

1 IN THE SUPREME COURT OF THE STATE OF NEVADA

2  
3 MARY LOU MCSWEENEY-WILSON,

4 Petitioner,

5 vs.

6 No.

7 District Court No. 20 OC 000051E

8 Dept. 1

9 THE FIRST JUDICIAL DISTRICT COURT OF  
10 NEVADA, IN AND FOR THE COUNTY OF  
11 STOREY, AND THE HONORABLE JAMES  
TODD RUSSELL, DISTRICT JUDGE,

12 Respondents,

13 AND THE STOREY COUNTY  
14 COMMISSIONERS AND STERICYCLE, INC.,

15 Real parties in interest.  
16

17 \_\_\_\_\_/  
18 EXHIBITS IN SUPPORT OF PETITION FOR  
19 WRIT OF MANDAMUS OR PROHIBITION  
20 VOLUME II  
21  
22  
23  
24  
25

Electronically Filed  
Mar 23 2021 03:21 p.m.  
Elizabeth A. Brown  
Clerk of Supreme Court

TABLE OF CONTENTS

Notice of Additional Argument Under NRS 241.020, to Include Legislative History, filed February 12, 2021, .....	475-482
Notice of Witnesses and Exhibits for Hearing, filed December 2, 2020, including Photographs, .....	483-500
Supplement to Petition for District Court Review of Storey County Commissioners Vote to Permit Stericycle’s Special Use Permit, in Violation of Public Health, Safety, and Welfare, filed September 11, 2020, .....	251-471

1 insulin) with flammable solids and water reactives in Area B, Cell 5 and by storing DOT Class 3  
2 flammable hazardous waste with oxidizers in Area B, Cell 4.

3 139. Each violation of Health and Safety Code section 25202, subdivision (a) and  
4 California Code of Regulations, title 22, section 66270.30, subdivision (a) subjects Defendants to  
5 a separate penalty for each day during which each violation occurred or continued, according to  
6 proof at trial, pursuant to Health and Safety Code section 25189, subdivision (b) or in the  
7 alternative, Health and Safety Code section 25189.2, subdivision (b).

8 140. Pursuant to the terms of the 2018 Final Judgment, the Department further seeks  
9 enhanced penalties against Defendants in this action. Defendants stipulated that the 2011-2017  
10 violations alleged in the 2017 Complaint are deemed proven and may be used in a future  
11 enforcement action as a basis for enhanced penalties. (2018 Final Judgment ¶ 13).

12 141. The Department is further entitled to injunctive relief to prevent future  
13 violations of the HWCL pursuant to Health and Safety Code section 25181, subdivision (a).

14 **REQUEST FOR RELIEF**

15 142. The Department requests that the Court grant the relief that follows:

16 a. Enter judgment that Defendants have violated the HWCL as set forth in the  
17 First through Eleventh Causes of Action;

18 b. Enter judgment that Defendants are liable to the Department for civil penalties  
19 for the violations set forth in the First through Eleventh Causes of Action as authorized by Health  
20 and Safety Code section 25189 or, in the alternative, by Health and Safety Code section 25189.2,  
21 in an amount according to proof;

22 c. Enter judgment that Defendants are liable to the Department for enhanced civil  
23 penalties for the violations set forth in the First through Eleventh Causes of Action. In the 2018  
24 Final Judgment, Defendants stipulated that the 2011-2017 violations alleged in the 2017  
25 Complaint are deemed proven and may be used in a future enforcement action as a basis for  
26 enhanced penalties. (2018 Final Judgment ¶ 13);

27 ///

28 ///

000251

1           d.    Enter judgment that Defendants are liable to the Department for costs and  
2 penalties under Health and Safety Code section 25188 and pursuant to section 5.15 of the 2013  
3 ISE Order;

4           e.    Enter permanent injunctions and other orders enjoining Defendants from  
5 violating the HWCL, the Permit, and the 2013 ISE Order and requiring Defendants to otherwise  
6 comply with the HWCL, the Permit, and the 2013 ISE Order;

7           f.    Grant the Department its costs of suit herein; and

8           g.    Grant such other and further relief as the court deems just and proper.

9 Dated: February 14, 2020

Respectfully Submitted,

10                   XAVIER BECERRA  
11                   Attorney General of California  
12                   MARGARITA PADILLA  
13                   Supervising Deputy Attorney General

14                   ORIGINAL SIGNED BY ROSE FUA

15                   ROSE B. FUA  
16                   Deputy Attorney General  
17                   Attorneys for Plaintiff People of the State  
18                   of California, ex rel. Department of Toxic  
19                   Substances Control  
20  
21  
22  
23  
24  
25  
26  
27  
28



1 XAVIER BECERRA  
Attorney General of California  
2 MARGARITA PADILLA, State Bar No. 99966  
Supervising Deputy Attorney General  
3 ROSE B. FUA, State Bar No. 119757  
Deputy Attorney General  
4 1515 Clay Street, 20th Floor  
P.O. Box 70550  
5 Oakland, CA 94612-0550  
Telephone: (510) 879-0190  
6 Fax: (510) 622-2270

E-mail: Rose.Fua@doj.ca.gov

7 Attorneys for Plaintiff People of the State of  
California, ex rel. Barbara A. Lee, Director,  
8 California Department of Toxic Substances Control

**EXEMPT FROM FILING FEES  
GOVERNMENT CODE § 6103**

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA:

10 COUNTY OF SACRAMENTO

11

12 PEOPLE OF THE STATE OF CALIFORNIA, EX  
REL. BARBARA A. LEE, DIRECTOR OF THE  
13 CALIFORNIA DEPARTMENT OF TOXIC  
SUBSTANCES CONTROL

Case No. 94-2017-00221348.

14

Plaintiff,

**STIPULATION FOR ENTRY OF ORDER  
AND FINAL JUDGMENT ON CONSENT**  
(Code of Civ. Proc., § 664.6)

15

16

17

18

19

20

21

22

23

24

25

26

27

28

GENERAL ENVIRONMENTAL  
MANAGEMENT OF RANCHO  
CORDOVA, LLC d/b/a PSC  
ENVIRONMENTAL SERVICES OF  
RANCHO CORDOVA, LLC;  
STERICYCLE ENVIRONMENTAL  
SOLUTIONS, INC.; STERICYCLE, INC.;  
AND DOES 1 THROUGH 10, INCLUSIVE

Defendants

Depl:

35

Judge:

Hon. Alan G. Perkins

Trial Date:

None set

Action Filed:

October 26, 2017

Plaintiff, the People of the State of California, ex rel. Barbara A. Lee, Director of the  
California Department of Toxic Substances Control ("DTSC"), and Defendants General  
Environmental Management of Rancho Cordova, LLC, d/b/a PSC Environmental Services of  
Rancho Cordova, LLC, Stericycle Environmental Solutions, Inc., and Stericycle, Inc.

000255

(collectively "GEM and Stericycle") enter into this Stipulation for Entry of Order and Final Judgment on Consent ("Stipulation") and stipulate as follows:

**1. THE COMPLAINT**

DTSC filed this enforcement action on October 26, 2017, against GEM and Stericycle for Permanent Injunction and Civil Penalties ("Complaint") under the California Hazardous Waste Control Law ("HWCL") (Health & Saf. Code, § 25100 et seq.) and its implementing regulations,

California Code of Regulations, title 22, division 4.5, section 66260.1, et seq. ("Title 22") in connection with GEM and Stericycle's HAZARDOUS WASTE TREATMENT and STORAGE FACILITY located at 11855 White Rock Road, Rancho Cordova, California (referred to as the "FACILITY").

As set out more fully in the Complaint, DTSC alleges that in operating the FACILITY, GEM and/or Stericycle violated the HWCL and Title 22 numerous times from 2011 to 2017 as described in the Complaint.

**2. AGREEMENT TO SETTLE DISPUTE**

DTSC and GEM and Stericycle, collectively "the Parties," enter into this Stipulation pursuant to a compromise and settlement and mutually consent to the entry by this Court of the agreed-upon Order and Final Judgment on Consent ("Final Judgment"), which is the form attached to this Stipulation as Exhibit 1. The Parties are each represented by counsel. This Stipulation and the Final Judgment were negotiated in good faith and at arms' length by the Parties to avoid expensive and protracted litigation regarding the alleged violations of the HWCL and Title 22. Except as set forth in Paragraph 3 below, the Parties agree that nothing in this Stipulation and Final Judgment constitutes an adjudication of any fact or issue of law and GEM and Stericycle do not admit any fact, liability, or violation of the law.

**3. DEFINITIONS**

Except where otherwise expressly defined in this Stipulation, all terms shall be interpreted as set forth in, and consistent with, the HWCL and Title 22. The following terms used in this Stipulation and the Final Judgment shall have the meaning(s) set forth below:

3.1 "BULKING," "BULK," and "BULKED" shall have the same definition as provided for in the PERMIT Part B, section V(G)(1), Waste Analysis Plan.

3.2 "CONSOLIDATING," "CONSOLIDATE," and "CONSOLIDATION" shall have the same definition as provided for in the PERMIT Part B, section V(G)(1), Waste Analysis Plan.

3.3 "EFFECTIVE DATE" is the date the Final Judgment in this matter is entered by the Court.

3.4 "FACILITY" as used herein refers to the HAZARDOUS WASTE TREATMENT and STORAGE FACILITY located at 11855 White Rock Road, Rancho Cordova, California. The FACILITY is a "HAZARDOUS WASTE FACILITY" as defined in Health and Safety Code section 25117.1.

3.5 "FACILITY MANAGER" is the person that was hired to perform and performs the job requirements, essential functions, and principal activities of the "FACILITY MANAGER" and/or "LOCATION MANAGER" at the FACILITY as described in the PERMIT Part B, section IX, Training Plan.

3.6 "GEM AND STERISCYLE EMPLOYEES" means both permanent and temporary employees who perform HAZARDOUS WASTE MANAGEMENT activities at the FACILITY including, but not limited to, the FACILITY MANAGER, SUPERVISOR/LEADMAN, and LEAD CHEMIST/CHEMIST.

3.7 "GENERAL MANAGER" is the person that was hired to perform and performs the following activities of the "GENERAL MANAGER" at the FACILITY as described in the PERMIT Part B, section X, Emergency Action and Contingency Plan: (1) places and answers phone calls and communications to and from the fire department, police department, contractor personnel, and corporate management, (2) is responsible for health and safety aspects of emergency management, including determining appropriate personal protective equipment (PPE), monitoring, and decontamination requirements, and (3) is responsible for responding to the press and public inquiries as well as writing and/or delivering press releases regarding any ongoing incident.

1 3.8 "HANDLE," "HANDLING," and "HANDLED" means "MANAGE" as defined in  
2 Paragraph 3.10.

3 3.9 "HAZARDOUS WASTE" shall have the definition as provided for in Health and  
4 Safety Code section 25117 and the same meaning as the term is used in California Code of  
5 Regulations, title 22, section 66261.3 and sections 66261.20 through 66261.24.

6 3.10 "HAZARDOUS WASTE MANAGEMENT," "MANAGE," and "MANAGEMENT"  
7 shall have the definition as set forth in Health and Safety Code section 25117.2.

8 3.11 "INCOMPATIBLE WASTE" as defined in California Code of Regulations, title 22;  
9 section 66260.10 means a HAZARDOUS WASTE which is unsuitable for (a) placement in a  
10 particular device or facility because it may cause corrosion or decay of containment materials  
11 (e.g., container inner liners or tank walls); or (b) comingling with another WASTE or material  
12 under uncontrolled conditions because the comingling might produce (1) heat or pressure, (2) fire  
13 or explosion, (3) violent reaction, (4) toxic dusts, mists, fumes, or gases, or (5) flammable fumes,  
14 or gases. Appendix V of Chapter 14, Article 19 of Title 22 provides examples of potentially  
15 INCOMPATIBLE WASTES, WASTE components, and materials.

16 3.12 "LEAD CHEMIST/CHEMIST" is the person that was hired to perform the job  
17 requirements, essential functions, and principal activities of the "LEAD CHEMIST" and/or  
18 "CHEMIST" at the FACILITY as described in the PERMIT Part B, section IX, Training Plan;

19 3.13 "PERMIT" as used herein refers to the current HAZARDOUS WASTE FACILITY  
20 PERMIT, which incorporates by reference the Part A and Part B permit application, issued by  
21 DTSC to the FACILITY on April 25, 2007 and all subsequent modifications that have been made,  
22 or may be subsequently approved by DTSC.

23 3.14 "STORAGE," "STORE," "STORED," and "STORING" means the holding of  
24 HAZARDOUS WASTE for a temporary period, at the end of which the HAZARDOUS WASTE  
25 is TREATED, disposed of or STORED elsewhere as set forth in California Code of Regulations,  
26 title 22, section 66260.10.

27 3.15 "SUPERVISOR/LEADMAN" is the person identified in the PERMIT Part B, section  
28 IX, Training Plan.

3.16 "TREATMENT," "TREAT," and "TREATING" means any method, technique, or process which changes or is designed to change the physical, chemical, or biological character or composition of any HAZARDOUS WASTE, or any material contained therein, or removes or reduces its harmful properties or characteristics for any purpose including, but not limited to, energy recovery, material recovery or reduction in volume as set forth in California Code of Regulations, title 22, section 66260.10;

3.17 "WASTE" and "WASTES" shall have the definition as set forth in Health and Safety Code section 25124.

#### 4. JURISDICTION AND VENUE

The Parties agree and hereby stipulate that, for purposes of this Stipulation, this Court has subject matter jurisdiction over the matters alleged in the Complaint and personal jurisdiction over GEM and Stericycle, and that venue in this Court is proper under Health and Safety Code sections 25181 and 25183.

#### 5. WAIVER OF HEARING AND TRIAL AND ENTRY OF JUDGMENT

By signing and entering into this Stipulation, GEM and Stericycle waive their right to a hearing and a trial on the matters alleged in the Complaint and waive their right to appeal.

#### 6. APPLICATION OF THIS STIPULATION AND THE FINAL JUDGMENT

This Stipulation and the Final Judgment shall apply to and be binding on: (1) DTSC and any successor agency and (2) GEM and Stericycle, and their officers, directors, managers, GEM AND STERICYCLE EMPLOYEES, agents, contractors, representatives, and any successors and assigns in their official capacity.

#### 7. MATTERS COVERED

7.1 Except as otherwise provided in this Stipulation, this Stipulation and the Final Judgment are a final and binding resolution and settlement of the HWGL and Title 22 violations specifically alleged by DTSC against GEM and Stericycle in the Complaint. The matters described in the previous sentence are "Covered Matters." Any claim, violation, or cause of action that is not a Covered Matter is a "Reserved Claim." DTSC reserves its authority to pursue Reserved Claims as set forth in Paragraph 12. herein.

7.2 Nothing in this Stipulation or the Final Judgment shall limit the rights of DTSC against GEM/Stericycle under the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601 et seq.); the California Hazardous Substance Account Act (Health & Saf. Code, § 25300 et seq.); or corrective action under Health and Safety Code section 25187, subd. (b) concerning a release of HAZARDOUS WASTE or a HAZARDOUS constituent into the environment, or for violations of the HWCL not included under Covered Matters in:

Paragraph 7.1.

7.3 DTSC further reserves all rights to enforce the injunctive terms of this Stipulation.

#### 8. GENERAL INJUNCTIVE PROVISIONS.

GEM and Stericycle shall be, and are, permanently enjoined as follows:

Pursuant to the provisions of Health and Safety Code sections 25181 and 25184, GEM and Stericycle shall comply with the HWCL and Title 22, and in connection with, the operations of the FACILITY. In addition, GEM and Stericycle will comply with the PERMIT, this Stipulation, and the Final Judgment. To the extent this Stipulation requires more of GEM and Stericycle than the HWCL and/or the PERMIT, GEM and Stericycle agree to comply with this Stipulation and the Final Judgment. GEM and Stericycle also agree not to assert the PERMIT as a defense against any violation of this Stipulation and the Final Judgment or violation of the HWCL. GEM and Stericycle also agree not to assert the HWCL as a defense against any violation of this Stipulation and the Final Judgment. DTSC may enforce this Stipulation and Final Judgment as stated in Paragraph 12, including any injunctive relief by any means authorized under law; including, but not limited to, suspension or revocation of the PERMIT or seeking contempt of court.

#### 9. SPECIFIC INJUNCTIVE PROVISIONS.

9.1 HAZARDOUS WASTE Determination. GEM and Stericycle shall make a HAZARDOUS WASTE determination for all WASTE generated at the FACILITY as required by California Code of Regulations, title 22, section 66262.11, subdivision (a).

9.2 Up-to-Date Emergency Coordinator Contact Information. GEM and Stericycle shall keep the list of names, addresses, and phone numbers of all persons qualified to act as the

1 FACILITY's emergency coordinator up to date as required by California Code of Regulations,  
2 title 22, section 66264.52, subdivision (d).

3 9.3. PERMIT Modification When List of Emergency Coordinator Changes. GEM and  
4 Stericycle shall immediately amend the FACILITY's Contingency Plan and submit a PERMIT  
5 modification to DTSC whenever the list of emergency coordinators changes as required by  
6 California Code of Regulations, title 22, section 66264.54, subdivision (d).

7 9.4. Minimize Releases. GEM and Stericycle shall maintain and operate the FACILITY  
8 to minimize the possibility of a fire, explosion, or unplanned sudden or non-sudden release of  
9 HAZARDOUS WASTE or HAZARDOUS WASTE constituents to air, soil, or surface water as  
10 required by California Code of Regulations, title 22, section 66264.31, including, but not limited  
11 to: separating INCOMPATIBLE WASTE, not releasing HAZARDOUS WASTE at or outside the  
12 FACILITY, and removing liquids and spills from secondary containment and spilled  
13 HAZARDOUS WASTE at the FACILITY as soon as the liquids and spills are observed by GEM  
14 AND STERICYCLE EMPLOYEES.

15 9.5. TREATING, STORING, or Disposing of Recovered WASTE or Material. GEM and  
16 Stericycle shall ensure that the FACILITY's emergency coordinator provides for TREATING,  
17 STORING, or disposing of recovered WASTE or any other material that results from a release,  
18 fire, or explosion at the FACILITY as required by California Code of Regulations, title 22,  
19 section 66264.56, subdivision (g).

20 9.6. Use and MANAGEMENT of Containers. GEM and Stericycle shall use, and  
21 MANAGE HAZARDOUS WASTE containers as required by California Code of Regulations,  
22 title 22, sections 66264.171 through 66264.179.

23 a. Prohibition on Using Damaged Containers. GEM and Stericycle shall not STORE  
24 HAZARDOUS WASTE in containers that are not in good condition as required by California  
25 Code of Regulations, title 22, sections 66264.171.

26 b. Closing Containers. GEM and Stericycle shall close containers holding  
27 HAZARDOUS WASTE during transfer and STORAGE, except when it is necessary to add or  
28 remove WASTE as required by California Code of Regulations, title 22, section 66264.173.

1 subdivision (a). A container holding HAZARDOUS WASTE shall not be opened, HANDLED,  
2 transferred or STORED in a manner which may rupture the container or cause it to leak as  
3 required by California Code of Regulations, title 22, section 66264.173, subdivision (b).

4 c. Separation of INCOMPATIBLE WASTE. GEM and Stericycle shall separate a  
5 container holding a HAZARDOUS WASTE that is incompatible with any WASTE or other  
6 materials transferred or STORED nearby in other containers by means of a dike, berm, wall, or  
7 other device as required by California Code of Regulations, title 22, section 66264.177  
8 subdivision (c).

9 d. Prohibition on Placing INCOMPATIBLE WASTE in Same Container. GEM and  
10 Stericycle shall not place INCOMPATIBLE WASTE or INCOMPATIBLE WASTES and other  
11 materials in the same container except for the purpose of conducting commingled compatibility  
12 testing as described in the PERMIT Part B, section V (Waste Analysis Plan), Attachment V-2:  
13 (Standard Operating Procedure, Area C; Standard Operating Procedure, Area D; and GEM  
14 Laboratory Standard Operating Procedures).

15 e. Unwashed Containers. GEM and Stericycle shall not place HAZARDOUS WASTE  
16 in an unwashed container that previously held an INCOMPATIBLE WASTE or materials  
17 required by California Code of Regulations, title 22, section 66264.177, subdivision (b).

18 f. Compatibility of HAZARDOUS WASTE with Containers. GEM and Stericycle shall  
19 use a container made of or lined with materials which will not react with, and are otherwise  
20 compatible with, the HAZARDOUS WASTE to be transferred or STORED, so that the ability of  
21 the container to contain the HAZARDOUS WASTE is not impaired, as required by California  
22 Code of Regulations, title 22, section 66264.172.

