the Court for final approval of the Settlement, Plaintiffs’ Counsel shall prepare and file the Motion for Final Approval of the Settlement, which will be consistent with the terms of this Settlement Agreement.

h. Dismissal of Related Lawsuits. Within fifteen (15) days after the Effective Date of the Agreement, and upon conditions ordered by the Court, Plaintiffs will subsequently prepare

and seek dismissal of the Lawsuit and Related Lawsuits against the UMass Defendants with prejudice.

i. Payment of Attorneys' Fees and Costs, Service Award and Award for the Release of the Named Plaintiffs' Individual Claims. Within fifteen (15) days after the Effective Date of the Agreement, the Claims Administrator shall issue to Plaintiffs' Counsel checks for the amount of Attorneys' Fees and Costs and the Service Award, in accordance with such Order.

j. Payment of Individual Settlement Payments. Within fifteen (15) days after the Effective Date of the Agreement, the Claims Administrator shall send Individual Settlement Payments to Collective Members and Class Members by first class mail.

k. Negotiation of Checks. Checks issued to Collective Members and Class Members shall expire one hundred and twenty (120) days after they are issued. At the close of the 120-day period, the Claims Administrator shall issue a stop payment order on all uncashed or returned checks. Neither UMass Defendants, UMass Defendants' counsel, Named Plaintiffs, Plaintiffs' Counsel, nor the Claims Administrator shall have any liability for lost or stolen settlement checks, for forged signatures on settlement checks, or for unauthorized negotiation of settlement checks. Without limiting the foregoing, in the event a Collective Member or Class Member notifies the Claims Administrator that s/he believes that a settlement check has been lost or stolen, the Claims Administrator will immediately place a stop payment on such check. If the settlement check in question was not negotiated prior to the stop payment order and 120 days have not passed since the mailing of the settlement check, the Claims Administrator will issue a replacement check, from which the fees associated with the stop payment order will first be deducted. A failure by a Collective Member or Class Member to deposit or cash a check within

the time period allotted shall have no effect on that Settlement Class member's release of claims pursuant to this Settlement Agreement. Funds from any remaining uncashed or returned checks will remain the UMass Defendants' property.

I. The Settling Parties understand and agree that the Settlement set forth in this Settlement Agreement is subject to Court approval pursuant to Fed. R. Civ. P. 23. The Settling Parties agree to cooperate as necessary to obtain expeditious Court approval of this Settlement, so all required payments can be made as soon as practicable consistent with the requirements of Fed. R. Civ. P. 23 and the terms of this Settlement Agreement. In the event the Court fails to enter an order approving the Settlement in accordance with this Settlement Agreement (except for a modification of the attorneys' fees or service award), the Settling Parties shall proceed as follows:

1. The UMass Defendants deny the allegations made in the Lawsuit and the Related Lawsuits and deny that they engaged in any wrongdoing or violation of law. The UMass Defendants are entering into this Settlement Agreement because it will eliminate the burden, risk, and expense of further litigation. Except for purposes of this Settlement, neither this Settlement Agreement, nor any document referred to herein, nor any action taken to carry out this Settlement Agreement, may be used in any way as an admission, concession, or indication by or against the UMass Defendants of any fault, wrongdoing, or liability whatsoever
2. This Agreement will become null and void and the Lawsuit and Related Lawsuits will resume unless the Settling Parties jointly agree to: (a) seek reconsideration or appellate review of the decision denying approval of

Settlement, or (b) attempt to renegotiate the Settlement and seek Court approval of the re-negotiated settlement.

3. In the event any reconsideration and/or appellate review is denied, the Settling Parties shall have no further rights or obligations under this Agreement.

V. SETTLEMENT FUND

a. As discussed in more detail below, the total amount to be made available by the UMass Defendants to the Named Plaintiffs, the Massachusetts Wage Act Class, the FLSA Collective, the Claims Administrator, and Plaintiffs' Counsel (for attorneys' fees and costs) for purposes of this Agreement is One Million Two Hundred Thousand Dollars and no cents (\$1,200,000.00) (the "Settlement Fund") on a claims-made basis.

b. Within seven (7) days of the date that this Court enters an Order finally approving this settlement, the UMass Defendants shall cause the total amount of all money ordered by the Court and claimed by the Class Members under the settlement agreement to be paid into an escrow account administered by the Claims Administrator.

c. The Settling Parties agree the UMass Defendants will not object to the Court approving the following allocation from the Settlement Fund:

1. \$8,500 to each Named Plaintiff (for which a Form 1099 will be issued) as a service award in recognition of, and in consideration for, the assistance s/he rendered to Plaintiffs' Counsel, the Class, and the Collective in pursuing the case on behalf of all Class Members and Collective Members (as consideration, each Named Plaintiff shall sign a general release, which is attached as Exhibit 1 to this Settlement Agreement).