23 g. Marking Containers. GEM and Stericycle shall mark each container of  
24 HAZARDOUS WASTE clearly with the date of acceptance within 24 hours of receiving the  
25 WASTE, as required by PERMIT Part B, section VI(B)(6).

26 h. Marking Empty Containers. GEM and Stericycle shall also label/mark empty  
27 containers as "empty" with the date the containers were emptied, as required by California Code  
28 of Regulations, title 22, section 66261.7, subdivision (f).



1 9.7 Precautions. GEM and Stericycle shall take precautions to prevent accidental ignition  
2 or reaction of ignitable or reactive WASTE, as required by California Code of Regulations, title  
3 22, section 66264.17, subdivision (a).

4 9.8 Identifying INCOMPATIBLE WASTE. GEM and Stericycle shall identify  
5 INCOMPATIBLE WASTE and shall use California Code of Regulations, title 22, chapter 14,  
6 article 19, Appendix V, to help identify INCOMPATIBLE WASTE. Appendix V only provides

7 examples of potentially INCOMPATIBLE WASTE and is not intended to be exhaustive.

8 9.9 Prohibitions Regarding INCOMPATIBLE WASTE. GEM and Stericycle shall not  
9 STORE, MANAGE, TREAT, BULK, or CONSOLIDATE INCOMPATIBLE WASTE in Area C  
10 or Area D or within the same STORAGE cell in Area B, as required by PERMIT Part B, sections  
11 VI(E)(8), VI(G)(7), VI(I)(2), and VIII(H)(1)(b).

12 9.10 BULKING and CONSOLIDATION. GEM and Stericycle shall not BULK  
13 HAZARDOUS WASTE in Areas A and B. GEM and Stericycle shall comply with the DTSC  
14 approved PERMIT Part B Standard Operating Procedures developed for Areas C and D to ensure  
15 INCOMPATIBLE WASTE is not BULKED or CONSOLIDATED from loose packs, lab packs,  
16 or other containers into drums or other containers in Area C and/or roll off bins or other  
17 containers in Area D, as required by PERMIT Part B, sections V(G)(10), V(D)(1), and V(G)(1).

18 9.11 Required Approval Before BULKING. GEM and Stericycle shall obtain written  
19 authorization from the LEAD CHEMIST/CHEMIST or "qualified personnel" as defined in the  
20 PERMIT Part B, section V, Attachment V-5 (Qualifications of Personnel Performing Testing)  
21 before BULKING HAZARDOUS WASTE and shall maintain any documents related to the  
22 BULKING of HAZARDOUS WASTE as part of the FACILITY's operating record for a  
23 minimum of five (5) years, as required by PERMIT Part B, section V(G)(1) and the Imminent and  
24 Substantial Endangerment Determination and Enforcement Order issued to GEM by DTSC on  
25 April 3, 2013.

26 9.12 Prohibitions Regarding Reactive WASTE. GEM and Stericycle shall not STORE,  
27 MANAGE, TREAT, BULK, or CONSOLIDATE reactive WASTE, as defined in California Code  
28 of Regulations, title 22, section 66261.23, at the FACILITY.

1 9.13. Prohibition Regarding Disposal of HAZARDOUS WASTE. GEM and Stericycle  
2 shall not dispose of HAZARDOUS WASTE except at an authorized point as required by Health  
3 and Safety Code sections 25201, 25203, and 25189.5, subdivision (a).

4 9.14. Aisle Space. GEM and Stericycle shall maintain aisle space adequate to allow the  
5 unobstructed movement of personnel, fire protection equipment, spill control equipment, and  
6 decontamination equipment as required by California Code of Regulations, title 22, section

7 66264.35. GEM and Stericycle shall ensure that the labels on each container are facing the  
8 walkway of the aisle and are easily visible for inspection by DTSC and GEM AND  
9 STERICYCLE EMPLOYEES walking down the aisles.

10 9.15. Notifying DTSC of Maintenance. GEM and Stericycle shall notify DTSC at least 48  
11 business hours before performing maintenance in either Area A or Area B, which requires GEM  
12 and Stericycle to construct temporary STORAGE cells using polyethylene plastic sheeting such  
13 as visqueen and sandbags around containers containing ignitable, corrosive, or toxic WASTE in  
14 the Loading and Unloading Area.

15 9.16. Maintaining and Repairing Cracks. GEM and Stericycle shall maintain and repair  
16 cracks in concrete floors or secondary containment structures at the FACILITY as required by  
17 California Code of Regulations, title 22, section 66264.175, subdivision (b)(1).

18 9.17. PERMIT and PERMIT Part B Requirements. GEM and Stericycle shall comply with  
19 the conditions of the PERMIT as required by Health and Safety Code section 25202, subdivision  
20 (a) and California Code of Regulations, title 22, section 66270.30, subdivision (A). This  
21 Stipulation, and the Final Judgment, including but not limited to:

22 a. Maintaining the resin coatings applied to surfaces in Areas A, B, and C as required by  
23 PERMIT Part B, sections VI(D)(1), VI(E)(1), and VI(G)(1), and installing and maintaining a  
24 resin coating applied to the surfaces in Area D as required by this Stipulation.

25 b. STORING HAZARDOUS WASTE for no more than ten (10) days in Area A of the  
26 FACILITY from the day it first arrived at the FACILITY as required by the PERMIT, Part IV  
27 and PERMIT Part B, section VI(D). Area A is a temporary STORAGE area for receiving,  
28 inspecting, repackaging, and preparation of containerized WASTE for shipping.

1 c. Moving HAZARDOUS WASTE directly between the transport vehicle in the  
2 Loading and Unloading Area and Areas A, B, C, and D ("authorized units") as required by Health  
3 and Safety Code section 25200.19(c)(1) and PERMIT Part B, section VI(c). GEM and Stericycle  
4 shall not hold HAZARDOUS WASTE for any time off the transport vehicle and outside of the  
5 authorized units, except for that incidental period of time that is necessary to safely and  
6 effectively move the WASTE from the transport vehicle to the authorized units or from the  
7 authorized units to the transport vehicle. The "incidental period of time" shall mean a period of  
8 time that shall not exceed 12 hours.  
9 d. Keeping inbound and outbound HAZARDOUS WASTE that is being received or  
10 shipped by the FACILITY in a transport vehicle in the Loading and Unloading Area for no more  
11 than ten (10) days as required by Health and Safety Code section 25200.19(c)(1), and PERMIT  
12 Part B, section VI(C).  
13 e. Not accepting and/or STORING at the FACILITY any HAZARDOUS WASTE  
14 destined for other facilities other than outbound WASTE generated by GEM and Stericycle as  
15 required by PERMIT Part B, section VI(C).  
16 f. Requiring GEM AND STERICYCLE EMPLOYEES HANDLING HAZARDOUS  
17 WASTE to wear personal protective equipment, including, but not limited to, hard hats as  
18 required by PERMIT Part B, section VII(B)(1).  
19 g. Notifying DTSC within 24 hours of discovery of a release, including, but not limited  
20 to, fires and explosions involving HAZARDOUS WASTE within the FACILITY as required by  
21 PERMIT, section VI.  
22 h. Following the FACILITY's Contingency Plan after a fire occurs at the FACILITY,  
23 including, but not limited to, evacuating the FACILITY, notifying supervisors, the emergency  
24 coordinator and the GENERAL MANAGER, and placing debris and materials used in the clean-  
25 up of the fire, which are presumed to be HAZARDOUS WASTE, in proper containers, labeled  
26 and MANAGED, appropriately as required by PERMIT Part E, section X(D)(3)(a) and  
27 Attachment X-2.  
28

1 9.18 Change in Titles. GEM and Stericycle must notify DTSC 48 hours prior to changing  
2 the title of the FACILITY representative responsible for compliance with training identified in  
3 Paragraph 9.27 or the "GENERAL MANAGER," LEAD CHEMIST/CHEMIST," or  
4 "SUPERVISOR/LEADMAN" as those terms are defined in Paragraph 3 of this Stipulation.

5 9.19 Change in Ownership or Operational Control. GEM and Stericycle shall obtain  
6 DTSC's prior written approval and comply with DTSC's PERMIT modification procedures

7 before a change in ownership or operational control of the FACILITY occurs as required by  
8 California Code of Regulations, title 22, sections 66270.40, subdivisions (a) and (b)(2) and  
9 66270.42.5, subdivision (c)(1). No later than 90 days prior to the change of ownership or  
10 operational control of the FACILITY, GEM and Stericycle shall submit to DTSC a revised  
11 PERMIT application and a copy of the written agreement between the current and prospective  
12 new permittees that includes a specific date for transfer of PERMIT responsibility, coverage, and  
13 liability between the current and prospective new permittees.

14 9.20 Closure Plan. GEM and Stericycle shall have a "Closure Plan" approved by DTSC  
15 that includes an estimate of the maximum inventory of HAZARDOUS WASTES on-site over the  
16 active life of the FACILITY and a detailed description of the methods to be used during partial  
17 closures and final closure, including, but not limited to, methods for removing, transporting,  
18 TREATING, STORING, or disposing of all HAZARDOUS WASTES, and identification of the  
19 type(s) of the off-site HAZARDOUS WASTE MANAGEMENT units to be used, if applicable, as  
20 required by California Code of Regulations, title 22, section 66264.112, subdivision (b)(3).

21 9.21 Financial Assurance. GEM and Stericycle shall maintain adequate financial  
22 assurance for the FACILITY, as required by California Code of Regulations, title 22, sections  
23 66264.140 et seq.

24 9.22 Daily Inspections of the FACILITY. GEM and Stericycle shall conduct daily  
25 inspections of all areas of the FACILITY where HAZARDOUS WASTE is accumulated,  
26 TREATED, or STORED, and record the inspection findings and any responses by GEM and  
27 Stericycle in written inspection logs. The inspection logs shall be maintained at the FACILITY  
28 and made available upon request to DTSC and the Sacramento County Environmental

1 Management Department. The inspection logs shall be reviewed and signed by the FACILITY  
2 MANAGER or designee daily and s/he will be responsible for ensuring that any deficiencies  
3 noted during a daily inspection have been corrected as required by the HWCL, the PERMIT, this  
4 Stipulation, and/or the Final Judgment. Within two calendar days of the completion of the  
5 correction of any deficiencies noted during a daily inspection, the resolution or remedy for those  
6 deficiencies shall be noted in the log.

7 a. The daily inspections shall ensure that HAZARDOUS WASTE at the FACILITY is  
8 MANAGED in accordance with the HWCL, including, but not limited to, California Code of  
9 Regulations, title 22, sections 66261.7, 66264.17, 66264.31, 66264.35, 66264.73, 66264.171,  
10 66264.172, 66264.173, 66264.174, 66264.175, 66264.176, 66264.177, 66266.81, 66270.30,  
11 66273.31-39, and chapter 14, article 19, Appendix V and Health and Safety Code section  
12 25200.19.

13 b. Review of WASTE Types. The daily inspection shall include a review of WASTE  
14 types STORED at the FACILITY to determine if INCOMPATIBLE WASTE is unlawfully  
15 STORED together. If INCOMPATIBLE WASTE is found to be unlawfully STORED together,  
16 the written inspection log shall describe how the HAZARDOUS WASTE was segregated or  
17 otherwise HANDLED to prevent incompatibility.

18 c. Review of Spills and/or Releases. If HAZARDOUS WASTE spills and/or releases  
19 are discovered at the FACILITY, GEM and Stericycle shall respond appropriately and  
20 consistently with the HWCL, and as required by the PERMIT, this Stipulation, and the Final  
21 Judgment.

22 9.23 Daily Inspections of the Loading and Unloading Area. GEM and Stericycle shall  
23 conduct daily inspections of the Loading and Unloading Area for cracks and STORAGE of  
24 INCOMPATIBLE WASTE.

25 9.24 Locations of Video Cameras. Within 30 days of the entry of the Final Judgment,  
26 GEM and Stericycle shall provide DISE with a FACILITY map identifying the locations of  
27 video cameras in Areas A, B, C, and D and the Loading and Unloading Area (Video Camera  
28 FACILITY Map). If GEM and Stericycle make any changes to the location of any video camera

1 in Areas A, B, C, or D or the Loading and Unloading Area, GEM and Stericycle must submit a  
2 revised Video Camera FACILITY Map within seven (7) days after a change has been made.

3 9.25 Retention of Audio and Video Footage. GEM and Stericycle shall maintain all audio  
4 and video footage used by the FACILITY to monitor Areas A, B, C, and D and the Loading and  
5 Unloading Area for a minimum of one (1) year and shall make the audio and video footage  
6 available to DTSC, upon request.

7 9.26 Training. GEM and Stericycle shall not allow GEM AND STERICYCLE  
8 EMPLOYEES who started their employment at the FACILITY before the EFFECTIVE DATE to  
9 STORE, MANAGE, TREAT, BULK, or CONSOLIDATE HAZARDOUS WASTE until he/she  
10 completes all the training attached as Exhibit 2 to this Stipulation except for the five trainings and  
11 testing identified in Paragraph 9.26(b) of this Stipulation. GEM AND STERICYCLE  
12 EMPLOYEES will have 30 days from the date of entry of the Final Judgment to complete the  
13 five trainings and testing in Paragraph 9.26(b). GEM and Stericycle shall not allow GEM AND  
14 STERICYCLE EMPLOYEES who commence their employment at the FACILITY on or after the  
15 EFFECTIVE DATE to STORE, MANAGE, TREAT, BULK, or CONSOLIDATE  
16 HAZARDOUS WASTE until he/she completes all the training attached as Exhibit 2 to this  
17 Stipulation and the testing identified in Paragraph 9.26(b)(3) except for the training identified in  
18 section 9.26(b)(1) - California Compliance School. GEM AND STERICYCLE EMPLOYEES  
19 will have up to six months from the date of commencement of their employment to complete the  
20 California Compliance School training.

21 E.g. Program of Classroom Instruction. GEM and Stericycle shall ensure that all GEM  
22 AND STERICYCLE EMPLOYEES successfully complete a program of classroom instruction  
23 that teaches them to perform their duties at the FACILITY in connection with the  
24 MANAGEMENT of HAZARDOUS WASTE in a way that ensures compliance with the  
25 requirements of the PERMIT, the HWCL, California Code of Regulations, title 22, sections  
26 66264.16 and 66273.36, and the additional requirements in this Stipulation and the Final  
27 Judgment. This program of classroom instruction shall be supervised by a person trained in  
28 HAZARDOUS WASTE MANAGEMENT procedures, including, but not limited to, the HWCL.

and shall include instruction that teaches GEM AND STERICYCLE EMPLOYEES HAZARDOUS WASTE MANAGEMENT procedures that are relevant to the positions in which they are employed at the FACILITY.

b. GEM and Stericycle shall within 30 days of entry of the Final Judgment provide the following five trainings and testing identified in this section and provide documentation that the training was conducted in a timely manner within 45 days of entry of the Final Judgment:

1. California Compliance School: GEM and Stericycle shall provide training in Modules 1 through 5 from the California Compliance School for all GEM AND STERICYCLE EMPLOYEES who HANDLE HAZARDOUS WASTE at the FACILITY. Employees who are hired after the California Compliance School training is initially provided must take the California Compliance School training before they STORE, MANAGE, TREAT, BULK or CONSOLIDATE HAZARDOUS WASTE at the FACILITY, or within six months of hire, whichever occurs first.

2. 8 Hours of Incompatibility Training: GEM and Stericycle shall provide at least eight (8) hours of training every six months to GEM AND STERICYCLE EMPLOYEES on identifying, STORING, and separating INCOMPATIBLE WASTE, and explaining the dangers of STORING incompatibles together. At a minimum, this training shall include the following elements:

(i) basic chemistry and identification of INCOMPATIBLE WASTE/chemicals including the type(s) of chemical reactions associated with INCOMPATIBLE WASTE/chemicals.

(ii) Department of Transportation (DOT) requirements including site specific procedures for loading and unloading trucks.

(iii) California Code of Regulations, PERMIT requirements, and site specific procedures used for HANDLING and MANAGING INCOMPATIBLE WASTE in Areas A, B, C, D, and the Loading and Unloading Area, including testing procedures to identify potential INCOMPATIBLE WASTE in Area C.

(iv) GEM and Stericycle shall provide training in utilizing the United States Environmental Protection Agency (USEPA) Chemical Compatibility Chart (EPA 600/2-80-076).

April 1980, or any subsequent revisions); California Code of Regulation, title 22, chapter 14, article 19, Appendix V; Examples of Potentially INCOMPATIBLE WASTE table; and Code of Federal Regulations, title 49, part 177, subparts A (Carriage by Public Highway) including, but not limited to, section 177.848, i.e., DOT Segregation of Hazardous Materials table. The USEPA Chemical Compatibility Chart; California Code of Regulations, title 22, chapter 14, Appendix V, Examples of Potentially INCOMPATIBLE WASTE table; and DOT Segregation of Hazardous

Materials table shall be posted in Areas A, B, C, and D so that GEM AND STERICYCLE EMPLOYEES working in these PERMITTED areas of the FACILITY can refer to them when HANDLING HAZARDOUS WASTE.

(v) the history of violations/incidents at FACILITY involving INCOMPATIBLE WASTE.

(vi) applicable portions of the Emergency Contingency Plan and site-specific safety procedures including personal protective equipment and other safety equipment utilized in the event of an INCOMPATIBLE WASTE incident at the FACILITY.

3. Testing After 8 Hours of Incompatibility Training: GEM and Stericycle shall conduct testing after the 8 Hours of Incompatibility Training is provided to demonstrate that training participants are able to MANAGE INCOMPATIBLE WASTES consistent with the requirements of the HWCL. A GEM and Stericycle Employee who receives a score of 90 percent on a test will have passed the test. A GEM and Stericycle Employee who receives a score between 70 and 90 percent must retake the test until a minimum score of 90 percent is obtained. A GEM Stericycle Employee who receives a score below 70 percent must retake the training and the test. The testing results will be provided to DTSC after each training.

4. 4 Hours Universal WASTE Training: GEM and Stericycle shall provide at least four (4) hours of training every six months on the HANDLING and MANAGEMENT of universal WASTE to GEM AND STERICYCLE EMPLOYEES.

5. Area C and Area D Standard Operating Procedures (SOP) Training: GEM and Stericycle shall provide Area C and Area D SOP Training, specifically compatibility training for BULKING and CONSOLIDATION of lab packs, loose packs, and solid WASTE in roll-off bins.



1 Thereafter, GEM and Stericycle will provide the Area C and Area D SOP Training every six  
2 months after entry of the Final Judgment. That training shall include, but not be limited to, the  
3 following according to each SOP:

4 (i) the scope and application of the procedure.

5 (ii) significance of the procedure.

6 (iii) the apparatus used.

7 (iv) reagents and materials.

8 (v) sample collection, preservation and HANDLING procedure.

9 (vi) BULKING and CONSOLIDATION procedures, including checking the pH,  
10 radioactivity and physical characteristics of the material as required by Table V-2 of the  
11 Waste Analysis Plan.

12 (vii) Quality Control Procedures, the physical attributes of the WASTE and the procedures  
13 taken for CONSOLIDATION, and test container usage.

14 6. HAZARDOUS WASTE Operations and Emergency Response (HAZWOPER) 8-hour

15 Supervisor Training. In addition to the PERMIT required training, which requires GEM and  
16 Stericycle to provide at least eight (8) hours of HAZWOPER supervisor training to  
17 SUPERVISOR/LEADMAN who have limited HANDLING of HAZARDOUS WASTE, GEM  
18 and Stericycle shall provide at least eight (8) hours of HAZWOPER supervisor training annually  
19 (every 365 days) for SUPERVISOR/LEADMAN who directly HANDLE HAZARDOUS  
20 WASTE, including but not limited to HANDLING that does and does not involve  
21 CONSOLIDATION and/or BULKING of HAZARDOUS WASTES.

22 c. Subsequent Revisions to Training Materials. GEM and Stericycle shall provide  
23 DTSC with all PERMIT and Stipulation and Final Judgment related training materials, including  
24 any subsequent revisions to training materials, 65 days prior to using them. DTSC may review  
25 and comment on the adequacy of the training materials. If DTSC reviews the training materials  
26 and determines them to be inadequate, DTSC will identify the deficiencies and request that GEM  
27 and Stericycle revise the training materials. GEM and Stericycle will remain responsible for the  
28 adequacy of the training and shall not be relieved of the requirements of the Stipulation and Final

1 Judgment. DTSC's action or inaction with regard to the training materials shall neither impair  
2 nor waive DTSC's authority to enforce the PERMIT, HWCL or the Stipulation and the Final  
3 Judgment.

4 9.27 FACILITY Representative Responsible for Compliance with Training. Within five  
5 (5) days of entry of the Final Judgment, GEM and Stericycle shall provide the name and position  
6 title of the GEM and Stericycle Employees that shall act as the authorized representative of GEM  
7 and Stericycle and who shall be responsible for ensuring compliance with the training:

8 requirements under the HWCL, the PERMIT, and this Stipulation and the Final Judgment.

9 9.28 Verification of Training:

10 a. Initial Verification:

11 (1) GEM and Stericycle shall, within 30 days of the entry of the Final Judgment, provide  
12 documentation to DTSC demonstrating that all GEM AND STERICYCLE EMPLOYEES  
13 employed at the FACILITY on or before the EFFECTIVE DATE who STORE, MANAGE,  
14 TREAT, BULK, CONSOLIDATE, or otherwise come into contact with HAZARDOUS WASTE  
15 in the scope of their duties related to the operations of the FACILITY have completed all the  
16 trainings set forth in the attached Exhibit 2 to this Stipulation except for the five trainings and  
17 testing identified in section 9.26(b) of this Stipulation. For the 9.26(b) trainings and testing,  
18 GEM and Stericycle shall provide documentation that training and testing was completed within  
19 45 days of entry of the Final Judgment.

20 (2) For all GEM AND STERICYCLE EMPLOYEES hired after the EFFECTIVE  
21 DATE, before allowing GEM and STERICYCLE EMPLOYEES to engage in HAZARDOUS  
22 WASTE MANAGEMENT, GEM and Stericycle must provide documentation to DTSC that all  
23 the trainings set forth in Exhibit 2 to this Stipulation have been completed. GEM and Stericycle  
24 shall provide documentation that California Compliance School training was completed no later  
25 than 6 months and 15 days after the person was initially hired.

26 (3) The person identified in Paragraph 9.27 will certify, under penalty of perjury under the  
27 laws of the State of California that the documentation provided to DTSC regarding the initial  
28 verification is true and correct.

b. Subsequent Verification: Every six months from entry of the Final Judgment, and continuing for five (5) years, GEM and Stericycle shall submit to DTSC a training table that includes the names of all GEM AND STERICYCLE EMPLOYEES that supervise, STORE, MANAGE, TREAT, BULK or CONSOLIDATE HAZARDOUS WASTE, including, but not limited to SUPERVISOR/LEADMAN and those who act as a SUPERVISOR/LEADMAN. The table must identify all the training set forth in Paragraph 9.26 of this Stipulation and in Exhibit 2

to this Stipulation. The table shall include the GEM AND STERICYCLE EMPLOYEES' date of hire and date of termination, if applicable. The table shall also include the GEM AND STERICYCLE EMPLOYEES' initial training and each subsequent annual/refreshers training for the previous three years. With each submittal to DTSC, GEM and Stericycle shall provide the following:

(1) supporting documentation, including certificates and/or training sign-up sheets.

(2) the syllabus used for the eight (8) hours of Incompatibility Training;

(3) course outlines that describe (a) RCRA HAZARDOUS WASTE Generator Training;

(b) Four (4) Hours of Universal WASTE Training; (c) Emergency Response Procedures and Contingency Plan Training; (d) PERMIT Training; and (2) Area C and Area D SOP Training.

9.29 Certification That All GEM AND STERICYCLE EMPLOYEES Have Received

Training: Every six months after entry of the Final Judgment, the person identified in Paragraph 9.27 will certify under penalty of perjury under the law of the State of California to DTSC that all GEM AND STERICYCLE EMPLOYEES who STORE, MANAGE, TREAT, BULK or CONSOLIDATE HAZARDOUS WASTE have received the training required under the HWCL, the PERMIT, and this Stipulation and the Final Judgment, within the time periods required.

9.30 Retention of Training Records: GEM and Stericycle shall retain training records on GEM AND STERICYCLE EMPLOYEES, including all records associated with Paragraph 9.26 of this Stipulation until closure of the FACILITY is certified by DTSC; training records for terminated GEM AND STERICYCLE EMPLOYEES shall be kept for at least three years from the date of termination.

1        9.31 Environmental Compliance Assurance Contractor: Within forty-five (45) calendar  
2 days of the entry of the Final Judgment, GEM and Stericycle shall employ and maintain for a  
3 period of five (5) years a third-party contractor knowledgeable in the California environmental  
4 laws that are the subject of this Stipulation and the Final Judgment, as an "Environmental  
5 Compliance Assurance Contractor." Prior to selecting the Environmental Compliance Assurance  
6 Contractor, GEM and Stericycle shall provide the name and curriculum vitae or otherwise present

7 the qualifications of the proposed Compliance Assurance Contractor to DTSC. The  
8 Environmental Compliance Assurance Contractor's responsibility shall be to manage GEM and  
9 Stericycle's compliance with the injunctive terms in this Stipulation and the Final Judgment.  
10 GEM and Stericycle shall remain responsible for the actions of said contractor and shall not  
11 otherwise be relieved of any requirements set forth in the PERMIT, this Stipulation, or the Final  
12 Judgment. The duties of the Environmental Compliance Assurance Contractor shall include:  
13        a. undertaking good faith efforts to assess GEM and Stericycle's compliance with  
14 applicable laws and regulations;  
15        b. advising GEM AND STERICYCLE EMPLOYEES on compliance with all applicable  
16 laws and regulations and to correct any noted deficiencies or violations, and  
17        c. collecting and maintaining copies of all written advisements of violation, including a  
18 Notice of Summary of Violation ("NOVs" and "SOVs") and inspection reports, issued or  
19 performed by any local, state, or federal agency that identifies any violation of any environmental  
20 protection law, relating to the FACILITY for a period of five (5) years.

21        9.32 Annual Reports: Beginning one year after the entry of the Final Judgment, and  
22 continuing for five (5) years from the entry of the Final Judgment, GEM and Stericycle's  
23 Environmental Compliance Assurance Contractor shall submit to DTSC an annual status report,  
24 describing:

- 25        a. the efforts by GEM and Stericycle to comply with the terms of this Stipulation and  
26 the Final Judgment;  
27        b. the occurrence of a reportable event or reportable events as defined in Health and  
28 Safety Code section 25508.1, NOVs or SOVs issued to GEM and Stericycle for the FACILITY,

c. any actions taken by the FACILITY in response to a reportable event and NOV/SOVs, and

d. any penalties paid by GEM and Stericycle with respect to such NOV/SOVs.

Each annual report shall be signed by GEM and Stericycle's Environmental Compliance Assurance Contractor, one corporate officer from GEM, one corporate officer from Stericycle Environmental Solutions, Inc., and one corporate officer from Stericycle, Inc., under penalty of

perjury under the laws of the State of California.

9.33. Environmental Audits. Within forty-five (45) calendar days of the entry of the Final Judgment, GEM and Stericycle shall select and retain the services of an independent third-party auditor who is qualified to conduct HAZARDOUS WASTE audits to determine compliance with the HWCL, the PERMIT, this Stipulation, and the Final Judgment and shall be either a Registered Environmental Assessor or Professional Engineer, licensed in California, and knowledgeable and experienced in environmental regulations, including the HWCL ("Auditor"). Prior to selecting the auditor, GEM and Stericycle shall provide the name and curriculum vitae or otherwise present the qualifications of the proposed Auditor to DFSC.

a. The Auditor will use the "Hazardous Waste Generator Inspection Report," attached hereto as Exhibit 3, as guidance for a HAZARDOUS WASTE audit protocol that will be used by the Auditor to determine whether GEM and Stericycle are meeting the requirements of the HWCL, PERMIT, this Stipulation, and the Final Judgment. In addition to any other audit objectives deemed appropriate by GEM and Stericycle, the environmental compliance audits shall evaluate GEM and Stericycle's compliance with the HWCL, PERMIT, and the requirements of this Stipulation and the Final Judgment. The HAZARDOUS WASTE compliance audits shall also evaluate the implementation and effectiveness of GEM and Stericycle's HAZARDOUS WASTE compliance program intended to maintain compliance with the HWCL, PERMIT, and this Stipulation and the Final Judgment.

b. The Auditor shall conduct three (3) HAZARDOUS WASTE compliance audits of the FACILITY, each at 18-month intervals. The first will be conducted 18 months after entry of the

Final Judgment, the second will be 36 months after entry of the Final Judgment, and the third will be 54 months after entry of the Final Judgment.

9.34 Narrative Audit Reports. For each audit, the Auditor shall also prepare and submit a narrative HAZARDOUS WASTE audit report to GEM and Stericycle, with a copy to DTSC, due within 60 calendar days after each of the three audit deadlines stated in Paragraph 9.33(b). The HAZARDOUS WASTE audit reports referenced above shall include, but not be limited to, a

complete description and discussion of all audit objectives, scope, and criteria, audit activities, audit findings and audit conclusions, recommendations and shall identify and discuss all audit evidence considered or relied upon to support the audit conclusions. The HAZARDOUS WASTE audit reports shall also contain a brief description of any written advisements or violation, including formal NOV's or SOV's and inspection reports, directed to GEM and Stericycle, by any local, state, or federal agency that identifies any violation of any environmental protection law relating to the MANAGEMENT of any hazardous material or HAZARDOUS WASTE. Such reports shall also include, but not be limited to, a brief description of the disposition of any such noted violations, including whether GEM and Stericycle paid any fines, costs, or other payments and what corrective measures taken by GEM and Stericycle to correct any deficiencies raised in the HAZARDOUS WASTE audit reports, if any, were taken by GEM and Stericycle. This requirement is not intended to be and shall not be construed as a "safe period" and does not relieve GEM and Stericycle of their obligation to promptly correct any deficiency or violations required by the HWCL, the PERMIT, or this Stipulation and Judgment.

9.35 Compliance Audits are Not Binding on DTSC. The Parties agree that the HAZARDOUS WASTE compliance audits and corresponding audit reports are not binding on DTSC. DTSC in no way delegates or waives its enforcement authority. Furthermore, DTSC's action or inaction with respect to the audits shall neither impair nor waive DTSC's authority to enforce the HWCL, the PERMIT, or this Stipulation and the Final Judgment.

1 10. CIVIL PENALTIES

2 10.1 SETTLEMENT PAYMENT

3 a. GEM and Stericycle shall pay DTSC a total of \$1,412,400 in civil penalties within  
4 thirty (30) days of the EFFECTIVE DATE.

5 b. This payment shall be made by cashier's check, payable to the "Department of Toxic  
6 Substances Control" and bearing the notation "GEM and Stericycle, Inc. and Case No. 34-2017-  
7 00221348," and mailed to:

8 Cashier  
9 Accounting Office, MS-21A  
Department of Toxic Substances Control  
10 P.O. Box 806  
Sacramento, California 95812-0806

11 c. An electronic (e.g., Adobe PDF) copy or paper photocopy of the payment shall be  
12 sent, at the same time, to those persons identified in Paragraph 11.

13 10.2 LATE PAYMENT

14 GEM and Stericycle shall pay a late payment of \$10,000 per day for each day the payment  
15 is late. In addition, GEM and Stericycle shall pay DTSC post-judgment interest as provided in  
16 Code of Civil Procedure section 685.010 (10%) from the date of default. Further, GEM and  
17 Stericycle is obligated to pay costs incurred by DTSC in enforcing the money judgment against  
18 GEM and Stericycle, in this matter, including, but not limited to reasonable attorney's fees.  
19

20 11. NOTICES

21 11.1 All notices under this Stipulation and the Final Judgment shall be in writing and shall  
22 be sent to:

23 Denise Tsuji  
Branch Chief  
24 Department of Toxic Substances Control  
Enforcement and Emergency Response Division  
25 8800 Cal Center Drive  
Sacramento, CA 95826-3200  
26 Email: Denise.Tsuji@dtsc.ca.gov  
27  
28

1 Brooke O'Hanley Selzer  
2 Senior Attorney  
3 Office of Legal Counsel  
4 Department of Toxic Substances Control  
5 700 Heintz Ave.  
6 Berkeley, CA 94710  
7 Email: Brooke.Selzer@dtsc.ca.gov

8 Rose B. Fuii  
9 Deputy Attorney General  
10 1515 Clay Street, Suite 2000  
11 P.O. Box 70550  
12 Oakland, CA 94612-0550  
13 Email: Rose.fuii@dbj.ca.gov

14 Legal Department  
15 GEM/Stericycle, Inc.  
16 28161 N. Keith Drive  
17 Lake Forest, IL 60045

18 Matt Marra  
19 SVP, Safety, Health & Compliance  
20 28161 N. Keith Drive  
21 Lake Forest, IL 60045  
22 Email: Matt.Marra@STERICYCLE.com

23 James D. Treloar  
24 Vice President, TSDF Operations  
25 28161 N. Keith Drive  
26 Lake Forest, IL 60045  
27 Email: James.Treloar@STERICYCLE.com

28 11.2 Each Party may change its respective representative(s) for purposes of notice by providing the name and address of the new representative, in writing, to those persons identified in Paragraph 11.1. All notices or other communications required or permitted under the Final Judgment that are addressed as provided in this Paragraph are effective upon delivery if delivered personally or by overnight mail, or, if delivered by certified mail, are effective five (5) calendar days following deposit with the United States mail, postage prepaid, if delivered by mail, or are effective the next court day that electronic mail is sent before 5 p.m. (PST) to the electronic mail addresses of the designated recipient for notice concurrent with sending the notice by United States mail.



1 11.3 All notices, approvals, and decisions of DTSC under the terms of this Stipulation or  
2 the Final Judgment shall be communicated to GEM and Stericycle in writing. No oral advice,  
3 guidance, suggestions, or comments by employees or officials of DTSC or people or entities  
4 acting on behalf of GEM and Stericycle, regarding matters covered in this Stipulation or the Final  
5 Judgment, shall be construed to relieve GEM and Stericycle of its obligations under this  
6 Stipulation or the Final Judgment.

7 11.4 Nothing in this Stipulation or the Final Judgment shall be interpreted or applied to  
8 relieve GEM and Stericycle of its existing obligations to provide copies of documentation to a  
9 local agency or Certified Unified Program Agency (CUPA) as required by statute, regulation, or  
10 requirement.

#### 11 12. RESERVATION OF AUTHORITY

12 12.1 Other than "Covered Matters" as defined in paragraph 7.1, nothing herein is intended  
13 nor shall it be construed, to preclude DTSC, or any state, county, or local agency, department,  
14 board, or entity from exercising its authority under any law, statute, or regulation.

15 12.2 Nothing in this Stipulation or the Final Judgment in any way waives or limits any  
16 authority DTSC has under the HWCL to 1) enforce the Final Judgment, 2) use the violations in  
17 the Complaint to seek enhanced penalties in any subsequent administrative or civil action to show  
18 a pattern or course of conduct or a history of non-compliance, and 3) use the violations in the  
19 Complaint in a permitting proceeding, decision, and/or process.

20 12.3 Nothing in the foregoing is intended to or shall be construed as limiting or precluding  
21 DTSC from pursuing all of its remedies to enforce this Stipulation and the Final Judgment or  
22 from initiating an enforcement action against GEM and/or Stericycle seeking injunctive relief or  
23 penalties for the period of time GEM and/or Stericycle violated the terms of this Stipulation or the  
24 Final Judgment or from initiating an enforcement action against GEM and/or Stericycle for any  
25 violations of the HWCL or Title 22 except as provided by section 7, Matters Covered.

26 12.4 A decision by DTSC not to enforce any provision of this Stipulation or the Final  
27 Judgment shall neither be deemed a waiver of the provision, nor in any way affect the validity of  
28 this Stipulation, the Final Judgment, or DTSC's enforcement authority. A decision by DTSC not

1 to enforce any provision of this Stipulation or the Final Judgment shall not preclude DTSC from  
2 exercising its statutory authority to enforce the same or other provisions.

3 12.5 GEM and Stericycle covenant not to pursue any civil or administrative claims against  
4 DTSC or against any governmental unit of the State of California, any counties or municipalities  
5 in the State of California, or against their officers, employees, representatives, agents, or attorneys  
6 for actions taken against GEM and Stericycle arising out of or related to Covered Matters.

7 **13. VIOLATIONS DEEMED PROVEN**

8 GEM and Stericycle agree that, solely for purposes of subsection (a) and (b) below  
9 (hereinafter "Defined Situations"):

10 (a) a future DTSC enforcement action for new violations (i.e., not within Matters  
11 Covered) at the FACILITY; and/or

12 (b) a permitting proceeding, decision, and/or process regarding GEM and/or Stericycle as  
13 an applicant for or holder of a HAZARDOUS WASTE facilities PERMIT and/or HAZARDOUS  
14 WASTE transporter registration, including, but not limited to, any decision made pursuant to  
15 Health and Safety Code section 25186 and/or process arising from Health and Safety Code  
16 section 25200.21.

17 the violations alleged in the Complaint will be deemed proven without any need for  
18 testimony or other evidence. GEM and Stericycle each agree that the violations alleged in the  
19 Complaint may be used by DTSC in the Defined Situations, inter alia, as a basis for enhanced  
20 penalties or permitting proceeding(s), decision(s) and/or process(es). Further, GEM and  
21 Stericycle agree that, in any of the Defined Situations, neither GEM nor Stericycle will dispute  
22 the facts underlying the violations alleged in the Complaint or DTSC's use of the violations  
23 alleged in the Complaint as a basis for enhanced penalties or for permitting proceeding(s) and/or  
24 decision(s) and/or process(es). If DTSC seeks to use the violations alleged in the Complaint,  
25 GEM and Stericycle each also agree that, in any of the Defined Situations, they will not assert any  
26 defenses based on the passage of time, including, but not limited to, laches, estoppel, and statute  
27 of limitations.

1           **14. NO LIABILITY OF DTSC**

2           DTSC shall not be liable for any injury or damage to persons or property resulting from acts  
3 or omissions by GEM and/or Stericycle or its agents, servants, employees, representatives, or  
4 other persons acting in concert or participating with GEM and Stericycle, in carrying out  
5 activities pursuant to this Stipulation or the Final Judgment in this matter, nor shall DTSC be held  
6 as a party to or guarantor of any contract entered into by GEM and Stericycle or its agents

7 servants, employees, representatives, or other persons acting in concert or participating with GEM  
8 and Stericycle, in carrying out the requirements of this Stipulation or the Final Judgment in this  
9 matter.

10           **15. FUTURE REGULATORY CHANGES**

11           Nothing in this Stipulation or the Final Judgment shall excuse GEM and/or Stericycle from  
12 meeting any more stringent requirements that may be imposed by applicable law or by changes in  
13 the applicable law.

14           **16. FUTURE PERMIT CHANGES**

15           Nothing in this Stipulation or the Final Judgment entered by the Court in this matter shall  
16 preclude DTSC from requiring more stringent requirements in GEM/Stericycle's PERMIT for  
17 this FACILITY.

18           **17. "INTEGRATION"**

19           This Stipulation constitutes the entire agreement between the Parties with respect to the  
20 Covered Matters and may not be amended or supplemented except as provided for in this  
21 Stipulation or the Final Judgment. No oral representations have been made or relied on other than  
22 as expressly set forth herein.

23           **18. INTERPRETATION OF THIS STIPULATION AND THE FINAL**  
24 **JUDGMENT**

25           This Stipulation and the Final Judgment shall be deemed to have been drafted equally by  
26 the Parties hereto. The Parties agree that the rule of construction holding that ambiguity is  
27 construed against the drafting party shall not apply to the interpretation of this Stipulation and the  
28 Final Judgment.

1           **19. CONTINUING JURISDICTION**

2           The Parties agree that this Court has continuing jurisdiction to interpret and enforce the  
3 provisions of this Stipulation and the Final Judgment and to address any other matters arising out  
4 of or regarding this Stipulation and the Final Judgment.

5           **20. AMENDMENTS TO THIS STIPULATION AND THE FINAL JUDGMENT**

6           This Stipulation and the Final Judgment may be amended or supplemented only pursuant to  
7 a written agreement signed by the Parties, followed by written approval by the Court, or by order  
8 of the Court following the filing of a duly noticed motion.

9           **21. COSTS AND ATTORNEYS' FEES**

10           Except as otherwise provided in this Stipulation, each Party to this Stipulation and the Final  
11 Judgment shall bear its own costs and attorneys' fees.

12           **22. AUTHORITY TO ENTER THIS STIPULATION**

13           Each signatory to this Stipulation certifies that he or she is fully authorized by the Party he  
14 or she represents to enter into this Stipulation, to execute it on behalf of the Party represented, and  
15 to legally bind that Party.

16           **23. COUNTERPARTS**

17           This Stipulation may be executed in several counterpart originals, each of which taken  
18 together shall constitute an integrated document.

19           **24. ENTRY OF THE FINAL JUDGMENT PURSUANT TO STIPULATION**

20           Pursuant to Code of Civil Procedure section 654.6, the Parties further stipulate that, upon  
21 approval of this Stipulation by the Court, the Court may enter the Final Judgment in this matter in  
22 the form set forth in the attached Exhibit 1. If the Court does not approve this Stipulation and the  
23 agreed upon Final Judgment in the form and substance proposed in Exhibit 1, hereto, each Party  
24 reserves the right to withdraw both this Stipulation and the proposed Final Judgment, upon  
25 written notice to all Parties and the Court.