2. \$400,000, plus reasonable out-of-pocket costs and expenses for attorneys' fees and costs (for which a Form 1099 will be issued). In the event the Court reduces Plaintiffs' Counsel's fee request, the amount of the reduction shall be retained by the UMass Defendants;
3. The Administrative Costs of the Claims Administrator (for which a Form 1099 will be issued);
4. The UMass Defendants' costs of Mediation shall be reimbursed to the UMass Defendants prior to allocation of Settlement Funds;
5. All remaining Settlement Funds will be allocated on a pro rata basis to eligible Class Members and Collective Members in proportion to each such Class Member and Collective Member's approximate potential damages (for which a Form 1099 will be issued), with all Class Members and Collective Members receiving a minimum of \$50, by the Settlement Administrator at the direction of the Parties; and
6. Any unclaimed or unawarded settlement funds shall remain the property of Defendant.

d. The Settlement Fund shall be held in a qualified settlement fund established pursuant to IRC § 468B.

e. The Settlement Award for each eligible Class Member and Collective Member will constitute liquidated damages as the UMass Defendants have already paid back all earned wages. No taxes or withholdings will be deducted, and the FLSA Collective/Massachusetts Wage Act Class members will be solely responsible for paying all applicable taxes. The Settlement Administrator will issue to each FLSA Collective/Massachusetts Wage Act Class

member an IRS Form 1099. Each FLSA Collective/Massachusetts Wage Act Class member will be responsible for the payment of any additional local, state, or federal taxes or withholdings resulting from or attributable to the payments received. The Named Plaintiffs, FLSA Collective members, Massachusetts Wage Act Class members, UMass Defendants' Counsel, and Plaintiffs' Counsel receiving funds pursuant to this Settlement Agreement shall be solely responsible for filing all information and other tax returns necessary or making any tax payments related to funds received pursuant to this Settlement Agreement. The Settling Parties provide no legal advice and make no representations to the Named Plaintiffs, FLSA Collective members, Massachusetts Wage Act Class members, UMass Defendants' Counsel, and Plaintiffs' Counsel regarding the legal or tax consequences of this Settlement Agreement.

VI. SERVICE AWARD

a. UMass Defendants shall not oppose an application by Named Plaintiffs, and Named Plaintiffs shall not seek or receive an amount in excess of that set forth in Section V.c.1 above for their participation in and assistance with the Lawsuit and Related Lawsuits (*i.e.*, Named Plaintiffs' class representative enhancement / service award) and in exchange for signing General Release agreements. Any enhancement awarded to Named Plaintiffs by the Court as part of the Settlement Amount shall be deducted from the Settlement Amount, and shall be reported on IRS Form 1099. If the Court approves a Service Award of less than the amount set forth in Section V.c.1 above to Named Plaintiffs, then the unapproved portion or portions shall remain the property of the UMass Defendants.

VII. CLAIMS ADMINISTRATOR

a. The Settling Parties, through their respective counsel, have selected CAC Services Group, LLC as the Claims Administrator to administer the Settlement, which includes but is not limited to (i) mailing notice and claim forms to Putative FLSA Collective/Massachusetts Wage

Act Class members; (ii) mailing settlement payments to Putative FLSA Collective/Massachusetts Wage Act Class members who join this action; (iii) notifying the Parties of FLSA Collective Members who join this settlement; and (iv) sending tax forms to FLSA Collective Members who join this settlement. The Administrative Costs of the Claims Administrator are to be a maximum of \$20,000, which will be paid from the Settlement Amount. The Settling Parties agree that this Settlement Agreement may be provided to the Claims Administrator to effectuate its implementation of the Settlement procedures set forth herein.