1 IT IS SO STIPULATED.

2 Dated: October 15, 2018

For the California Department of Toxic  
Substances Control

Original signed by Keith Kihara

KEITH KIHARA

CHIEF

ENFORCEMENT AND EMERGENCY RESPONSE  
DIVISION

HAZARDOUS WASTE MANAGEMENT PROGRAM

3  
4  
5  
6  
7  
8 Dated: October 15, 2018

For General Environmental Management of  
Rancho Cordova, LLC, dba PSG Environmental  
Services of Rancho Cordova, LLC; Stericycle  
Environmental Solutions, Inc.; Stericycle, Inc.

Original signed by Charles A. Alutto

CHARLES A. ALUTTO

CHIEF EXECUTIVE OFFICER

9  
10  
11  
12  
13 APPROVED AS TO FORM:

14 Dated: October 17, 2018

XAVIER BUCERRA

ATTORNEY GENERAL OF CALIFORNIA

Original signed by Margarita Padilla

MARGARITA PADILLA

SUPERVISING DEPUTY ATTORNEY GENERAL

ROSEB, JUA

DEPUTY ATTORNEY GENERAL

Attorneys for Plaintiff, People of the State of  
California, ex rel. Barbara A. Lee, Director,  
California Department of Toxic Substances  
Control

15  
16  
17  
18  
19  
20  
21  
22 Dated: October 12, 2018

DANIEL P. BRUNTON

DANIEL P. BRUNTON

LATHAM & WATKINS, LLP

Attorney for Defendants General Environmental  
Management of Rancho Cordova, LLC, dba PSG  
Environmental Services of Rancho Cordova,  
LLC; Stericycle Environmental Solutions, Inc.;  
Stericycle, Inc.

23  
24  
25  
26  
27  
28 EX-3014512982-91018752.docx

1 IT IS SO STIPULATED.

2 Dated: October \_\_, 2018

For the California Department of Toxic  
Substances Control

3  
4  
5 KEITH KIHARA  
CHIEF

6 ~~ENVIRONMENTAL AND EMERGENCY RESPONSE~~

DIVISION

HAZARDOUS WASTE MANAGEMENT PROGRAM

7  
8 Dated: October 15, 2018

For General Environmental Management of  
Rancho Cordova, LLC, dba PSC Environmental  
Services of Rancho Cordova, LLC; Stericycle  
Environmental Solutions, Inc.; Stericycle, Inc.

9  
10  
11 Original signed by Charles A. Alutto

12 CHARLES A. ALUTTO  
CHIEF EXECUTIVE OFFICER

13 APPROVED AS TO FORM:

14 Dated: October \_\_, 2018

XAVIER BECERRA  
ATTORNEY GENERAL OF CALIFORNIA

15  
16  
17 MARGARITA PADILLA  
SUPERVISING DEPUTY ATTORNEY GENERAL  
ROSE B. EGA

18 DEPUTY ATTORNEY GENERAL  
Attorneys for Plaintiff, People of the State of  
California, ex rel. Barbara A. Lee, Director,  
California Department of Toxic Substances  
Control

19  
20  
21  
22 Dated: October 12, 2018

DANIEL P. BRUNTON

Original signed by Daniel P. Brunton

23  
24 DANIEL P. BRUNTON  
LATHAM & WATKINS, LLP  
Attorney for Defendants General Environmental  
Management of Rancho Cordova, LLC, dba PSC  
Environmental Services of Rancho Cordova,  
LLC; Stericycle Environmental Solutions, Inc.;  
Stericycle, Inc.

25  
26  
27  
28 OK2014512982, 191018752:ddc

FOR GENERAL INQUIRIES: Contact the Department of Toxic Substances Control by phone at (800) 728-6942 or visit [www.dtsc.ca.gov](http://www.dtsc.ca.gov). To report illegal handling, discharge, or disposal of hazardous waste, call the Waste Alert Hotline at (800) 698-6942.

The mission of DTSC is to protect California's people and environment from harmful effects of toxic substances by restoring contaminated properties, enforcing hazardous waste law, reducing hazardous waste generation, and encouraging the manufacture of chemically safer products.

000283



# **APPENDIX G**



### SETTLEMENT AGREEMENT

This Agreement of Settlement ("Agreement") is entered into by and between Plaintiff-Relator Jennifer Perez ("Relator"), and defendant Stericycle, Inc. ("Stericycle"), through their authorized representatives. Relator and Stericycle are collectively the "Parties."

### RECITALS

#### WHEREAS:

A. Stericycle, based in Lake Forest, Illinois, is a provider of regulated medical waste management services and pharmaceutical returns services to medical offices, hospitals, other health care providers, and other entities. Stericycle does or has done business with government customers at the federal, state, and local government level ("Government Customers").

B. Relator is an individual resident of the State of Illinois. On April 28, 2008, Relator filed a *qui tam* action in the United States District Court for the Northern District of Illinois captioned *United States of America ex rel. Jennifer D. Perez v. Stericycle, Inc.*, Case No. 1:08-cv-2390 (hereinafter referred to as the "Action").

C. On June 28, 2010, Relator filed an Amended Complaint adding the States of California, Delaware, Florida, Illinois, Indiana, Nevada, New Hampshire, New Jersey, New York, North Carolina, Rhode Island, Tennessee, the Commonwealths of Massachusetts and Virginia, and the District of Columbia (except for New Hampshire and New York, "Government Entities") as plaintiffs and alleging claims for relief under the respective state false claims law on behalf of state and local governmental agencies, as applicable.

D. On July 23, 2013, Relator filed her Second Amended Complaint ("SAC") in which she alleged claims on behalf of the Government Entities. The SAC dropped any claims on behalf of the State of New Hampshire. The SAC alleges Stericycle improperly increased its

service price to certain government customers, from January 1, 2003 until June 30, 2014, without consent of the Government Customers or contractual authorization, resulting in overpayment for products and services ("Covered Conduct").

E. Stericycle denies all allegations of wrongdoing in connection with the Covered Conduct, and this Agreement shall not be construed as an admission of any wrongdoing or liability by Stericycle.

F. Neither the United States, any State, or the District of Columbia has intervened in the Action.

G. Relator claims an entitlement to a share of the proceeds of this Agreement, the terms of which are incorporated in a separate agreement between Relator and the Government Entities, and to reasonable attorneys' fees, costs, and expenses under the federal False Claims Act and its state analogues.

H. The Attorneys General for the States of California, Florida, New Jersey and Rhode Island do not represent all governmental entities within their states under their respective false claims acts, including local governmental or political subdivision customers within their States, which were also allegedly affected by the Covered Conduct ("Affected Local Governmental Customers"). The Attorneys General of California, Florida, New Jersey and Rhode Island will provide effective notice of the Settlement to each Affected Local Governmental Customer pursuant to Paragraphs 8 and 9 of this Agreement.

NOW THEREFORE, to avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and the unique remedies and penalties exclusively available under the federal False Claims Act and its state analogues, and in consideration of the mutual promises and obligations of this Agreement, Relator and Stericycle agree as follows:

000286

AK

1. Stericycle agrees to pay \$26,750,000.00 ("Settlement Sum") plus \$1,750,000.00 ("Attorneys' Fees Settlement Sum"), for a ~~total payment amount of \$28,500,000.00~~ ("Total Payment Sum"). Stericycle will pay the Settlement Sum to a third party as described below. The allocation of the Settlement Sum between the Government Entities has been determined by and among the Government Entities without any involvement by or input whatsoever from Stericycle or Stericycle's counsel. In addition, Stericycle alone agrees to pay the Attorneys' Fees Settlement Sum in full and final satisfaction of any claims by Relator and Relator's Counsel for reasonable expenses, attorneys' fees, and costs. The Total Payment Sum resolves any and all claims that were alleged on behalf of the Government Entities by Relator in the Action and Relator's claim for attorneys' fees, costs, and expenses under 31 U.S.C. § 3730(d) and analogous provisions of state False Claims Acts.

2. No later than fourteen (14) days after the Effective Date of this Agreement, Stericycle shall pay, pursuant to written instructions from Relator's counsel, the Settlement Sum to the third party administrator, Garden City Group, LLP. No later than fourteen (14) days after receiving payment of the Settlement Sum from Stericycle, Garden City Group, LLP shall distribute the Settlement Sum to the Government Entities pursuant to written instructions provided by the Government Entities. No later than fourteen (14) days after the Effective Date of this Agreement, Stericycle shall pay the Attorneys' Fees Settlement Sum to and in the manner directed by Relator's counsel.

3. Stericycle shall comply with all applicable state and/or federal laws, rules, and regulations as now constituted or as may hereafter be amended.

4. Relator affirms that this Agreement is fair, adequate, and reasonable under all the circumstances in accordance with 31 U.S.C. § 3730(c)(2)(B) and similar state statutes, and promises not to challenge the terms of this Agreement.

5. A stipulation of dismissal with prejudice will be filed, along with the Government Entities consent to dismissal, if so required, fourteen (14) calendar days after payment is received by all Government Entities pursuant to paragraph 2.

6. Other than payment of the Attorneys' Fees Settlement Sum, each party to this Agreement shall bear its own attorneys' fees and costs.

7. Subject to the other provisions and limitations set out in this Agreement and effective as of the receipt of the Total Payment Sum, Relator, on behalf of herself, and for her heirs, successors, attorneys, agents, and assigns, hereby agrees to and shall release Stericycle, and each of Stericycle's respective past and present affiliates, parents, subsidiaries, divisions, branches, departments, predecessors, successors, assigns, and the heirs, principals, employees, associates, owners, stockholders, devisees, agents, distributors, directors, officers, representatives, insurers, attorneys, and predecessors and successors in interest from any and all claims that she may have against Stericycle in her own right or that she brought in the Action for the Covered Conduct, including but not limited to claims under the federal False Claims Act, 31 U.S.C. §§ 3729-3733 and/or its state analogues.

In connection with the foregoing, Relator acknowledges that she is familiar with and hereby waives and relinquishes any and all rights and benefits she may have under the laws of any state, similar to and including Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing

the release, which if known by him must have materially affected his settlement with the debtor.

8. Within ten (10) business days of the Effective Date, Stericycle will provide the Attorney General's Offices in California, Florida, and New Jersey with sufficient contact information of presently-known government customers in the respective State to allow them to provide effective notice to each Affected Local Governmental Customer ("Contact Information"). Within 45 business days of the date by which the Attorney General's Offices in California, Florida, and New Jersey receive the Contact Information, the Attorney General's Offices in California, Florida, and New Jersey will provide to each Affected Local Governmental Customer its check along with a letter or other notification that contains the following language in boldface text: **"By accepting and depositing the enclosed check within 60 days of its issuance, you are consenting to the provisions of the enclosed Settlement Agreement, including the provisions in paragraph 7 of the Agreement. If you do not deposit the enclosed check within 60 days of its issuance, you will forfeit your pro rata share of the settlement proceeds."** Rhode Island has received the Contact Information from Relator's counsel and will provide to each Affected Local Governmental Customer its check along with a letter or other notification that contains the language cited above. Contemporaneous copies of the notification will be provided to Stericycle. Any amounts that an Affected Local Governmental Customer does not timely deposit under this paragraph shall be retained by the State where that Affected Local Governmental Customer is located.

9. Each Affected Local Governmental Customer in California, Florida, New Jersey and Rhode Island will have 60 days of the issuance of the check and letter or other notification described in the above paragraph, to review the Notification, seek additional information, if

needed, from the Attorney General's Offices in those states, and decide whether to consent to the settlement consistent with the terms set forth in paragraph 8 herein. An Affected Local Governmental Customer's failure to deposit the check within 60 days of its issuance will not result in any increase in the pro rata share of the settlement funds to which any other Affected Local Governmental Customer is entitled under the terms of this Agreement.

10. Subject to the other provisions and limitations set out in this Agreement and effective as of the receipt of the Total Payment Sum, Stericycle, for itself as well as for each of Stericycle's respective past and present affiliates, parents, subsidiaries, divisions, branches, departments, predecessors, successors, assigns, and the heirs, principals, employees, associates, owners, stockholders, devisees, agents, distributors, directors, officers, representatives, insurers, attorneys, and predecessors and successor in interest, does and hereby agrees to and does release Relator, her heirs, successors, attorneys, agents, and assigns from any claim (including attorneys' fees, costs, and expenses of every kind and however denominated) that Stericycle has asserted, or could have asserted, or may assert in the future against Relator and her heirs, successors, attorneys, agents, and assigns, including without limitation, claims related to the Covered Conduct and the investigation and prosecution thereof.

In connection with the foregoing, Stericycle acknowledges that it is familiar with and hereby waives and relinquishes any and all rights and benefits it may have under the laws of any state, similar to and including Section 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

11. Relator and her counsel agree that all documents, data, or other information

000230  
JK

provided or produced to Relator by Stericycle in connection with or related to the Action, will be

(1) returned to counsel for Stericycle; or

(2) destroyed and Relator will certify in writing that all such information was destroyed;

within thirty (30) days of the dismissal of the Action.

12. Documents provided or produced by Stericycle to the States of North Carolina and Tennessee and the Commonwealths of Massachusetts and Virginia, will be treated as and kept confidential to the extent provided by law.

13. Each party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

14. This Agreement is governed by the laws of the State of Illinois. The exclusive jurisdiction and venue for any dispute relating to this Agreement is the United States District Court for the Northern District of Illinois.

15. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of each of the Parties.

16. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the person and entities indicated below.

17. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

18. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement. Facsimiles of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

19. This Agreement is binding on Stericycle's successors, transferees, heirs, and assigns.

20. This Agreement is binding on Relator's successors, transferees, heirs, and assigns.

21. The Parties agree that either Party may disclose this Agreement publicly, but all other information related to this Action or this Agreement that has not been publicly filed or is not a matter of public record is confidential and may not be disclosed by either of the Parties for any reason, except as otherwise required by law or court order.

22. This Agreement is effective on the date the last party signs this Agreement ("Effective Date").


IN WITNESS WHEREOF, the Parties have executed this Agreement.

**JENNIFER D. PEREZ**

DATED: Oct. 16, 2015

  
JENNIFER D. PEREZ

DATED: October 15, 2015

  
James T. Ratner  
(Admitted pro hac vice)  
P.O. Box 1035  
Woodstock, NY 12498  
Tel.: (845) 688-5222  
Email: jamesratner@yahoo.com



DATED: Oct. 6, 2015

By: David A. Koenigsberg  
MENZ BONNER KOMAR &  
KOENIGSBERG LLP  
David A. Koenigsberg  
(Admitted pro hac vice)  
John R. Menz  
444 Madison Avenue, 39<sup>th</sup> Floor  
New York, New York 10022  
Tel.: (212) 223-2100  
Email: dkoenigsberg@mbkkllaw.com

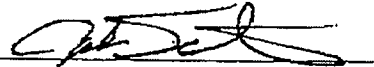
DATED: 10/6, 2015

Michael C. Rosenblat  
Michael C. Rosenblat, P.C.  
707 Skokie Boulevard, Suite 600  
Northbrook, Illinois 60062-2841  
Tel.: (847) 480-2390  
Email: mike@rosenblatlaw.com

*Attorneys for Plaintiff-Relator  
Jennifer Pérez*

STERICYCLE, INC.

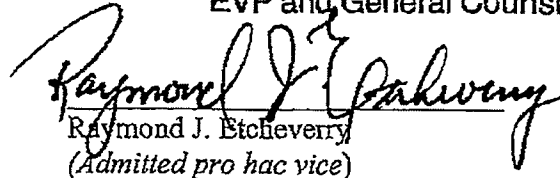
DATED: October 8, 2015

BY:   
NAME:

John Schetz

TITLE: EVP and General Counsel

DATED: October 8, 2015

  
Raymond J. Etcheverry  
(Admitted pro hac vice)

Cory D. Sinclair (Admitted pro hac vice)

PARSONS BEHLE & LATIMER

201 South Main Street, Suite 1800

Salt Lake City, UT 84111

Telephone: (801) 532-1234

E-mail: REtcheverry@parsonsbehle.com

csinclair@parsonsbehle.com

and

Paul E. Chronis

Elinor L. Hart

Duane Morris LLP

190 S. LaSalle Street, Suite 3700

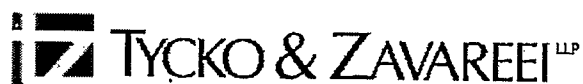
Chicago, Illinois 60603

Telephone: (312) 499-6700

Email: PEChronis@duanemorris.com

EHart@duanemorris.com

*Counsel for Defendant Stericycle, Inc.*



Your Call Is Confidential  
Call Us Today (202) 973-0900

Types of Whistleblower Cases

Selecting A Law Firm

Our Attorneys

News

Videos

FAQ

Confidential Case Evaluation

## News

### **Stericycle Settles for \$28.5 million in Qui Tam Action; Healthcare Whistleblower to Collect \$5.5 million**

02/18/16 Written by Fraud Fighters // Blog.

The Northern District of Illinois approved the \$28.5 million final settlement of the action styled *US ex rel. v. Stericycle, Inc.*, 1:08-cv-02390 (N.D. Ill) earlier this month. Stericycle, an international medical waste disposal company, was accused of artificially inflating its prices by 18% for its state and federal government customers, totaling to almost \$12 million in overcharges. Plaintiff-relator Jennifer Perez will collect a \$5.5

000295

million relator's share of the settlement.

Stericycle, headquartered in Lake Forest, Illinois, services both government and private customers. In the initial complaint, Plaintiff-relator Perez exposed Stericycle's suspected overpricing scheme, whereby it purportedly withheld accurate pricing data from potential customers, and then added on fuel and energy surcharges after contracts had been finalized. Fourteen states and the District of Columbia were damaged by Stericycle's alleged price inflation.

Perez served as a government customer-relations specialist for Stericycle from 2004 to 2008. She became suspicious of Stericycle's billing practices in or around 2006 when she first noticed the periodic 18% increases that were charged to government accounts in advance of services rendered.

Although the government declined to proceed with the Plaintiff-relator's False Claims investigation, Perez and counsel were undeterred in pursuing the action. During the course of the investigation, Perez and counsel reviewed thousands of Stericycle documents spanning over a ten-year period. As a result, Perez's relator's share reflects a larger portion of the total settlement. Typically, a whistleblower is entitled to an award between 15% and 30% of the total

000296

amount recovered as a result of the qui tam lawsuit.

Even though Stericycle's alleged deception cost the government around \$12 million, state and federal entities will recover not only these losses, but substantial additional penalties. Under qui tam law, the government is allowed to collect up to three times the alleged damages, plus additional civil damages.

Stericycle's suspected pricing scheme is not unique.

Healthcare fraud, including Medicare fraud, is one of the most common types of False Claims Act violations. Other examples of healthcare fraud cases include billing for services or supplies that were not provided, or the submission of improper Medicare and Medicaid claims as a result of aggressive off-label marketing of name brand pharmaceutical products.

If you have information about a potential case involving a company or individual committing government programs fraud, do not hesitate to take action. You might be able to bring your own qui tam lawsuit under the False Claims Act, acting as a whistleblower on behalf of the US government.

Before filing your lawsuit, be sure to consult with a qui tam attorney familiar with the intricacies of the False Claims Act and government fraud cases, as these attorneys are best

000297

equipped to protect your rights  
and help you secure your share  
of any potential monetary  
reward.

If you would like to consult with  
one of our False Claims Act  
attorneys, please fill out our  
Confidential Case Evaluation  
form, or call (202) 973-0900 to  
speak with a lawyer at the law  
office of Tycko & Zavareei LLP.

### **Begin Your Confidential Case Evaluation**

#### **Information we will need to contact you:**

*Name:*

*Phone:*

*Email:*

#### **Information about the company you believe is committing fraud on the government:**

*Company:*

*What type of products or services does the  
company provide?*

000298

*Are you current or former employee of the company?*

**Information about the fraud:**

*Describe the fraud in as much detail as you can.*

*Provide your best estimate of the amount of money the company has received from the government as a result of the fraud.*



I'm not a robot

reCAPTCHA  
Privacy - Terms

Send

**Browse by Category**

**Blog**

**Newsletters**

**Browse by Topic**

**Government Programs Fraud**

**Securities and Commodities Fraud**

**Tax Fraud**

**Bank Industry Fraud**

The information you obtain at this site is not, nor is it intended to be, legal advice. You should consult an attorney for individual advice regarding your own situation.

**TYCKO & ZAVAREFF**

1828 L Street, NW - Suite 1000 - Washington, D.C.  
20036

000299

7/28/2020

Whistleblower Lawyers, Stericycle Settles for \$28.5 million in Qui Tam Action; Healthcare Whistleblower to Collect \$5.5 million - Tycko & ...

Tel: (202) 973-0900 • Fax: (202) 973-0950

The Tower Building • 1970 Broadway – Suite 1070 •  
Oakland, CA 94612  
Tel: (510) 254-6808

[Sitemap](#) | [Disclaimer](#) | [By Jonathan Tycko](#)

[A PaperStreet Web Design](#)

#### **Types of Whistleblower Cases**

Government Programs Fraud

Securities and Commodities Fraud

Tax Fraud

Banking Industry Fraud

#### **About Our Firm**

Our Attorneys

Our Firm Website

Selecting a Law Firm

000300




APPROVED AND AGREED TO BY:

BY: \_\_\_\_\_  
STEVE W. BERMAN  
HAGENS BERMAN SOBOL SHAPIRO LLP  
PLAINTIFFS' CLASS COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
MARK S. MESTER  
LATHAM & WATKINS LLP  
STERICYCLE COUNSEL

DATE: \_\_\_\_\_

BY:   
STERICYCLE, INC.  
DEFENDANT

DATE: October 17, 2017

BY: \_\_\_\_\_  
LYNDON VETERINARY CLINIC, PLLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
RESEARCHDX, LLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
GREATER HAMPSTEAD FAMILY MEDICINE, PC.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
JOSEPH G. SAUDER  
MCCUNE WRIGHT AREVALO LLP  
COUNSEL TO COCHRANTAN VETERINARY  
HOSPITAL, AMORES DENTAL CARE, MCMACKIN &  
ZIMNOCH, P.C., AND MADISON AVENUE  
PROFESSIONAL BUILDING

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
COCHRANTON VETERINARY HOSPITAL  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

000351

APPROVED AND AGREED TO BY:

BY: \_\_\_\_\_  
STEVE W. BERMAN  
HAGENS BERMAN SOBOL SHAPIRO LLP  
PLAINTIFFS' CLASS COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
MARK S. MESTER  
LATHAM & WATKINS LLP  
STERICYCLE COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
STERICYCLE, INC.  
DEFENDANT

DATE: \_\_\_\_\_

BY:  \_\_\_\_\_  
LYNDON VETERINARY CLINIC, PLLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: 10/13/17

BY: \_\_\_\_\_  
RESEARCHDX, LLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
GREATER HAMPSTEAD FAMILY MEDICINE, PC.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
JOSEPH G. SAUDER  
MCCUNE WRIGHT AREVALO LLP  
COUNSEL TO COCHRANTAN VETERINARY  
HOSPITAL, AMORES DENTAL CARE, MCMACKIN &  
ZIMNOCH, P.C., AND MADISON AVENUE  
PROFESSIONAL BUILDING

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
COCHRANTON VETERINARY HOSPITAL  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

APPROVED AND AGREED TO BY:

BY: \_\_\_\_\_  
STEVE W. BERMAN  
HAGENS BERMAN SOBOL SHAPIRO LLP  
PLAINTIFFS' CLASS COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
MARK S. MESTER  
LATHAM & WATKINS LLP  
STERICYCLE COUNSEL

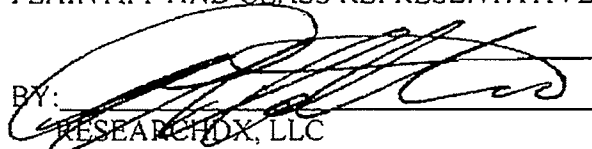
DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
STERICYCLE, INC.  
DEFENDANT

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
LYNDON VETERINARY CLINIC, PLLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY:  \_\_\_\_\_  
RESEARCHBOX, LLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: 10/13/2017

BY: \_\_\_\_\_  
GREATER HAMPSTEAD FAMILY MEDICINE, PC.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
JOSEPH G. SAUDER  
MCCUNE WRIGHT AREVALO LLP  
COUNSEL TO COCHRANTAN VETERINARY  
HOSPITAL, AMORES DENTAL CARE, MCMACKIN &  
ZIMNOCH, P.C., AND MADISON AVENUE  
PROFESSIONAL BUILDING

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
COCHRANTON VETERINARY HOSPITAL  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

APPROVED AND AGREED TO BY:

BY: \_\_\_\_\_  
STEVE W. BERMAN  
HAGENS BERMAN SOBOL SHAPIRO LLP  
PLAINTIFFS' CLASS COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
MARK S. MESTER  
LATHAM & WATKINS LLP  
STERICYCLE COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
STERICYCLE, INC.  
DEFENDANT


DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
LYNDON VETERINARY CLINIC, PLLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
RESEARCHDX, LLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY:  Thomas Cammilleri, D.O.  
GREATER HAMPSTEAD FAMILY MEDICINE, PC.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: 10-17-17

BY: \_\_\_\_\_  
JOSEPH G. SAUDER  
MCCUNE WRIGHT AREVALO LLP  
COUNSEL TO COCHRANTAN VETERINARY  
HOSPITAL, AMORES DENTAL CARE, MCMACKIN &  
ZIMNOCH, P.C., AND MADISON AVENUE  
PROFESSIONAL BUILDING

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
COCHRANTON VETERINARY HOSPITAL  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

APPROVED AND AGREED TO BY:

BY: \_\_\_\_\_  
STEVE W. BERMAN  
HAGENS BERMAN SOBOL SHAPIRO LLP  
PLAINTIFFS' CLASS COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
MARK S. MESTER  
LATHAM & WATKINS LLP  
STERICYCLE COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
STERICYCLE, INC.  
DEFENDANT

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
LYNDON VETERINARY CLINIC, PLLC  
PLAINTIFF AND CLASS REPRESENTATIVE


DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
RESEARCHDX, LLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
GREATER HAMPSTEAD FAMILY MEDICINE, PC.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY:  \_\_\_\_\_  
JOSEPH G. SAUDER  
MCCUNE WRIGHT AREVALO LLP  
COUNSEL TO COCHRANTAN VETERINARY  
HOSPITAL, AMORES DENTAL CARE, MCMACKIN &  
ZIMNOCH, P.C., AND MADISON AVENUE  
PROFESSIONAL BUILDING

DATE: 10/14/17

BY: \_\_\_\_\_  
COCHRANTON VETERINARY HOSPITAL  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

APPROVED AND AGREED TO BY:

BY: \_\_\_\_\_

STEVE W. BERMAN  
HAGENS BERMAN SOBOL SHAPIRO LLP  
PLAINTIFFS' CLASS COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

MARK S. MESTER  
LATHAM & WATKINS LLP  
STERICYCLE COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

STERICYCLE, INC.  
DEFENDANT

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

LYNDON VETERINARY CLINIC, PLLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

RESEARCHDX, LLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

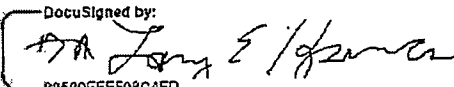
GREATER HAMPSTEAD FAMILY MEDICINE, PC.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

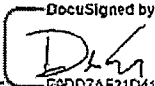
JOSEPH G. SAUDER  
MCCUNE WRIGHT AREVALO LLP  
COUNSEL TO COCHRANTAN VETERINARY  
HOSPITAL, AMORES DENTAL CARE, MCMACKIN &  
ZIMNOCH, P.C., AND MADISON AVENUE  
PROFESSIONAL BUILDING

DATE: \_\_\_\_\_

DocuSigned by:  
BY:  \_\_\_\_\_  
B8500EEF508C4ED...

COCHRANTON VETERINARY HOSPITAL  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: 10/14/2017

DocuSigned by:  
BY:  \_\_\_\_\_  
F8DD7A521D414E2  
AMORES DENTAL CARE  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: 10/14/2017

BY: \_\_\_\_\_  
MCMACKIN & ZIMNOCH, P.C.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
MADISON AVENUE PROFESSIONAL BUILDING  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
AMORES DENTAL CARE  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

DocuSigned by:  
BY: DAVID SUATOS  
27B84F973-5F4C0...  
MCMACKIN & ZIMNOCH, P.C.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: 10/13/2017

BY: \_\_\_\_\_  
MADISON AVENUE PROFESSIONAL BUILDING  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

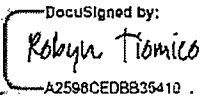


BY: \_\_\_\_\_  
AMORES DENTAL CARE  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
MCMACKIN & ZIMNOCH, P.C.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY:  \_\_\_\_\_  
MADISON AVENUE PROFESSIONAL BUILDING  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: 10/16/2017

# ADA American Dental Association®

America's leading advocate for oral health

## ADA News

### Current Issue

## **\$295 million settlement reached in Stericycle class action**

October 27, 2017

By Kelly Soderlund

A \$295 million settlement has been reached on behalf of a nationwide class of Stericycle customers, following a class-action lawsuit accusing the company of engaging in a price-increasing scheme that automatically inflated customers' bills up to 18 percent biannually, according to a news release from Hagens Berman, the Chicago-based law firm that represented the class.

The U.S. District Court for the Northern District of Illinois on Oct. 26 granted preliminary approval for the settlement. The fairness hearing for final approval is scheduled for Feb. 21, 2018.

The class included more than 246,000 dentists, veterinarians and other small business owners across the country. After the settlement receives final approval, Hagens Berman will make information available for dentists and others who have contracted with Stericycle on how to check their eligibility for the settlement and any other next steps. The ADA News will also provide information and coverage.

In July 2016, the ADA News detailed reports from dentists nationwide who felt aggravated and deceived at how the Lake Forest, Illinois-based medical waste disposal company was doing business. These dentists reported escalating fees that were not explicitly stated in their original contracts and contracts that automatically renewed with only a small window to cancel before it re-upped for several more years.

Under the settlement agreement, Stericycle will discontinue the pricing practices at the core of the lawsuit within 60 days of preliminary approval by the court. Stericycle's compliance with the settlement terms will be monitored for three years by a retired federal district judge.

The settlement agreement affects Stericycle customers that had flat-fee Steri-Safe or variable transactional medical waste disposal contracts with Stericycle and were subjected to the disputed price increases, which the lawsuit states were as much as 18 percent, twice per year.

000360

These small businesses affected by the price increases were identified by Stericycle as "small quantity" customers. When these SQ customers called to complain about the price increases, according to the lawsuit, they were given false reasons for the price increases by Stericycle's customer service representatives. According to the suit, those accounts made up 97 percent of Stericycle's customers worldwide.

In 2013, an investigation of Stericycle's billing software found Steri-Safe customers' price increases were programmed to occur regularly as often as every six months, which plaintiffs alleged was contrary to the contract terms that Stericycle had agreed to, according to court documents.

The contracts state that increases can occur only when "operational changes" are implemented "to comply with documented changes in the law" or to "address cost escalation." According to the complaint, Stericycle's billing software automatically boosted customers' rates, regardless of any actual increases in Stericycle's costs, according to court documents.

To learn more about the class-action lawsuit against Stericycle, visit [hbsslaw.com/cases/stericycle](http://hbsslaw.com/cases/stericycle).

[Subscriptions](#)

[Submit Comments](#)

[Advertising](#)

[Permissions and Reprints](#)

#### **Related Pages**

[Court approves \\$80 million settlement in class...](#)

[Dentists affected by class action lawsuit may...](#)

[FTC judge rules on conspiracy allegations...](#)

Copyright © 2020 American Dental Association. Reproduction or republication strictly prohibited without prior written permission.

000361

# APPENDIX I

000362

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

*In re Stericycle, Inc. Securities Litigation*

Civ. A. No. 1:16-cv-07145  
Hon. Andrea R. Wood

CLASS ACTION

ECF CASE

**STIPULATION AND AGREEMENT OF SETTLEMENT**

This Stipulation and Agreement of Settlement, dated as of February 14, 2019 (the “Stipulation”) is entered into between (a) the Public Employees’ Retirement System of Mississippi (“Mississippi”) and the Arkansas Teacher Retirement System (“Arkansas Teacher”) (collectively, “Lead Plaintiffs”), on behalf of themselves and the Settlement Class (defined below); (b) defendant Stericycle, Inc. (“Stericycle” or the “Company”); (c) defendants Charles A. Alutto, Dan Ginnetti, Brent Arnold, Frank ten Brink, and Richard Kogler (collectively, the “Officer Defendants”); (d) defendants Mark C. Miller, Jack W. Schuler, Lynn Dorsey Bleil, Thomas D. Brown, Thomas F. Chen, Rodney F. Dammeyer, William K. Hall, John Patience, and Mike S. Zafirovski (collectively, the “Director Defendants” and, together with Stericycle and the Officer Defendants, the “Stericycle Defendants”); and (e) defendants Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman Sachs & Co. LLC (f/k/a Goldman, Sachs & Co.), J.P. Morgan Securities LLC, HSBC Securities (USA) Inc., MUFG Securities Americas Inc. (f/k/a Mitsubishi UFJ Securities (USA), Inc.), Santander Investment Securities Inc., SMBC Nikko Securities America, Inc., and U.S. Bancorp Investments, Inc. (collectively, the “Underwriter Defendants” and, together with the Stericycle Defendants, the “Defendants”), and embodies the terms and conditions of the settlement of the above-captioned action (the “Action”). Subject to the approval

000363

of the Court and the terms and conditions expressly provided herein, this Stipulation is intended to fully, finally, and forever compromise, settle, release, resolve, and dismiss with prejudice the Action and all Released Plaintiffs' Claims (defined below) against Defendants.

WHEREAS:

A. On July 11, 2016, a class action complaint was filed in the United States District Court for the Northern District of Illinois, Eastern Division (the "Court"), styled *St. Lucie County Fire District Firefighters' Pension Trust Fund, et al., v. Stericycle, Inc., et al.*, Case No. 1:16-cv-07145 (ECF No. 1). An amended class action complaint was filed in the Court on August 4, 2016 (ECF No. 5), and a corrected amended class action complaint was filed in the Court on October 21, 2016 (ECF No. 41).

B. By Order dated October 31, 2016 (ECF No. 43), the Court: (i) ordered that the case be captioned as *In re Stericycle, Inc. Securities Litigation*, Master File No. 1:16-cv-7145 (the "Action") and that any subsequently filed, removed, or transferred actions that are related to the claims asserted in the Action be consolidated for all purposes; (ii) appointed Mississippi and Arkansas Teacher as Lead Plaintiffs for the Action; and (iii) approved Lead Plaintiffs' selection of Bernstein Litowitz Berger & Grossmann LLP as Lead Counsel for the class.

C. On February 1, 2017, Lead Plaintiffs filed a Class Action Complaint for Violations of the Federal Securities Laws (the "CAC") (ECF No. 50) asserting: (i) claims under § 10(b) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, against Defendant Stericycle and the Officer Defendants; (ii) claims under § 20(a) of the Exchange Act against the Officer Defendants; (iii) claims under § 11 of the Securities Act of 1933 (the "Securities Act") against Defendant Stericycle, the Director Defendants, the Underwriter Defendants, and Defendants Charles A. Alutto and Dan Ginnetti; (iv) claims under § 12(a)(2) of the Securities Act

against the Underwriter Defendants; and (v) claims under § 15 of the Securities Act against the Director Defendants and Defendants Charles A. Alutto, Dan Ginnett, and Brent Arnold. The claims under §§ 11 and 12(a)(2) of the Securities Act related to Stericycle's September 2015 offering of depositary shares. Among other things, the CAC alleged that throughout the alleged class period (February 7, 2013 through September 18, 2016, inclusive), Stericycle made a series of materially false and misleading statements and omissions regarding its alleged practice of automatically and improperly raising the rates charged to Stericycle's small quantity ("SQ") customers without any advance notice to such customers. The CAC also alleged that Stericycle made materially false and misleading statements about the reasons for the Company's growth, while knowingly or recklessly disregarding that such growth was attributable to the allegedly improper automatic rate increases. The CAC alleged that certain of the alleged materially false statements were also set forth in the offering materials for Stericycle's September 2015 offering of depositary shares. The CAC further alleged that the prices of publicly-traded Stericycle common stock and publicly-traded Stericycle depositary shares were artificially inflated as a result of Defendants' allegedly false and misleading statements, and declined when the truth was revealed.

D. On April 3, 2017, Defendants filed a motion to dismiss the CAC and a supporting memorandum of law (ECF Nos. 54-55). On May 19, 2017, Lead Plaintiffs filed their opposition to Defendants' motion to dismiss (ECF Nos. 58-60) and, on June 19, 2017, Defendants filed their reply memorandum of law in further support of their motion to dismiss (ECF No. 65).

E. On August 7, 2017, Lead Plaintiffs filed a Motion for Judicial Notice of Recent Development ("Motion for Judicial Notice") (ECF No. 67) in further support of their opposition to Defendants' motion to dismiss the CAC, arguing that the Court should take judicial notice of

the Company's Form 8-K filed on August 2, 2017. The Form 8-K announced Stericycle's preliminary settlement of a class action litigation that Stericycle's customers had filed against the Company (the "Customer Case") and made certain disclosures that Lead Plaintiffs claimed corroborated their allegations in the Action. On August 11, 2017, the Stericycle Defendants filed their response to the Motion for Judicial Notice (ECF No. 69), which was joined by the Underwriter Defendants on August 15, 2017 (ECF No. 71), and, on August 17, 2017, Lead Plaintiffs served their reply memorandum of law in further support of the Motion for Judicial Notice (ECF No. 72).

F. On March 6, 2018, Lead Plaintiffs filed a Notice of Recent Development and Intent to Amend the Complaint ("Notice of Recent Development") (ECF No. 80), in order to further inform the Court that: (i) on February 21, 2018, Stericycle made several announcements about the Company's financial condition that were directly relevant to Lead Plaintiffs' allegations in this litigation (including a \$25 million expense to combat customer "churn" due to customer price increases), which caused the price of Stericycle stock to fall by 19%; and (ii) Lead Plaintiffs' intention to amend the CAC in order to incorporate this development into the complaint.

G. On March 20, 2018, Lead Plaintiffs filed an Unopposed Motion to Amend the Class Action Complaint ("Motion to Amend the Complaint") (ECF No. 81), which attached a copy of their proposed Amended Class Action Complaint for Violations of the Federal Securities Laws (the "Amended CAC" or "Complaint"). By Order dated March 30, 2018 (ECF No. 83), the Court: (i) granted Lead Plaintiffs' Motion to Amend the Complaint (ECF No. 81) and directed the Clerk of the Court to separately docket the Amended CAC submitted with the motion (ECF No. 81-1); and (ii) denied as moot Defendants' motion to dismiss the CAC (ECF No. 54) and Lead Plaintiffs' Motion for Judicial Notice (ECF No. 67).



H. On March 30, 2018, the Clerk entered the Amended CAC on the Court docket (ECF No. 84). The Amended CAC identifies the same allegedly false and misleading statements as in the CAC, but incorporates Lead Plaintiffs' additional allegations that Defendants misrepresented the Company's integration of its acquisitions into its operations and allegations arising out of the Company's February 21, 2018 disclosures, and asserts an expanded class period: February 7, 2013 through February 21, 2018, inclusive (the "Class Period").

I. On May 25, 2018, Defendants filed a renewed motion to dismiss the Amended CAC and a supporting memorandum of law (ECF Nos. 91-92). On June 22, 2018, Lead Plaintiffs filed their opposition to Defendants' motion to dismiss (ECF No. 94) and, on July 13, 2018, Defendants filed their reply in further support of their motion to dismiss (ECF No. 95).

J. In an attempt to resolve the Action, on April 16, 2018, Lead Counsel and counsel for Stericycle participated in a full-day mediation session before Gregory P. Lindstrom, Esq. of Phillips ADR as mediator (the "Mediator") in Chicago, Illinois. In advance of that session, Lead Plaintiffs and Stericycle exchanged detailed mediation statements, which addressed the issues of liability and damages.

K. Following the mediation, the Parties engaged in additional negotiations under the supervision and guidance of the Mediator. The Parties then reached an agreement in principle to settle the Action that was pursuant to a Mediator's recommendation and memorialized in a term sheet executed on December 6, 2018 (the "Term Sheet"). The Term Sheet sets forth, among other things, the Parties' agreement to settle and release all claims against Defendants in return for a cash payment by Stericycle of \$45,000,000 for the benefit of the Settlement Class, subject to certain terms and conditions and the execution of a customary "long form" stipulation and agreement of settlement and related papers. The agreement to settle was further conditioned on

Lead Plaintiffs confirming the fairness, reasonableness, and adequacy of the proposed Settlement based on due diligence discovery to be provided by the Company.

L. Pursuant to the Term Sheet, due diligence discovery commenced on or about December 10, 2018. In connection with due diligence discovery, the Company produced 25 confidential deposition transcripts of Stericycle executives (and exhibits) from the related Customer Case, and additional internal Stericycle documents, which were reviewed by Lead Counsel.