VIII. TAXES

a. The Settlement Award for each FLSA Collective/Massachusetts Wage Act Class member will constitute liquidated damages as Releasees have already paid back earned wages. The Individual Settlement Payments shall not be subject to withholding and shall be reported to the IRS on a Form 1099. The Claims Administrator shall be responsible for complying with all federal, state, local, or other reporting requirements (including any applicable reporting with respect to attorneys' fees and costs) and notifying the Parties of and remitting any and all taxes, penalties, and other obligations with respect to the payments or distributions provided for in this Stipulation not otherwise addressed in this Stipulation.

b. The Claims Administrator shall indemnify the Settling Parties for any liabilities, costs, penalties, interest, and expenses, including attorneys' fees, arising out of an incorrect calculation or late deposit of any taxes, withholdings, or other obligations with respect to the Service Awards and/or Attorneys' Fees and Costs. The Claims Administrator shall also be responsible for properly calculating and distributing all Individual Settlement Payments, Service Awards, and Attorneys' Fees and Costs Awards in strict compliance with this Stipulation and shall indemnify the Settling Parties for any liabilities, costs, penalties, interest, and expenses, including attorneys' fees, associated with its failure to do so.

c. The Settling Parties will bear their own tax liabilities with respect to any payments made or received in connection with the Settlement Fund, and none of the Settling Parties will have any indemnification obligations as to any of the other Settling Parties. In no event shall the Class Members be responsible for the payment of any payroll taxes that would otherwise be due from an employer. It is understood and agreed by the Settling Parties that neither the UMass Defendants' counsel nor Plaintiffs' Counsel will have any tax obligations in connection with this Agreement other than with respect to regular income tax obligations for amounts they receive as fees.

IX. RELEASES

a. All Class Members that do not opt out of the settlement release and discharge the UMass Defendants, along with their respective owners, members, stockholders, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, parent companies, divisions, insurers, subsidiaries, related entities and affiliates, and any party indemnified by any of them and each of their successors and assigns from any and all "Released Claims." All Collective Members that file consents to participate in the settlement release and discharge the same entities of all claims under the Fair Labor Standards Act for the same time period covered by the "Released Claims." .

b. All Class Members agree and affirm that they may not recover any monetary or non-monetary relief from any grievance advanced by the Massachusetts Nurses Association ("MNA") related to the Kronos hack.

c. All Class Members agree that regardless of UKG's position(s) on the remaining claims in the Lawsuit or Related Lawsuits, no Class Member shall seek any recovery against the UMass Defendants for any of the remaining claims in the Lawsuit or Related Lawsuits.

X. NO ASSIGNMENT

a. The Named Plaintiffs, on behalf of themselves, the Collective Members and the Class Members, represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein, including, but not limited to, any interest in the Lawsuit or the Related Lawsuits.

XI. NON-ADMISSION OF LIABILITY

a. The UMass Defendants deny the allegations made in the Lawsuit and the Related Lawsuits and deny that they engaged in any wrongdoing or violation of law. The UMass Defendants are entering into this Settlement Agreement because it will eliminate the burden, risk, and expense of further litigation. Except for purposes of this settlement, neither this Settlement Agreement, nor any document referred to herein, nor any action taken to carry out this Settlement Agreement, may be used in any way as an admission, concession, or indication by or against Releasees of any fault, wrongdoing, or liability whatsoever.

XII. CONFIDENTIALITY AND PUBLICITY

a. The Settling Parties shall not issue any press release about the Settlement Agreement or its terms. The Settling Parties shall respond to media only with the acknowledgment that “the matter was amicably resolved.”

b. Notwithstanding the foregoing, the Named Plaintiffs, Plaintiffs’ Counsel, the UMass Defendants and the UMass Defendants’ counsel shall have the right to disclose this Agreement as may be required under federal or state tax and/or securities laws, under generally accepted accounting principles and under the ethical rules governing the professional conduct of attorneys, and may disclose the Settlement in filings in any court. Nothing herein shall limit the ability of Named Plaintiffs, Plaintiffs’ Counsel, Collective Members, and Class Members to

disclose the Settlement in connection with pursuing claims against UKG and nothing herein shall limit the ability of Plaintiffs' Counsel and Named Plaintiffs to communicate with Collective Members, Class Members, or their representatives.

c. Nothing in this Settlement Agreement shall prohibit Plaintiffs' Counsel or the UMass Defendants' Counsel from disclosing information concerning this Settlement Agreement to the Claims Administrator and to their employees or their agents to effectuate the terms of this Settlement Agreement. Moreover, nothing in this Settlement Agreement shall prohibit the UMass Defendants from disclosing information concerning this Settlement Agreement to their employees or agents to the extent necessary to effectuate the terms of this Settlement Agreement or to other individuals who otherwise have a need to know the terms of this Settlement Agreement. The UMass Defendants and their counsel may also disclose the terms of this Settlement Agreement in connection with seeking indemnification and/or contribution from any other person(s) or entit(ies). The Settling Parties may also disclose information concerning this Agreement to their respective counsel and tax, audit, and legal advisors.

d. Nothing in this Settlement Agreement shall prohibit Plaintiffs' Counsel or the UMass Defendants' counsel from disclosing this Settlement Agreement to counsel for any other defendant in this Lawsuit or Related Lawsuits.

e. Plaintiffs' Counsel will promptly notify the UMass Defendants' Counsel of any third-party legal demand that they disclose information pertinent to the Settlement or this Settlement Agreement.

XIII. MISCELLANEOUS PROVISIONS

a. **Cooperation Between the Parties; Further Acts.** The Settling Parties shall cooperate fully with each other in a prompt and timely manner and shall take all necessary steps to effectuate this Settlement Agreement. The Settling Parties and their respective counsel agree

not to encourage Collective Members or Class Members to object to the Settlement, directly or indirectly, through any means. However, if a Collective Member or Class Member contacts Plaintiffs' Counsel, Plaintiffs' Counsel may discuss the terms of the Settlement and the Class Member's options.

b. Entire Agreement. This Settlement Agreement including any exhibits, constitute the entire agreement between the Settling Parties, and all prior negotiations and understandings between the Settling Parties shall be deemed merged into this Settlement Agreement.

c. Arms' Length Transaction; Materiality of Terms. The Settling Parties have negotiated all the terms and conditions of this Settlement Agreement at arms' length. All terms and conditions of this Settlement Agreement in the exact form set forth in this Settlement Agreement are material to this Settlement Agreement and have been relied on by the Settling Parties in entering into this Settlement Agreement. The Settling Parties have been represented and assisted by counsel through the negotiation and drafting of this Settlement Agreement.

d. Construction. The determination of the terms and conditions of this Settlement Agreement has been by mutual agreement of the Settling Parties. Each Settling Party participated jointly in the drafting of this Settlement Agreement, and therefore the terms and conditions of this Settlement Agreement are not intended to be, and shall not be, construed against any party by virtue of draftsmanship. With the exception of the Release provisions set forth in Section IX, if any provision(s) of this Settlement Agreement are held to be illegal, invalid, or unenforceable under present or future laws, any such provision(s) will be interpreted and revised only to the extent necessary to bring it within the requirements of the law and enforceable. In that event, the remainder of this Settlement Agreement will thereafter be construed and enforced as if the illegal, invalid, or unenforceable provision(s) had never comprised a part of the Settlement Agreement.

The remaining provision(s) of the Settlement Agreement will continue in full force and effect and will not be affected by any illegal, invalid, or unenforceable provision(s) or by their severance. In the event that any of the Release provisions in Section IX are held to be illegal, invalid, or unenforceable under present or future laws, the UMass Defendants reserve the right to void the Settlement Agreement.

e. Attorneys' Fee and Costs. Except as otherwise provided herein, all Settling Parties shall bear their own costs, expenses and attorneys' fees relating to this Settlement Agreement and the Lawsuit and Related Lawsuits.

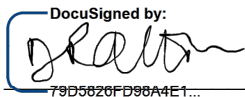
f. Modification, Waivers and Amendment. No waiver, modification or amendment of the terms of this Settlement Agreement shall be valid or binding unless in writing, signed by or on behalf of all Settling Parties, and then only to the extent set forth in such written waiver, modification or amendment. A failure by any party to insist on the strict performance by the other party of any of the provisions of this Settlement Agreement shall not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Settlement Agreement, and such party, notwithstanding such failure, shall have the right thereafter to insist on the specific performance of any and all of the provisions of this Settlement Agreement.

g. Authority. Each individual signing below warrants that he or she has the authority to execute this Settlement Agreement on behalf of the party for whom or which that individual signs.

h. Counterparts. The Named Plaintiffs and the UMass Defendants may execute this Settlement Agreement in counterparts, and execution in counterparts shall have the same force and effect as if the Named Plaintiffs and the UMass Defendants signed the same instrument.

i. Signatures, Transmittals and Electronic Copies. Once a Settling Party has executed this Settlement Agreement, that signature page may be transmitted by email to counsel for the other Settling Parties. Any signature made and transmitted by email for the purpose of executing this Settlement Agreement shall be deemed an original signature for purposes of this Settlement Agreement and shall be binding on the Settling Party whose counsel transmits the signature page by email.