M. This Stipulation (together with the exhibits hereto) reflects the final and binding agreement between the Parties and supersedes the Term Sheet.

N. Based upon their investigation, prosecution, and mediation of the case, and further confirmation through due diligence discovery, Lead Plaintiffs and Lead Counsel have concluded that the terms and conditions of this Stipulation are fair, reasonable, and adequate to Lead Plaintiffs and the other members of the Settlement Class, and in their best interests. Based on Lead Plaintiffs' direct oversight of the prosecution of this matter and with the advice of their counsel, Lead Plaintiffs have agreed to settle and release the Released Plaintiffs' Claims pursuant to the terms and provisions of this Stipulation, after considering, among other things: (a) the substantial financial benefit that Lead Plaintiffs and the other members of the Settlement Class will receive under the proposed Settlement; and (b) the significant risks and costs of continued litigation, trial, and any appeals.

O. This Stipulation constitutes a compromise of all matters that are in dispute between the Parties. Defendants are entering into this Stipulation solely to eliminate the uncertainty, burden, and expense of further protracted litigation. Each of the Defendants denies any wrongdoing, and this Stipulation shall in no event be construed or deemed to be evidence of or an

admission or concession on the part of any of the Defendants with respect to any claim or allegation of any fault or liability or wrongdoing or damage whatsoever, or any infirmity in the defenses that Defendants have, or could have, asserted. Defendants expressly deny that Lead Plaintiffs have asserted any valid claims as to any of them, and expressly deny any and all allegations of fault, liability, wrongdoing, or damages whatsoever. Similarly, this Stipulation shall in no event be construed or deemed to be evidence of or an admission or concession on the part of Lead Plaintiffs of any infirmity in any of the claims asserted in the Action, or an admission or concession that any of the Defendants' defenses to liability had any merit.

NOW THEREFORE, it is hereby STIPULATED AND AGREED, by and among Lead Plaintiffs (individually and on behalf of all other members of the Settlement Class) and Defendants, by and through their respective undersigned attorneys and subject to the approval of the Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, that, in consideration of the benefits flowing to the Parties from the Settlement, all Released Plaintiffs' Claims as against the Defendants' Releasees and all Released Defendants' Claims as against the Plaintiffs' Releasees shall be settled and released, upon and subject to the terms and conditions set forth below.

#### **DEFINITIONS**

1. As used in this Stipulation and any exhibits attached hereto and made a part hereof, the following capitalized terms shall have the following meanings:

(a) "Action" means the consolidated securities class action in the matter styled *In re Stericycle, Inc. Securities Litigation*, Civil Action No. 1:16-cv-07145, and includes all actions consolidated therein.

(b) "Alternate Judgment" means a form of final judgment that may be entered by the Court herein but in a form other than the form of Judgment provided for in this Stipulation.

(c) "Authorized Claimant" means a Settlement Class Member who submits a Claim to the Claims Administrator that is approved by the Court for payment from the Net Settlement Fund.

(d) "Claim" means a paper claim submitted on a Proof of Claim Form or an electronic claim that is submitted to the Claims Administrator.

(e) "Claim Form" or "Proof of Claim Form" means the form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, that a Claimant must complete and submit should that Claimant seek to share in a distribution of the Net Settlement Fund.

(f) "Claimant" means a person or entity who or which submits a Claim to the Claims Administrator seeking to be eligible to share in the proceeds of the Net Settlement Fund.

(g) "Claims Administrator" means the firm retained by Lead Counsel, subject to approval of the Court, to provide all notices approved by the Court to potential Settlement Class Members and to administer the Settlement.

(h) "Class Distribution Order" means an order entered by the Court authorizing and directing that the Net Settlement Fund be distributed, in whole or in part, to Authorized Claimants.

(i) "Class Period" means the period from February 7, 2013 through February 21, 2018, inclusive.

(j) "Complaint" or "Amended CAC" means the Amended Class Action Complaint for Violations of the Federal Securities Laws filed in the Action on March 30, 2018.

(k) "Court" means the United States District Court for the Northern District of Illinois, Eastern Division.

(l) "Defendants" means the Stericycle Defendants and the Underwriter Defendants.

(m) "Defendants' Counsel" means Latham & Watkins LLP, counsel for the Stericycle Defendants, and Winston & Strawn LLP, counsel for the Underwriter Defendants.

(n) "Defendants' Releasees" means Defendants and their current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

(o) "Director Defendants" means Mark C. Miller, Jack W. Schuler, Lynn Dorsey Bleil, Thomas D. Brown, Thomas F. Chen, Rodney F. Dammeyer, William K. Hall, John Patience, and Mike S. Zafirovski.

(p) "Effective Date" with respect to the Settlement means the first date by which all of the events and conditions specified in ¶ 32 of this Stipulation have been met and have occurred or have been waived.

(q) "Escrow Account" means an account maintained at Valley National Bank wherein the Settlement Amount shall be deposited and held in escrow under the control of Lead Counsel.

(r) "Escrow Agent" means Valley National Bank.

(s) "Escrow Agreement" means the agreement between Lead Counsel and the Escrow Agent setting forth the terms under which the Escrow Agent shall maintain the Escrow Account.

(t) "Final," with respect to the Judgment or, if applicable, the Alternate Judgment, or any other court order, means: (i) if no appeal is filed, the expiration date of the time

provided for filing or noticing any appeal under the Federal Rules of Appellate Procedure, *i.e.*, thirty (30) days after entry of the judgment or order; or (ii) if there is an appeal from the judgment or order, (a) the date of final dismissal of all such appeals, or the final dismissal of any proceeding on certiorari or otherwise, or (b) the date the judgment or order is finally affirmed on an appeal, the expiration of the time to file a petition for a writ of certiorari or other form of review, or the denial of a writ of certiorari or other form of review, and, if certiorari or other form of review is granted, the date of final affirmance following review pursuant to that grant. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to an order issued with respect to (i) attorneys' fees, costs, or expenses, or (ii) the plan of allocation of Settlement proceeds (as submitted or subsequently modified), shall not in any way delay or preclude a judgment from becoming Final.

(u) "Immediate Family" means children, stepchildren, parents, stepparents, spouses, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law. As used in this paragraph, "spouse" shall mean a husband, a wife, or a partner in a state-recognized domestic relationship or civil union.

(v) "Individual Defendants" means the Officer Defendants and the Director Defendants.

(w) "Investment Vehicle" shall mean any investment company or pooled investment fund, including but not limited to, mutual fund families, exchange traded funds, fund of funds, and hedge funds, in which any Underwriter Defendant has or may have a direct or indirect interest, or as to which any of its affiliates may act as an investment advisor, but in which any Underwriter Defendant alone or together with any of its affiliates is not a majority owner or does not hold a majority beneficial interest; *provided, however*, that any Claim Form submitted by an

Investment Vehicle shall be limited to purchases or acquisitions made on behalf of or for the benefit of persons or entities other than persons or entities that are excluded from the Settlement Class by definition, and the definition of Investment Vehicle shall not bring into the Settlement Class any of the Underwriter Defendants themselves.

(x) "Judgment" means the final judgment, substantially in the form attached hereto as Exhibit B, to be entered by the Court approving the Settlement.

(y) "Lead Counsel" means the law firm of Bernstein Litowitz Berger & Grossmann LLP.

(z) "Lead Plaintiffs" means the Public Employees' Retirement System of Mississippi and the Arkansas Teacher Retirement System.

(aa) "Litigation Expenses" means costs and expenses incurred in connection with commencing, prosecuting, and settling the Action (which may include the costs and expenses of Lead Plaintiffs directly related to their representation of the Settlement Class), for which Lead Counsel intends to apply to the Court for reimbursement from the Settlement Fund.

(bb) "Net Settlement Fund" means the Settlement Fund less: (i) any Taxes; (ii) any Notice and Administration Costs; (iii) any Litigation Expenses awarded by the Court; (iv) any attorneys' fees awarded by the Court; and (v) any other costs or fees approved by the Court.

(cc) "Notice" means the Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit I to Exhibit A, which is to be mailed to Settlement Class Members.

(dd) "Notice and Administration Costs" means the costs, fees, and expenses that are incurred by the Claims Administrator and/or Lead Counsel in connection with: (i) providing notices to the Settlement Class; and (ii) administering the Settlement, including but not limited to the Claims process, as well as the costs, fees, and expenses incurred in connection with the Escrow Account.

(ee) "Officer" means any officer as that term is defined in Securities and Exchange Act Rule 16a-1(f).

(ff) "Officer Defendants" means Charles A. Alutto, Dan Ginnetti, Brent Arnold, Frank ten Brink, and Richard Kogler.

(gg) "Parties" means Defendants and Lead Plaintiffs, on behalf of themselves and the Settlement Class.

(hh) "Plaintiffs' Counsel" means Lead Counsel; Gadow Tyler, PLLC; and all other legal counsel who, at the direction and under the supervision of Lead Counsel, performed services on behalf of the Settlement Class in the Action.

(ii) "Plaintiffs' Releasees" means Lead Plaintiffs, all other plaintiffs in the Action, and all other Settlement Class Members, and their respective current and former parents, affiliates, subsidiaries, officers, directors, agents, successors, predecessors, assigns, assignees, partnerships, partners, trustees, trusts, employees, Immediate Family Members, insurers, reinsurers, and attorneys.

(jj) "Plan of Allocation" means the proposed plan of allocation of the Net Settlement Fund set forth in the Notice.



(kk) "Preliminary Approval Order" means the order, substantially in the form attached hereto as Exhibit A, to be entered by the Court preliminarily approving the Settlement and directing that notice of the Settlement be provided to the Settlement Class.

(ll) "PSLRA" means the Private Securities Litigation Reform Act of 1995, 15 U.S.C. §§ 77z-1, 78u-4, as amended.

(mm) "Released Claims" means all Released Defendants' Claims and all Released Plaintiffs' Claims.

(nn) "Released Defendants' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common, or foreign law, that arise out of or relate in any way to the institution, prosecution, or settlement of the claims asserted in the Action against Defendants. Released Defendants' Claims do not include: (i) any claims relating to the enforcement of the Settlement; or (ii) any claims against any person or entity who submits a request for exclusion from the Settlement Class that is accepted by the Court ("Excluded Defendants' Claims").

(oo) "Released Plaintiffs' Claims" means all claims and causes of action of every nature and description, whether known claims or Unknown Claims, whether arising under federal, state, common, or foreign law, that Lead Plaintiffs or any other member of the Settlement Class (i) asserted in the Complaint, or (ii) could have asserted in any forum that arise out of or are based upon the allegations, transactions, facts, matters or occurrences, representations, or omissions involved, set forth, or referred to in the Complaint and that relate to the purchase, acquisition, holding, sale, or disposition of publicly-traded Stericycle common stock or publicly-traded Stericycle depository shares during the Class Period. This release does not cover, include, or release: (i) any claims asserted in any ERISA or derivative action, including without limitation the

claims asserted in *Weinstein v. Alutto et al.*, No. 2017-CG-03062 (Cir. Ct. Cook Cty., Ill., filed March 1, 2017), *Shah v. Alutto et al.*, No. 2016-CH-11636 (Cir. Ct. Cook Cty., Ill., filed September 1, 2016), *Janklow v. Alutto et al.*, No. 18 cv 00457 (D. Del., filed March 26, 2018), *Siu v. Alutto et al.*, No. 1:16-cv-07145 (Del. Chancery Ct., filed April 12, 2018), *Brennan v. Alutto et al.*, No. 1:18-cv-00567-RGA (D. Del., filed April 16, 2018), or *Turney v. Miller et al.*, Case No. 1:18-cv-05186 (N.D. Ill., filed July 30, 2018); (ii) any claims relating to the enforcement of the Settlement; or (iii) any claims of any person or entity who submits a request for exclusion that is accepted by the Court ("Excluded Plaintiffs' Claims").

(pp) "Releasee(s)" means each and any of the Defendants' Releasees and each and any of the Plaintiffs' Releasees.

(qq) "Releases" means the releases set forth in ¶¶ 5-6 of this Stipulation.

(rr) "Settlement" means the settlement between Lead Plaintiffs and Defendants on the terms and conditions set forth in this Stipulation.

(ss) "Settlement Amount" means \$45,000,000 in cash.

(tt) "Settlement Class" means all persons or entities who purchased or otherwise acquired publicly-traded Stericycle common stock or publicly-traded Stericycle depositary shares in the open market during the period from February 7, 2013 through February 21, 2018, inclusive (the "Class Period"), including Stericycle depositary shares purchased in or traceable to the public offering of Stericycle depositary shares conducted on or around September 15, 2015, and were damaged thereby. Excluded from the Settlement Class are: (i) Defendants; (ii) members of the Immediate Family of any Individual Defendant; (iii) any person who was an Officer or director of Stericycle during the Class Period and any members of their Immediate Family; (iv) any parent, subsidiary, or affiliate of Stericycle; (v) any firm, trust, corporation, or other entity in which any

Defendant or any other excluded person or entity has, or had during the Class Period, a controlling interest, *provided, however*, that any Investment Vehicle shall not be excluded from the Settlement Class; and (vi) the legal representatives, agents, heirs, successors-in-interest, or assigns of any such excluded persons or entities. Also excluded from the Settlement Class are any persons and entities who exclude themselves by submitting a request for exclusion that is accepted by the Court.

(uu) "Settlement Class Member" means each person and entity who or which is a member of the Settlement Class.

(vv) "Settlement Fund" means the Settlement Amount plus any and all interest earned thereon.

(ww) "Settlement Hearing" means the hearing set by the Court under Rule 23(e)(2) of the Federal Rules of Civil Procedure to consider final approval of the Settlement.

(xx) "Stericycle" or the "Company" means Stericycle, Inc.

(yy) "Stericycle Defendants" means Stericycle, the Officer Defendants, and the Director Defendants.

(zz) "Summary Notice" means the Summary Notice of (I) Pendency of Class Action and Proposed Settlement; (II) Settlement Hearing; and (III) Motion for an Award of Attorneys' Fees and Reimbursement of Litigation Expenses, substantially in the form attached hereto as Exhibit 3 to Exhibit A, to be published as set forth in the Preliminary Approval Order.

(aaa) "Taxes" means: (i) all federal, state and/or local taxes of any kind (including any interest or penalties thereon) on any income earned by the Settlement Fund; and (ii) the expenses and costs incurred by Lead Counsel in connection with determining the amount of, and paying, any taxes owed by the Settlement Fund (including, without limitation, expenses of tax attorneys and accountants).

(bbb) "Unknown Claims" means any Released Plaintiffs' Claims which Lead Plaintiffs or any other Settlement Class Member does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, and any Released Defendants' Claims which any Defendant does not know or suspect to exist in his, her, or its favor at the time of the release of such claims, which, if known by him, her, or it, might have affected his, her, or its decision(s) with respect to this Settlement. With respect to any and all Released Claims, the Parties stipulate and agree that, upon the Effective Date of the Settlement, Lead Plaintiffs and Defendants shall expressly waive, and each of the other Settlement Class Members shall be deemed to have waived, and by operation of the Judgment or the Alternate Judgment, if applicable, shall have expressly 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 or foreign law, which is similar, comparable, or equivalent to California Civil Code §1542, which provides:

A general release does not extend to claims that 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.

Lead Plaintiffs and Defendants acknowledge, and each of the other Settlement Class Members shall be deemed by operation of law to have acknowledged, that the foregoing waiver was separately bargained for and a key element of the Settlement.

(ccc) "Underwriter Defendants" means Merrill Lynch, Pierce, Fenner & Smith Incorporated, Goldman Sachs & Co. LLC (f/k/a Goldman, Sachs & Co.), J.P. Morgan Securities LLC, HSBC Securities (USA) Inc., MUFG Securities Americas Inc. (f/k/a Mitsubishi UFJ Securities (USA), Inc.), Santander Investment Securities Inc., SMBC Nikko Securities America, Inc., and U.S. Bancorp Investments, Inc.

**CLASS CERTIFICATION**

2. Solely for purposes of the Settlement and for no other purpose, Defendants stipulate and agree to: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Settlement Class; (b) certification of Lead Plaintiffs as Class Representatives for the Settlement Class; and (c) appointment of Lead Counsel as Class Counsel for the Settlement Class pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

**PRELIMINARY APPROVAL OF SETTLEMENT**

3. No later than ten (10) business days after the date of execution of this Stipulation, Lead Plaintiffs will move for preliminary approval of the Settlement, authorization to provide notice of the Settlement to the Settlement Class, and the scheduling of a hearing for consideration of final approval of the Settlement, which motion shall be unopposed by Defendants. Concurrently with the motion for preliminary approval, Lead Plaintiffs shall apply to the Court for, and Defendants shall agree to, entry of the Preliminary Approval Order, substantially in the form attached hereto as Exhibit A.

**RELEASE OF CLAIMS**

4. The obligations incurred pursuant to this Stipulation are in consideration of: (a) the full and final disposition of the Action as against Defendants; and (b) the Releases provided for herein.

5. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, Lead Plaintiffs and each of the other Settlement Class Members, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed

to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Plaintiffs' Claim (including, without limitation, Unknown Claims) against Defendants and the other Defendants' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Plaintiffs' Claims (including, without limitation, Unknown Claims) against any of the Defendants' Releasees. This Release shall not apply to the Excluded Plaintiffs' Claims.

6. Pursuant to the Judgment, or the Alternate Judgment, if applicable, without further action by anyone, upon the Effective Date of the Settlement, Defendants, on behalf of themselves, and their respective heirs, executors, administrators, predecessors, successors, and assigns in their capacities as such, shall be deemed to have, and by operation of law and of the judgment shall have, fully, finally, and forever compromised, settled, released, resolved, relinquished, waived, and discharged each and every Released Defendants' Claim (including, without limitation, Unknown Claims) against Lead Plaintiffs and the other Plaintiffs' Releasees, and shall forever be barred and enjoined from prosecuting any or all of the Released Defendants' Claims (including, without limitation, Unknown Claims) against any of the Plaintiffs' Releasees. This Release shall not apply to the Excluded Defendants' Claims.

7. Notwithstanding ¶¶ 5-6 above, nothing in the Judgment, or the Alternate Judgment, if applicable, shall bar any action by any of the Parties to enforce or effectuate the terms of this Stipulation or the Judgment, or Alternate Judgment, if applicable.

#### **THE SETTLEMENT CONSIDERATION**

8. In consideration of the settlement of the Released Plaintiffs' Claims against Defendants and the other Defendants' Releasees, Stericycle shall pay or cause to be paid the

Settlement Amount into the Escrow Account no later than ten (10) business days after the date of entry by the Court of an order preliminarily approving this Settlement.

**USE OF SETTLEMENT FUND**

9. The Settlement Fund shall be used to pay: (a) any Taxes; (b) any Notice and Administration Costs; (c) any Litigation Expenses awarded by the Court; (d) any attorneys' fees awarded by the Court; and (e) any other costs and fees approved by the Court. The balance remaining in the Settlement Fund, that is, the Net Settlement Fund, shall be distributed to Authorized Claimants as provided in ¶¶ 18-30 below.

10. Except as provided herein or pursuant to orders of the Court, the Net Settlement Fund shall remain in the Escrow Account prior to the Effective Date. All funds held by the Escrow Agent shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds shall be distributed or returned pursuant to the terms of this Stipulation and/or further order of the Court. The Escrow Agent shall invest any funds in the Escrow Account exclusively in United States Treasury Bills (or a mutual fund invested solely in such instruments) and shall collect and reinvest all interest accrued thereon, except that any residual cash balances up to the amount that is insured by the FDIC may be deposited in any account that is fully insured by the FDIC. In the event that the yield on United States Treasury Bills is negative, in lieu of purchasing such Treasury Bills, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit of the United States. Additionally, if short-term placement of the funds is necessary, all or any portion of the funds held by the Escrow Agent may be deposited in any account that is fully insured by the FDIC or backed by the full faith and credit of the United States.

11. The Parties agree that the Settlement Fund is intended to be a Qualified Settlement Fund within the meaning of Treasury Regulation § 1.468B-1 and that Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Lead Counsel shall also be responsible for causing payment to be made from the Settlement Fund of any Taxes owed with respect to the Settlement Fund. The Defendants' Releasees shall not have any liability or responsibility for any such Taxes. Upon written request, Defendants will provide to Lead Counsel the statement described in Treasury Regulation § 1.468B-3(e). Lead Counsel, as administrator of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a "relation back election," as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

12. All Taxes shall be paid out of the Settlement Fund, and shall be timely paid, or caused to be paid, by Lead Counsel and without further order of the Court. Any tax returns prepared for the Settlement Fund (as well as the election set forth therein) shall be consistent with the previous paragraph and in all events shall reflect that all Taxes on the income earned by the Settlement Fund shall be paid out of the Settlement Fund as provided herein. Defendants' Releasees shall have no responsibility or liability for the acts or omissions of Lead Counsel or its agents with respect to the payment of Taxes, as described herein.