[Remainder of page intentionally left blank. Signatures on following page.]

DocuSigned by:

79D5626FD98A4E1...

Date: 5/3/2023

Danielle Pallotta

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Cheryl LaFlamme

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Sandra Bravo

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Melissa Lavin

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Michelle Lemieux

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Catherine Mysliwicz

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Tania Ward

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class



Date: 5/12/23

UMass Memorial Medical Center & UMass Memorial Health Care, Inc.

Sergio Melgar

Executive SVP & Chief Financial Officer

Date: _____
Danielle Pallotta
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class



Date: 5/10/2023
Cheryl LaFlamme
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Sandra Bravo
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Melissa Lavin
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Michelle Lemieux
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Catherine Mysliewic
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Tania Ward
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
UMass Memorial Medical Center & UMass Memorial Health Care, Inc.
Sergio Melgar
Executive SVP & Chief Financial Officer

Date: _____

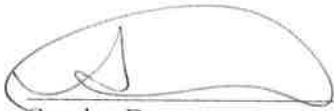
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individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Cheryl LaFlamme

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class



Date: 5/10/23

Sandra Bravo

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Melissa Lavin

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____

Michelle Lemieux

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Date: _____

Catherine Mysliwicz

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Date: _____

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UMass Memorial Medical Center & UMass Memorial Health Care, Inc.

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Date: _____
Sandra Bravo
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Melissa Lavin

Date: 5/10/2023
Melissa Lavin
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Michelle Lemieux
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
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Sergio Melgar
Executive SVP & Chief Financial Officer

Date: _____
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individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

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Date: _____
Sandra Bravo
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Melissa Lavin
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: 5/11/2023
Michelle Lemieux
Michelle Lemieux
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Catherine Mysliewic
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
Tania Ward
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date: _____
UMass Memorial Medical Center & UMass Memorial Health Care, Inc.
Sergio Melgar
Executive SVP & Chief Financial Officer

Michelle Lemieux
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Catherine Mysliewic

Date: 5/14/2023

Catherine Mysliewic
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date:

Tania Ward
individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date:

UMass Memorial Medical Center & UMass Memorial Health Care, Inc.
Sergio Melgar
Executive SVP & Chief Financial Officer

□

Date:

Danielle Pallotta

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date:

Cheryl LaFlamme

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

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individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

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Melissa Lavin

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date:

Michelle Lemieux

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date:

Catherine Mysliwicz

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Tania Ward

Date: *5/4/23*

Tania Ward

individually and on behalf of the FLSA Collective/Massachusetts Wage Act Class

Date:

UMass Memorial Medical Center & UMass Memorial Health Care, Inc.

Sergio Melgar

Executive SVP & Chief Financial Officer

Exhibit 1

NOTICE OF SETTLEMENT OF WAGE CLAIMS FOR EMPLOYEES OF UMASS MEMORIAL HEALTH CARE AFFILIATES

TIME-SENSITIVE NOTICE

*** * * This is not an advertisement from a lawyer. * * ***

**This Notice explains your legal rights and options regarding a settlement with UMass Memorial Medical Center, Inc. and/or UMass Memorial Health Care, Inc.
for employee wage claims regarding the Kronos outage beginning in December 2021**

1. What is this about?

A lawsuit was filed against UMass Memorial Medical Center, Inc. ("UMMMC") and/or UMass Memorial Health Care, Inc. ("UMMHC") for unpaid wages under a federal law, the Fair Labor Standards Act (FLSA), 29 U.S.C. § 201 *et seq.*, and the Massachusetts Wage Act, M.G.L. c. 149, *et seq.*

The lawsuit involves employees who worked for UMMHC entities whose pay was allegedly affected by the Kronos Outage, which affected pay periods in December 2021 and January 2022.

The lawsuit was filed by employees of UMMMC who allege that their and other employees' pay was affected by an outage of UMMMC's Kronos timekeeping system. The lawsuit claims that UMMMC did not timely or accurately pay employees for all hours worked during the affected pay periods in December 2021 and January 2022 due to the Kronos outage. UMMMC and UMMHC deny all of these allegations. UMMMC maintains that it accurately paid employees for all hours worked through its reconciliation process, and that Plaintiffs are not entitled to any penalties or any other remedies under the FLSA or any state wage and hour law. The case is *Pallota, et al., v. University of Massachusetts Memorial Center, Inc. and University of Massachusetts Memorial Health Care, Inc.*, Case No. 22-10361, in the United States District Court for the District of Massachusetts. The Court has not determined that UMMMC or UMMHC is liable or did anything wrong. Instead, the employees and UMMMC reached a settlement to resolve the case and which pays money to all non-exempt employees of UMMHC entities whose wages were delayed payment during the Kronos Outage that join the settlement.

2. Why are you getting this notice?

You have been identified from UMMHC's records as an employee who worked for a UMMHC entity during the Kronos outage and who is eligible to recover money from the settlement. In order to recover money, you must join the settlement by sending FLSA Consent form attached to this notice to the Settlement Administrator. If you do not join the settlement, you will not receive any money.

3. What is your share of the settlement?

Your settlement payment is based on the amount of delayed overtime payment that you experienced, if any, as a result of the Kronos outage relative to all other members of the class. If you complete the FLSA Consent Form to join this settlement, you will receive one check representing "liquidated damages," which is a proportional amount of your allegedly delayed overtime wages, based on the amount in the settlement fund. This payment will be a minimum of \$50.00. If you did not experience delayed overtime wages, you will receive the minimum of \$50.00.

4. How do you get the money offered and how are your rights affected?

To claim funds from the settlement: COMPLETE THE CLAIM FORM	If you choose to be paid your allotted share of the settlement, all you need to do is complete the attached claim form and return it to the Claims Administrator by the due date. After the period to join the settlement ends, you will receive a settlement check for your share.	Deadline: «Date»
To release your state law, but not your federal claims: DO NOTHING	If you do nothing, you will not be paid your allotted share of the settlement. You will retain the right to sue under federal law, but you will waive your right to sue under state law including the Massachusetts Wage Act as part of a certified class under the state law.	NO DEADLINE
If you do not approve of the settlement: OBJECT	You may write to the Court about why you object to (<i>i.e.</i> , do not like) the Settlement and think it should not be approved. Filing an objection does not exclude you from the Settlement.	Deadline: «Date»
To stay out of the settlement entirely: COMPLETE THE OPT OUT FORM	If you do not want to participate in the settlement at all and you want to retain the right to sue on your own about any of the wage claims that were settled in this lawsuit, then <u>do not</u> complete the claim form and <u>do</u> complete the opt out form. By doing so, you give up the possibility of getting money from the settlement of this lawsuit but you retain all rights under federal and state law being waived as part of this settlement.	Deadline: «Date»

5. What happens if I complete the claim form?

If you complete the FLSA Consent Form, you agree to the following:

You will be acknowledging that you are represented by FINKELSTEIN, BLANKINSHIP, FREI-PEARSON & GARBER, LLP, SHEFF AND COOK, LLC, AND GORDON LAW GROUP, LLP (the “Collective and Class Attorneys”) and that you will be bound by the terms of the Settlement Agreement signed by the Class Representatives here. You will **not** have to pay the Collective and Class Attorneys any money directly. UMMMC and UMMHC are paying attorneys’ fees and costs as part of the settlement as a percentage of the overall recovery.

You will be waiving and releasing all claims against UMMHC and its entities for privacy violations and unpaid wages, including overtime and penalties under federal and state law, during the period beginning December 11, 2021, and ending on the date you sign the release, related to the Kronos outage.

6. What does the Court think?

While the Court will dismiss the Lawsuit after the settlement, the Court did not determine that UMMMC or UMMHC (or anyone else) did anything wrong. The Court did not determine you are owed any money. Instead, this is a settlement payment.

Do not contact the Court regarding this settlement. The Court must remain neutral in this matter and cannot give you advice.