13. The Settlement is not a claims-made settlement. Upon the occurrence of the Effective Date, no Defendant, Defendants' Releasee, or any other person or entity who or which paid any portion of the Settlement Amount shall have any right to the return of the Settlement Fund or any portion thereof for any reason whatsoever, including without limitation, the number of Claims submitted, the collective amount of Recognized Claims of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund.

14. Notwithstanding the fact that the Effective Date of the Settlement has not yet occurred, Lead Counsel may pay from the Settlement Fund, without further approval from Defendants or further order of the Court, all Notice and Administration Costs actually incurred and paid or payable. Such costs and expenses shall include, without limitation, the actual costs of printing and mailing the Notice, publishing the Summary Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, the administrative expenses incurred and fees charged by the Claims Administrator in connection with providing notice, administering the Settlement (including processing the submitted Claims), and the fees, if any, of the Escrow Agent. In the event that the Settlement is terminated pursuant to the terms of this Stipulation, all Notice and Administration Costs paid or incurred, including any related fees, shall not be returned or repaid to Defendants, any of the other Defendants' Releasees, or any other person or entity who or which paid any portion of the Settlement Amount.

**ATTORNEYS' FEES AND LITIGATION EXPENSES**

15. Lead Counsel will apply to the Court for a collective award of attorneys' fees to Plaintiffs' Counsel to be paid solely from (and out of) the Settlement Fund. Lead Counsel also will apply to the Court for reimbursement of Litigation Expenses, which may include a request for

reimbursement of Lead Plaintiffs' costs and expenses directly related to their representation of the Settlement Class, to be paid solely from (and out of) the Settlement Fund. Lead Counsel's application for an award of attorneys' fees and/or Litigation Expenses is not the subject of any agreement between Defendants and Lead Plaintiffs other than what is set forth in this Stipulation.

16. Any attorneys' fees and Litigation Expenses that are awarded by the Court shall be paid to Lead Counsel immediately upon award, notwithstanding the existence of any timely filed objections thereto, or potential for appeal therefrom, or collateral attack on the Settlement or any part thereof, subject to Plaintiffs' Counsel's obligation to make appropriate refunds or repayments to the Settlement Fund, plus accrued interest at the same net rate as is earned by the Settlement Fund, if the Settlement is terminated pursuant to the terms of this Stipulation or if, as a result of any appeal or further proceedings on remand, or successful collateral attack, the award of attorneys' fees and/or Litigation Expenses is reduced or reversed and such order reducing or reversing the award has become Final. Plaintiffs' Counsel shall make the appropriate refund or repayment in full no later than five (5) business days after: (a) receiving from Defendants' Counsel notice of the termination of the Settlement; or (b) any order reducing or reversing the award of attorneys' fees and/or Litigation Expenses has become Final. An award of attorneys' fees and/or Litigation Expenses is not a necessary term of this Stipulation and is not a condition of the Settlement embodied herein. Neither Lead Plaintiffs nor Lead Counsel may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to attorneys' fees and/or Litigation Expenses.

17. Lead Counsel shall allocate the attorneys' fees awarded amongst Plaintiffs' Counsel in a manner which it, in good faith, believes reflects the contributions of such counsel to the institution, prosecution, and settlement of the Action. Defendants' Releasees shall have no

responsibility for or liability whatsoever with respect to the allocation or award of attorneys' fees or Litigation Expenses. The attorneys' fees and Litigation Expenses that are awarded to Plaintiffs' Counsel shall be payable solely from the Escrow Account.

**NOTICE AND SETTLEMENT ADMINISTRATION**

18. As part of the Preliminary Approval Order, Lead Counsel shall seek appointment of a Claims Administrator. The Claims Administrator shall administer the Settlement, including but not limited to the process of receiving, reviewing, and approving or denying Claims, under Lead Counsel's supervision and subject to the jurisdiction of the Court. Other than Stericycle's obligation to provide the Company's security lists as provided in ¶ 19 below, none of the Defendants, nor any other Defendants' Releasees, shall have any involvement in or any responsibility, authority, or liability whatsoever for the selection of the Claims Administrator, the Plan of Allocation, the administration of the Settlement, the Claims process, or disbursement of the Net Settlement Fund, and shall have no liability whatsoever to any person or entity, including, but not limited to, Lead Plaintiffs, any other Settlement Class Members, or Lead Counsel in connection with the foregoing. Defendants' Counsel shall cooperate in the administration of the Settlement to the extent reasonably necessary to effectuate its terms.

19. In accordance with the terms of the Preliminary Approval Order to be entered by the Court, Lead Counsel shall cause the Claims Administrator to mail the Notice and Proof of Claim Form to those members of the Settlement Class as may be identified through reasonable effort. Lead Counsel shall also cause the Claims Administrator to have the Summary Notice published in accordance with the terms of the Preliminary Approval Order to be entered by the Court. For the purposes of identifying and providing notice to the Settlement Class, within five (5) business days of the date of entry of the Preliminary Approval Order, Stericycle shall provide

or cause to be provided to Lead Counsel or the Claims Administrator in electronic format (at no cost to the Settlement Fund, Lead Counsel, or the Claims Administrator) a list (consisting of names, mailing addresses, and email addresses) of the purchasers of Stericycle common stock and Stericycle depositary shares during the Class Period.

20. No later than ten (10) calendar days following the filing of this Stipulation with the Court, Stericycle shall serve the notice required under the Class Action Fairness Act, 28 U.S.C. § 1715 *et seq.* ("CAFA"). Stericycle is solely responsible for the costs of the CAFA notice and administering the CAFA notice. At least seven (7) calendar days before the Settlement Hearing, Stericycle shall cause to be served on Lead Counsel and filed with the Court proof, by affidavit or declaration, regarding compliance with CAFA § 1715(b).

21. The Claims Administrator shall receive Claims and determine first, whether the Claim is a valid Claim, in whole or part, and second, each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's Recognized Claim compared to the total Recognized Claims of all Authorized Claimants (as set forth in the Plan of Allocation set forth in the Notice attached hereto as Exhibit 1 to Exhibit A, or in such other plan of allocation as the Court approves).

22. The Plan of Allocation proposed in the Notice is not a necessary term of the Settlement or of this Stipulation and it is not a condition of the Settlement or of this Stipulation that any particular plan of allocation be approved by the Court. Lead Plaintiffs and Lead Counsel may not cancel or terminate the Settlement (or this Stipulation) based on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any other plan of allocation in this Action. Defendants and the other Defendants' Releasees shall not object in any way to the Plan of Allocation or any other plan of allocation in this Action. No Defendant, nor any other

Defendants' Releasees, shall have any involvement with or liability, obligation, or responsibility whatsoever for the application of the Court-approved plan of allocation.

23. Any Settlement Class Member who does not submit a valid Claim will not be entitled to receive any distribution from the Net Settlement Fund, but will otherwise be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or, the Alternate Judgment, if applicable, to be entered in the Action and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against the Defendants' Releasees with respect to the Released Plaintiffs' Claims in the event that the Effective Date occurs with respect to the Settlement.

24. Lead Counsel shall be responsible for supervising the administration of the Settlement and the disbursement of the Net Settlement Fund subject to Court approval. No Defendant, or any other Defendants' Releasees, shall be permitted to review, contest, or object to any Claim, or any decision of the Claims Administrator or Lead Counsel with respect to accepting or rejecting any Claim for payment. Lead Counsel shall have the right, but not the obligation, to waive what it deems to be formal or technical defects in any Claims submitted in the interests of achieving substantial justice.

25. For purposes of determining the extent, if any, to which a Class Member shall be entitled to be treated as an Authorized Claimant, the following conditions shall apply:

(a) Each Claimant shall be required to submit a Claim in paper form, substantially in the form attached hereto as Exhibit 2 to Exhibit A, or in electronic form, in accordance with the instructions for the submission of such Claims, and supported by such documents as are designated therein, including proof of the Claimant's loss, or such other

documents or proof as the Claims Administrator or Lead Counsel, in their discretion, may deem acceptable;

(b) All Claims must be submitted by the date set by the Court in the Preliminary Approval Order and specified in the Notice. Any Settlement Class Member who fails to submit a Claim by such date shall be forever barred from receiving any distribution from the Net Settlement Fund or payment pursuant to this Stipulation (unless by Order of the Court such Settlement Class Member's Claim is accepted), but shall in all other respects be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action, claim, or other proceeding of any kind against any Defendants' Releasees with respect to any Released Plaintiffs' Claim. Provided that it is mailed by the claim-submission deadline, a Claim Form shall be deemed to be submitted when postmarked, if received with a postmark indicated on the envelope and if mailed by first-class mail and addressed in accordance with the instructions thereon. In all other cases, the Claim Form shall be deemed to have been submitted on the date when actually received by the Claims Administrator;

(c) Each Claim shall be submitted to and reviewed by the Claims Administrator who shall determine in accordance with this Stipulation and the plan of allocation the extent, if any, to which each Claim shall be allowed, subject to review by the Court pursuant to subparagraph (e) below as necessary;

(d) Claims that do not meet the submission requirements may be rejected. Prior to rejecting a Claim in whole or in part, the Claims Administrator shall communicate with the Claimant in writing, to give the Claimant the chance to remedy any curable deficiencies in the Claim submitted. The Claims Administrator shall notify, in a timely fashion and in writing, all

Claimants whose Claim the Claims Administrator proposes to reject in whole or in part, setting forth the reasons therefor, and shall indicate in such notice that the Claimant whose Claim is to be rejected has the right to a review by the Court if the Claimant so desires and complies with the requirements of subparagraph (e) below; and

(e) If any Claimant whose Claim has been rejected in whole or in part desires to contest such rejection, the Claimant must, within twenty (20) days after the date of mailing of the notice required in subparagraph (d) above or a lesser time period if the Claim was untimely, serve upon the Claims Administrator a notice and statement of reasons indicating the Claimant's grounds for contesting the rejection along with any supporting documentation, and requesting a review thereof by the Court. If a dispute concerning a Claim cannot be otherwise resolved, Lead Counsel shall thereafter present the request for review to the Court.

26. Each Claimant shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claimant's Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided, however, that such investigation and discovery shall be limited to that Claimant's status as a Settlement Class Member and the validity and amount of the Claimant's Claim. No discovery shall be allowed on the merits of this Action or of the Settlement in connection with the processing of Claims.

27. Lead Counsel will apply to the Court, on notice to Defendants' Counsel, for a Class Distribution Order: (a) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; (b) approving payment of any administration fees and expenses associated with the administration of the Settlement from the Escrow Account; and (c) if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants from the Escrow Account.

28. Payment pursuant to the Class Distribution Order shall be final and conclusive against all Claimants. All Settlement Class Members whose Claims are not approved by the Court for payment shall be barred from participating in distributions from the Net Settlement Fund, but otherwise shall be bound by all of the terms of this Stipulation and the Settlement, including the terms of the Judgment or Alternate Judgment, if applicable, to be entered in this Action and the Releases provided for herein and therein, and will be permanently barred and enjoined from bringing any action against any and all Defendants' Releasees with respect to any and all of the Released Plaintiffs' Claims.

29. No person or entity shall have any claim against Lead Plaintiffs, Lead Counsel, the Claims Administrator, or any other agent designated by Lead Counsel, or Defendants' Releasees and/or their respective counsel, arising from distributions made substantially in accordance with the Stipulation, the plan of allocation approved by the Court, or any order of the Court. Lead Plaintiffs and Defendants, and their respective counsel, and Lead Plaintiffs' damages expert and all other Releasees shall have no liability whatsoever for the investment or distribution of the Settlement Fund or the Net Settlement Fund, the plan of allocation, or the determination, administration, calculation, or payment of any claim or nonperformance of the Claims Administrator, the payment or withholding of taxes (including interest and penalties) owed by the Settlement Fund, or any losses incurred in connection therewith.

30. All proceedings with respect to the administration, processing, and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court. All Settlement Class Members, other Claimants, and parties to this Settlement expressly



waive trial by jury (to the extent any such right may exist) and any right of appeal or review with respect to such determinations.

**TERMS OF THE JUDGMENT**

31. If the Settlement contemplated by this Stipulation is approved by the Court, Lead Counsel and Defendants' Counsel shall request that the Court enter a Judgment, substantially in the form attached hereto as Exhibit B.

**CONDITIONS OF SETTLEMENT AND EFFECT OF  
DISAPPROVAL, CANCELLATION, OR TERMINATION**

32. The Effective Date of the Settlement shall be deemed to occur on the occurrence or waiver of all of the following events:

- (a) the Court has entered the Preliminary Approval Order, substantially in the form set forth in Exhibit A attached hereto, as required by ¶ 3 above;
- (b) the Settlement Amount has been deposited into the Escrow Account in accordance with the provisions of ¶ 8 above;
- (c) Defendants have not exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation;
- (d) Lead Plaintiffs have not exercised their option to terminate the Settlement pursuant to the provisions of this Stipulation; and
- (e) the Court has approved the Settlement as described herein, following notice to the Settlement Class and a hearing, as prescribed by Rule 23 of the Federal Rules of Civil Procedure, and entered the Judgment and the Judgment has become Final, or the Court has entered an Alternate Judgment and none of the Parties seek to terminate the Settlement and the Alternate Judgment has become Final.

33. Upon the occurrence of all of the events referenced in ¶ 32 above, any and all remaining interest or right of Defendants or any of their insurers in or to the Settlement Fund, if any, shall be absolutely and forever extinguished and the Releases herein shall be effective.

34. If (i) Defendants exercise their right to terminate the Settlement as provided in this Stipulation; (ii) Lead Plaintiffs exercise their right to terminate the Settlement as provided in this Stipulation; (iii) the Court disapproves the Settlement; or (iv) the Effective Date as to the Settlement otherwise fails to occur, then:

(a) The Settlement and the relevant portions of this Stipulation shall be canceled and terminated.

(b) Lead Plaintiffs and Defendants shall revert to their respective positions in the Action as of immediately prior to the execution of the Term Sheet on December 6, 2018.

(c) The terms and provisions of this Stipulation, with the exception of this ¶ 34 and ¶¶ 14, 16, 38 and 58 of this Stipulation, shall have no further force and effect with respect to the Parties and shall not be used in the Action or in any other proceeding for any purpose, and any Judgment, or Alternate Judgment, if applicable, or order entered by the Court in accordance with the terms of this Stipulation shall be treated as vacated, *nunc pro tunc*.

(d) Within five (5) business days after joint written notification of termination is sent by Defendants' Counsel and Lead Counsel to the Escrow Agent, the Settlement Fund (including accrued interest thereon, and change in value as a result of the investment of the Settlement Fund, and any funds received by Lead Counsel consistent with ¶ 16 above), less any Notice and Administration Costs actually incurred, paid, or payable and less any Taxes paid, due, or owing shall be refunded by the Escrow Agent to Defendants (or such other persons or entities as Defendants may direct). In the event that the funds received by Lead Counsel consistent with

¶ 16 above have not been refunded to the Settlement Fund within the five (5) business days specified in this paragraph, those funds shall be refunded by the Escrow Agent to Defendants (or such other persons or entities as Defendants may direct) immediately upon their deposit into the Escrow Account consistent with ¶ 16 above.

35. It is further stipulated and agreed that Stericycle and Lead Plaintiffs shall each have the right to terminate the Settlement and this Stipulation, by providing written notice of their election to do so ("Termination Notice") to the other Parties to this Stipulation within thirty (30) days of: (a) the Court's final refusal to enter the Preliminary Approval Order in any material respect; (b) the Court's final refusal to approve the Settlement or any material part thereof; (c) the Court's final refusal to enter the Judgment in any material respect as to the Settlement; (d) the date upon which the Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Seventh Circuit or the United States Supreme Court; or (e) the date upon which an Alternate Judgment is modified or reversed in any material respect by the United States Court of Appeals for the Seventh Circuit or the United States Supreme Court, and the provisions of ¶ 34 above shall apply. However, any decision or proceeding, whether in this Court or any appellate court, with respect to an application for attorneys' fees or reimbursement of Litigation Expenses or with respect to any plan of allocation shall not be considered material to the Settlement, shall not affect the finality of any Judgment or Alternate Judgment, if applicable, and shall not be grounds for termination of the Settlement.

36. In addition to the grounds set forth in ¶ 35 above, Lead Plaintiffs shall also have the right to terminate the Settlement in the event that the Settlement Amount has not been paid as provided for in ¶ 8 above, by providing written notice of the election to terminate to Defendants' Counsel.

37. Simultaneously herewith, Lead Plaintiffs and Stericycle, through their respective counsel, are executing a confidential Supplemental Agreement Regarding Settlement ("Supplemental Agreement"). The Supplemental Agreement sets forth certain conditions under which the Settlement may be terminated by Stericycle if Settlement Class Members who, during the Class Period, collectively purchased an aggregate number of shares of publicly-traded Stericycle common stock and publicly-traded Stericycle depositary shares eligible to recover from the Settlement that exceeds a specified number of shares of Stericycle common stock and Stericycle depositary shares, combined, purchased during the Class Period (the "Opt-Out Threshold") timely and validly request exclusion from the Settlement Class. Unless otherwise directed by the Court or a dispute arises between Lead Plaintiffs and Stericycle concerning its interpretation or application, the Supplemental Agreement will not be filed with the Court and its terms shall not be disclosed in any other manner (other than the statements herein and in the Notice, to the extent necessary, or as otherwise provided in the Supplemental Agreement). The Opt-Out Threshold may be disclosed to the Court as may be required by the Court, or as otherwise required to resolve a dispute between Lead Plaintiffs and Stericycle concerning its interpretation or application, but such disclosure shall be carried out to the fullest extent possible in accordance with the practices of the Court so as to maintain the Opt-Out Threshold as confidential. In the event of a termination of this Settlement pursuant to the Supplemental Agreement, this Stipulation shall become null and void and of no further force and effect, except as provided in ¶ 34 above.

**NO ADMISSION OF WRONGDOING**

38. Neither the Term Sheet, this Stipulation (whether or not consummated), including the exhibits hereto and the Plan of Allocation contained therein (or any other plan of allocation that may be approved by the Court), the negotiations leading to the execution of the Term Sheet

and this Stipulation, nor any proceedings taken pursuant to or in connection with the Term Sheet, this Stipulation, and/or approval of the Settlement (including any arguments proffered in connection therewith):

(a) shall be offered against any of the Defendants' Releasees as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Defendants' Releasees with respect to the truth of any fact alleged by Lead Plaintiffs or the validity of any claim that was or could have been asserted or the deficiency of any defense that has been or could have been asserted in this Action or in any other litigation, or of any liability, negligence, fault, or other wrongdoing of any kind of any of the Defendants' Releasees or in any way referred to for any other reason as against any of the Defendants' Releasees, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation;

(b) shall be offered against any of the Plaintiffs' Releasees, as evidence of, or construed as, or deemed to be evidence of any presumption, concession, or admission by any of the Plaintiffs' Releasees that any of their claims are without merit, that any of the Defendants' Releasees had meritorious defenses, or that damages recoverable under the Complaint would not have exceeded the Settlement Amount or with respect to any liability, negligence, fault, or wrongdoing of any kind, or in any way referred to for any other reason as against any of the Plaintiffs' Releasees, in any arbitration proceeding or other civil, criminal, or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Stipulation; or

(c) shall be construed against any of the Releasees as an admission, concession, or presumption that the consideration to be given hereunder represents the amount which could be or would have been recovered after trial; *provided, however*, that if this Stipulation is approved by the Court, the Parties and the Releasees and their respective counsel may refer to it to effectuate the protections from liability granted hereunder or otherwise to enforce the terms of the Settlement.

#### MISCELLANEOUS PROVISIONS

39. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this Stipulation and the terms of any exhibit attached hereto, the terms of the Stipulation shall prevail.

40. Defendants warrant that, as to the payments made or to be made on behalf of them, at the time of entering into this Stipulation and at the time of such payment they, or to the best of their knowledge any persons or entities contributing to the payment of the Settlement Amount, were not insolvent, nor will the payment required to be made by or on behalf of them render them insolvent, within the meaning of and/or for the purposes of the United States Bankruptcy Code, including §§ 101 and 547 thereof. This representation is made by each of the Defendants and not by their counsel.

41. In the event of the entry of a final order of a court of competent jurisdiction determining the transfer of money to the Settlement Fund or any portion thereof by or on behalf of Defendants to be a preference, voidable transfer, fraudulent transfer, or similar transaction and any portion thereof is required to be returned, and such amount is not promptly deposited into the Settlement Fund by others, then, at the election of Lead Plaintiffs, Lead Plaintiffs and Defendants

shall jointly move the Court to vacate and set aside the Releases given and the Judgment or Alternate Judgment, if applicable, entered in favor of Defendants and the other Releasees pursuant to this Stipulation, in which event the releases and Judgment, or Alternate Judgment, if applicable, shall be null and void, and the Parties shall be restored to their respective positions in the litigation as provided in ¶ 34 above and any cash amounts in the Settlement Fund (less any Taxes paid, due, or owing with respect to the Settlement Fund and less any Notice and Administration Costs actually incurred, paid, or payable) shall be returned as provided in ¶ 34.