7. What does UMMHC think?

UMMHC does not agree it nor any of its entities did anything wrong and believes you were paid correctly and fairly for your work. UMMHC also does not think a collective or class action (group lawsuit) is appropriate. No adverse employment action will be taken against you whether or not you join this settlement and cash or deposit your settlement checks. UMMHC and its entities deny any and all claims alleged in this case, including any implications that they did not accurately pay employees all wages due, or that class members are entitled to any penalties under the FLSA or any state wage and hour laws.

8. How long do I have to make a decision?

The deadline to join the settlement is 90 days after this notice was sent, which is «DATE».

9. What happens after the decision period ends?

After the deadline to join the settlement passes, the Claims Administrator will perform a final accounting. After the Court approves the Settlement Agreement, the Claims Administrator will then mail checks to all the employees who joined the settlement.

You will be able to deposit or cash the settlement check within 120 days of the date it is issued. If you lose or damage the check during that 120-day period, you can contact the Collective and Class Attorneys or the Settlement Administrator to request a replacement check be issued. Any reissued replacement check will be valid for 120 days after the date it is issued.

10. I still have questions. Where can I get more information?

This Notice is only a summary. If you would like, you can obtain certain documents related to the case. However, the deadline for joining the case will not be extended.

If you have any questions about the collective action or your legal rights, you should contact the Settlement Administrator, «NAME AND ADDRESS», or the Collective Attorneys:

D. Greg Blankinship
Jeremiah Frei-Pearson
One North Broadway, Suite
900
White Plains, New York
10601
Tel.: (914) 298-3281
gblankinship@fbfglaw.com
jfrei-pearson@fbfglaw.com

FLSA CONSENT FORM
TO JOIN SETTLEMENT OF WAGE CLAIM LAWSUIT AGAINST UMASS MEMORIAL MEDICAL CENTER, INC.
AND/OR UMASS MEMORIAL HEALTH CARE, INC.

Printed Name: _____

1. I have read the notice regarding the settlement of the overtime lawsuit filed against UMass Memorial Medical Center, Inc. and/or UMass Memorial Health Care, Inc., and affiliated persons or entities (together, "UMMHC"). I understand that the lawsuit was brought under the Fair Labor Standards Act and The Massachusetts Wage Act. I understand the case was settled and that the settlement agreement has been submitted to the Court for approval.
2. I consent to join the settlement to recover allegedly unpaid overtime and/or related damages accrued during the Kronos Outage. I understand I will receive a proportional share of the settlement based on my share of the net settlement that will be paid to the employees that join the settlement and as described in the Notice. I understand that, in exchange for this payment, all released claims (as defined in the settlement agreement) against UMMHC regarding the Kronos Outage that I may have will be fully and finally settled.
3. I consent to be bound by the Class Representative's decisions and the Settlement Agreement.
4. I designate the representative plaintiffs, Danielle Pallotta, Cheryl LaFlamme, Sandra Bravo, Melissa Lavin, Michelle Lemieux, Catherine Mysliewic and Tanya Ward, as my agents to make decisions on my behalf regarding the lawsuit, including entering into settlement agreements, agreements with counsel, and all other matters related to the lawsuit and settlement.
5. I understand and agree that my attorneys, the representative plaintiffs, or the Court may in the future appoint other individuals to be representative plaintiffs. I consent to the appointment and agree to be bound by the decisions made by the representative plaintiff regarding this matter.

Signature

Date

By signing, you designate FINKELSTEIN, BLANKINSHIP, FREI-PEARSON & GARBER, LLP, SHEFF AND COOK, LLC, AND GORDON LAW GROUP, LLP as your attorneys for your wage claims.

Email Address

Cell Phone Number

Address

City / State / Zip

TO JOIN, RETURN THIS FORM BY MAIL OR EMAIL:
Overtime Lawsuit Against UMass Defendants

ADMINISTRATOR
Administrator's Address
Administrator's Phone / Fax
Administrator's Email

OR COMPLETE ONLINE:
«[hyperlink](#)»

QUESTIONS? You can contact the attorneys for the group of UMMHC employees:

The deadline to submit this form is **DATE. Forms submitted after this date WILL NOT be valid.**

D. Greg Blankinship
Jeremiah Frei-Pearson
One North Broadway, Suite
900
White Plains, New York
10601
Tel.: (914) 298-3281
gblankinship@fbfglaw.com
jfrei-pearson@fbfglaw.com

4880-3283-4647, v. 1