42. The Parties intend this Stipulation and the Settlement to be a final and complete resolution of all disputes asserted or which could be asserted by Lead Plaintiffs and any other Settlement Class Members against the Defendants' Releasees with respect to the Released Plaintiffs' Claims. No Party shall assert any claims of any violation of Rule 11 of the Federal Rules of Civil Procedure relating to the institution, prosecution, defense, or settlement of this Action. The Parties agree that the amounts paid and the other terms of the Settlement were negotiated at arm's length and in good faith by the Parties, including through a mediation process supervised and conducted by Gregory P. Lindstrom, Esq. of Phillips ADR, and reflect the Settlement that was reached voluntarily after extensive negotiations and consultation with experienced legal counsel, who were fully competent to assess the strengths and weaknesses of their respective clients' claims or defenses.

43. While retaining their right to deny that the claims asserted in the Action were meritorious, Defendants and their counsel, in any statement made to any media representative (whether or not for attribution) will not assert that the Action was commenced or prosecuted in bad faith, nor will they deny that the Action was commenced and prosecuted in good faith and is being settled voluntarily after consultation with competent legal counsel. In all events, Lead

Plaintiffs and their counsel and Defendants and their counsel shall not make any accusations of wrongful or actionable conduct by any Party concerning the prosecution, defense, and resolution of the Action, and shall not otherwise suggest that the Settlement constitutes an admission of any claim or defense alleged.

44. The terms of the Settlement, as reflected in this Stipulation, may not be modified or amended, nor may any of its provisions be waived except by a writing signed on behalf of both Lead Plaintiffs and Defendants (or their successors-in-interest).

45. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

46. The administration and consummation of the Settlement as embodied in this Stipulation shall be under the authority of the Court, and the Court shall retain jurisdiction for the purpose of entering orders providing for awards of attorneys' fees and Litigation Expenses to Plaintiffs' Counsel and enforcing the terms of this Stipulation, including the Plan of Allocation (or such other plan of allocation as may be approved by the Court) and the distribution of the Net Settlement Fund to Settlement Class Members.

47. The waiver by one Party of any breach of this Stipulation by any other Party shall not be deemed a waiver of any other prior or subsequent breach of this Stipulation.

48. This Stipulation, including its exhibits, and the Supplemental Agreement constitute the entire agreement among Lead Plaintiffs and Defendants concerning the Settlement. Except as provided in ¶ 37 above, all Parties acknowledge that no other agreements, representations, warranties, or inducements have been made by any Party concerning this Stipulation, its exhibits, or the Supplemental Agreement, other than those contained and memorialized in such documents.



49. This Stipulation may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via email. All executed counterparts and each of them shall be deemed to be one and the same instrument.

50. This Stipulation shall be binding upon and inure to the benefit of the successors and assigns of the Parties, including any and all Releasees and any corporation, partnership, or other entity into or with which any Party may merge, consolidate, or reorganize.

51. The construction, interpretation, operation, effect, and validity of this Stipulation, the Supplemental Agreement, and all documents necessary to effectuate it shall be governed by the internal laws of the State of Illinois without regard to conflicts of laws, except to the extent that federal law requires that federal law govern.

52. Any action arising under or to enforce this Stipulation or any portion thereof, shall be commenced and maintained only in the Court.

53. This Stipulation shall not be construed more strictly against one Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Parties, it being recognized that it is the result of arm's-length negotiations between the Parties and all Parties have contributed substantially and materially to the preparation of this Stipulation.

54. All counsel and any other person executing this Stipulation and any of the exhibits hereto, or any related Settlement documents, warrant and represent that they have the full authority to do so and that they have the authority to take appropriate action required or permitted to be taken pursuant to the Stipulation to effectuate its terms.

55. Lead Counsel and Defendants' Counsel agree to cooperate fully with one another in seeking Court approval of the Preliminary Approval Order and the Settlement, as embodied in this Stipulation, and to use best efforts to promptly agree upon and execute all such other

documentation as may be reasonably required to obtain final approval by the Court of the Settlement.

56. If any Party is required to give notice to another Party under this Stipulation, such notice shall be in writing and shall be deemed to have been duly given upon receipt of hand delivery or email transmission, with confirmation of receipt. Notice shall be provided as follows:

If to Lead Plaintiffs or Lead Counsel: Bernstein Litowitz Berger & Grossmann LLP  
Attn: John C. Browne, Esq.  
1251 Avenue of the Americas  
New York, NY 10020  
Telephone: (212) 554-1400  
Email: johnb@blbglaw.com

If to Defendants: Stericycle, Inc.  
Attn: Kurt Rogers, General Counsel  
28161 N. Keith Drive  
Lake Forest, IL 60045  
Telephone: (847) 607-2016  
Email: kurt.rogers@stericycle.com

Latham & Watkins LLP  
Attn: Michael Faris, Esq.  
330 North Wabash Avenue, Suite 2800  
Chicago, IL 60611  
Telephone: (312) 876-6579  
Email: michael.faris@lw.com

Winston & Strawn LLP  
Attn: Robert Y. Sperling, Esq.  
35 W. Wacker Drive  
Chicago, IL 60601-9703  
Telephone: (312) 558-7941  
Email: rsperling@winston.com

57. Except as otherwise provided herein, each Party shall bear its own costs.

58. Whether or not the Stipulation is approved by the Court and whether or not the Stipulation is consummated, or the Effective Date occurs, the Parties and their counsel shall use

their best efforts to keep all negotiations, discussions, acts performed, agreements, drafts, documents signed, and proceedings in connection with the Stipulation confidential.

59. All agreements made and orders entered during the course of this Action relating to the confidentiality of information shall survive this Settlement.

60. No opinion or advice concerning the tax consequences of the proposed Settlement to individual Settlement Class Members is being given or will be given by the Parties or their counsel; nor is any representation or warranty in this regard made by virtue of this Stipulation. Each Settlement Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Settlement Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Settlement Class Member.

**IN WITNESS WHEREOF**, the Parties have caused this Stipulation to be executed, by their duly authorized attorneys, as of February 14, 2019.

**BERNSTEIN LITOWITZ BERGER &  
GROSSMANN LLP**

By: 

John C. Browne

Adam H. Wierzbowski

1251 Avenue of the Americas

New York, NY 10020

Telephone: (212) 554-1400


Facsimile: (212) 554-1444

*Lead Counsel for Lead Plaintiffs  
and the Settlement Class*

Jason M. Kirschberg  
**GADOW TYLER, PLLC**  
511 E Pearl St.  
Jackson, MS 39201  
Telephone: (601) 355-0654  
Facsimile: (601) 510-9667

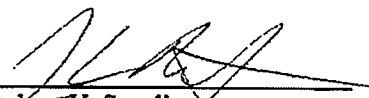
*Counsel for Plaintiff*

**LATHAM & WATKINS LLP**

By:   
Michael Faris  
330 North Wabash Avenue, Suite 2800  
Chicago, IL 60611  
Telephone: (312) 876-6579

*Counsel for Defendant Stericycle and  
Individual Defendants*

**WINSTON & STRAWN LLP**

By:   
Robert Y. Sperling  
Joseph L. Motto  
35 W. Wacker Drive  
Chicago, IL 60601-9703  
Telephone: (312) 558-7941  
Facsimile: (312) 558-5700

*Counsel for Underwriter Defendants*

#1257838

## WESTLAW

## Stericycle investors seek nod for \$45 million settlement in fraud suit

### Stericycle investors seek nod for \$45 million settlement in fraud suit

2019 SECDBRF 0120 By Nicole Banas WESTLAW Securities Enforcement & Litigation Daily Briefing (Approx 3 pages)  
 securities fraud lawsuit alleging the medical waste disposal company and top executives  
 concealed illicit billing practices that drove away customers and cost the company more  
 than \$300 million.

*In re Stericycle Inc. Securities Litigation*, No. 16-cv-7145, memo supporting preliminary  
 settlement approval filed, 2019 WL 923386 (N.D. Ill. Feb. 25, 2019).

The proposed agreement, which is subject to approval by U.S. District Judge Andrea R.  
 Wood of the Northern District of Illinois, would resolve claims that Lake Forest-based  
 Stericycle failed to disclose "automatic price increases" that nearly doubled its revenue  
 from 2013 to 2015.

CEO Charles Alutto and Chief Financial Officer Dan Ginnelli are named defendants, along  
 with other current and former executives, nine individual directors and eight underwriters of  
 the company's September 2015 public offering.

Co-lead plaintiffs Public Employees' Retirement System of Mississippi and Arkansas  
 Teacher Retirement System say in a Feb. 25 memo supporting preliminary settlement  
 approval that the deal is "a highly favorable result" for the class after two and a half years of  
 litigation.

MissPERS and ATRS are urging Judge Wood to give initial approval for the deal and allow  
 them to notify potential class members who lost money on Stericycle shares purchased in  
 the 2015 offering or on the open market during a five-year period ending Feb. 21, 2018.

### Alleged billing scam

The suit, filed in July 2016 and amended several times, said the defendants concealed  
 Stericycle's practice of increasing rates as much as 18 percent every six months for small-  
 quantity customers that generate low volumes of waste.

The company reported "astronomical" revenue growth, from about \$1.5 billion in 2013 to  
 nearly \$3 billion in 2015, which the defendants falsely attributed to strong customer  
 relationships and other factors, the revised complaint filed in March 2018 said.

The billing scheme started to emerge in February 2016 when Stericycle settled a False  
 Claims Act case involving government customers for \$28.5 million and revealed in August  
 2017 that it had agreed to pay \$295 million to settle a customer class-action lawsuit over  
 billing practices, the suit said.

Stericycle's share price, which was as high as \$149 on Oct. 22, 2015, closed Feb. 22, 2018,  
 at \$60.63, after the company said it expected pricing pressure on small-quantity customers  
 to negatively impact 2018 financial results, the suit said.

The defendants moved to dismiss the revised suit in May 2018, arguing that it was filed  
 outside of the applicable two-year statute of limitations for claims under the Securities  
 Exchange Act of 1934.

The motion was still pending in December when the parties reached an agreement in  
 principle to settle the suit, the memo supporting preliminary settlement approval says.

#### Topics

#### Securities

#### Fraud

#### Settlement

#### Litigation

#### Related Filings

Memo supporting preliminary settlement  
 approval: 2019 WL 923386  
 Amended complaint: 2018 WL 2284128

#### Judicial Profiles

Andrea R. Wood, U.S. District Judge, N.D. Ill.

#### Attorney Profiles

Avi Josefson; Bernstein Litowitz Berger &  
 Grossmann, John C. Browne, Adam H.  
 Wierzbowski and Julia K. Tabak; Bernstein  
 Litowitz Berger & Grossmann for Plaintiffs

Sean M. Sarkowitz and Michael J. Faria;  
 Latham & Watkins, Robert Y. Spelling and  
 Joseph L. Molloy; Winston & Strawn, Janet  
 P. Smith III; Winston & Strawn for Defendants

#### Company Reports

Stericycle Inc.

### 'Credible' defenses

000403

MissPERS and ATRS maintain that the proposed settlement is "fair, reasonable and adequate," given the substantial risks of continued litigation.

The dismissal motion raises "credible arguments" about the statute of limitations and the plaintiffs' failure to allege facts supporting a strong inference of fraudulent or reckless deception, the memo says.

The \$45 million recovery also provides a "significant benefit" to the class, considering Stericycle's declining financial condition, the memo says.

The company reported only \$52 million in cash on hand at the end of 2018, according to the memo.

MissPERS and ATRS say the proposed class meets certification requirements under Federal Rule of Civil Procedure 23(b)(3), because common factual and legal issues predominate over individual issues specific to certain class members.

Lead counsel Bernstein Litowitz Berger & Grossmann plans to request attorney fees totaling 25 percent of the settlement amount, or \$11.2 million, plus reimbursement of litigation expenses not to exceed \$350,000, the memo says.

By Nicole Banas

#### Related Articles

Related Articles from Westlaw Securities Enforcement & Litigation Daily Briefing  
Article: Waste disposal firm, investors spar over timeliness of fraud suit 2018 SECDBRF 0363

Date: June 26, 2018

Stericycle Inc. shareholders say in Chicago federal court papers that they timely sued the medical waste disposal firm for allegedly concealing "automatic price increases" that drove customers away and cost the company more than \$300 million in settlements.

End of  
Document

© 2020 Thomson Reuters. No claim to original U.S. Government Works.

# APPENDIX J

000405

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY  
Division of Law  
124 Halsey Street – 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101  
25 Market Street – 7<sup>th</sup> Floor  
P.O. Box 093  
Trenton, New Jersey 08625  
Attorneys for New Jersey Division of Consumer Affairs and  
New Jersey Department of Environmental Protection

**FILED**

APR 25 2019

**Division of Consumer Affairs**

By: Jeffrey Kozlar  
Deputy Attorney General  
(973) 648-7819

Ray Lamboy  
Deputy Attorney General  
(609) 376-2789

STATE OF NEW JERSEY  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS

STATE OF NEW JERSEY  
DEPARTMENT OF ENVIRONMENTAL  
PROTECTION

In the Matter of

STERICYCLE, INC.

Respondent.

Administrative Action

CONSENT ORDER

WHEREAS this matter was opened by the New Jersey Division of Consumer Affairs, Office of Consumer Protection ("Division"), as an investigation to determine whether violations of the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq. ("CFA"), and the Regulations Governing General Advertising, N.J.A.C. 13:45A-9.1 et seq. ("Advertising Regulations"), and by the New



Jersey Department of Environmental Protection ("NJDEP" or the "Department"), as an investigation to determine whether violations of the Solid Waste Utility Control Act, N.J.S.A. 48:13A-1 et seq. ("SWUCA"), and its enacting regulations, specifically, N.J.A.C. 7:26H-5.12 ("Customer Bill of Rights"), have been or are being committed by Stericycle, Inc., as well as by its owners, officers, directors, managers, employees, representatives, and agents ("Stericycle" or "Respondent") (hereinafter referred to as the "Investigation");

WHEREAS the Division alleges that Respondent violated the CFA and the Advertising Regulations by, among other things: (1) making Sales solicitations, including written promotional materials, for biomedical waste containers to dentists which misrepresented the applicable EPA medical waste disposal regulations; (2) failing to ensure that authorized individuals were signing contracts on behalf of dentists; and (3) failing to cancel contracts with dentists which had been entered into by unauthorized individuals;

WHEREAS the Department alleges that Respondent violated SWUCA and the Customer Bill of Rights by, among other things: (1) failing to respond to customer complaints regarding changes in pricing and other terms of the relationship in a prompt, courteous and efficient manner, N.J.A.C. 7:26H-5.12(c)(5); (2) failing to notify customers in writing at least ten days prior to any increase in the service component of its rate, N.J.A.C. 7:26H-5.12(c)(7); (3) failing to assist customers in selecting the most favorable service to meet the customer's needs at the most reasonable rate, N.J.A.C. 7:26H-5.12(c)(13); and (4) including automatic renewal clauses in its Waste Services Contracts or Agreements which call for an automatic renewal of such contracts or agreements, N.J.A.C. 7:26H-5.12(c)(16);

WHEREAS Respondent has denied the allegations;

WHEREAS the Division, Department and Respondent (collectively, "Parties") have reached an amicable agreement thereby resolving the issues in controversy and concluding the Investigation without the need for further action, and Respondent has voluntarily cooperated with the Investigation and consented to the entry of the within order without admitting to any alleged violation ("Consent Order") and for good cause shown;

IT IS ORDERED AND AGREED as follows:

**1. EFFECTIVE DATE**

1.1 This Consent Order shall be effective on the date that it is filed with the Division or Department, whichever is later ("Effective Date").

1.2 Any obligation imposed by this Consent Order that is beyond that which is required by the CFA, Advertising Regulations, SWUCA, or the Customer Bill of Rights shall only be imposed for a period of five (5) years from the Effective Date.

**2. DEFINITIONS**

As used in this Consent Order, the following words or terms shall have the following meanings, which meanings shall apply wherever the words and terms appear in this Consent Order:

2.1 "Advertisement" shall be defined in accordance with N.J.S.A. 56:8-1(a) for purposes of the CFA, and in accordance with N.J.A.C. 13:45A-9.1 for purposes of the Advertising Regulations. These definitions apply to other forms of the word "Advertisement" including "Advertise" and "Advertised."

2.2 "Affected Consumer[s]" shall refer to those Consumers who purchased the HDDS Black Box Program from Stericycle and who are identified in Exhibit A.

2.3 "Attorney General" shall refer to the Attorney General of the State of New Jersey and the Office of the Attorney General of the State of New Jersey.

- 2.4 "Consumer" shall refer to any Person who is offered Merchandise for Sale.
- 2.5 "EPA" shall refer to the Environmental Protection Agency.
- 2.6 "HDDS Black Box Program" shall refer to Stericycle's Hazardous Drug Disposal Service for hazardous drug wastes.
- 2.7 "Include" and "Including" shall be construed as broadly as possible and shall mean "without limitation."
- 2.8 "Merchandise" shall be defined in accordance with N.J.A.C. 56:8-1(c) and shall include the HDDS Black Box Program
- 2.9 "New Jersey" and "State" shall refer to the State of New Jersey.
- 2.10 "Person" shall be defined in accordance with N.J.A.C. 56:8-1(d).
- 2.11 ~~"Restitution" shall refer to the amount of money spent by and to be returned to each Affected Consumer for the purchase and maintenance of the HDDS Black Box Program.~~
- 2.12 "Sale" shall be defined in accordance with N.J.S.A. 56:8-1(e). This definition applies to other forms of the word "Sale" including "Sell."
- 2.13 "Services" shall refer to the services offered by Stericycle to healthcare providers including, but not limited to, the HDDS Black Box Program.
- 2.14 "Waste Services Contracts and Agreements" means any written contract or agreement entered into by Stericycle and any Person receiving Services.

### 3. REPRESENTATIONS AND WARRANTIES

- 3.1 Except with respect to Consumers who are required to properly dispose of hazardous drug waste in accordance with the applicable State or Federal statutes and/or regulations, such as Small Quantity Generators or P-Waste Generators, Respondent represents and warrants that it is not

currently engaged in the Advertisement, marketing, offer for Sale and/or sale of the HDDS Black Box Program to New Jersey Consumers.

3.2 Respondent represents and warrants that its Waste Services Contracts and Agreements utilized in the State of New Jersey all include its standard State of New Jersey Solid Waste Utility Regulation Contract Rider, which conforms to N.J.A.C. 7:26H-5.12(c)(16). The automatic renewal clause of any existing contract or agreement shall be considered void.

3.3 Respondent represents and warrants that any term or terms in its Standard Waste Services Contracts and Agreements used in the State of New Jersey that are, or may be, contrary to those terms contained in its State of New Jersey Solid Waste Utility Regulation Contract Rider are expressly excluded and void.

3.4 Respondent represents and warrants that its Waste Services Contracts and Agreements shall no longer contain clauses that allow it to raise rates without notifying customers in writing at least 10 days in advance, pursuant to N.J.A.C. 7:26H-5.12(c)(7). Respondent represents and warrants that its Waste Services Contracts and Agreements used in the State of New Jersey shall not contain clauses that impose additional charges, penalties or disruption of service on customers who make partial payments on collection service and disposal fees and seek dispute resolution with the Department regarding the amount of the service or pricing issue, in accordance with N.J.A.C. 7:26H-5.12(c)(11).

#### **4. REQUIRED AND PROHIBITED BUSINESS PRACTICES**

4.1 Respondent shall to not engage in any unfair or deceptive acts or practices in the conduct of its business in the State and shall comply with all applicable State and/or Federal laws, rules and regulations, as now constituted or as may hereafter be amended, including the CFA, the

Advertising Regulations, SWUCA and its enacting regulations, including the Customer Bill of Rights.

4.2 Except with respect to Consumers who are required to properly dispose of hazardous drug waste in accordance with the applicable State or Federal statutes and/or regulations, such as Small Quantity Generators or P-Waste Generators, Respondent shall not proactively Advertise, offer for Sale and/or Sell the HDDS Black Box Program in New Jersey.

4.3 In its Advertisement, offer for Sale and/or Sale of Merchandise, Respondent shall accurately state all applicable EPA, NJDEP or other applicable medical waste disposal regulations.

4.4 Respondent shall verify that all contracts for the Sale of Merchandise in the State of New Jersey include a statement, in large bold type, by the signatory of the contract verifying that he or she is an authorized representative of the Consumer and is thereby authorized to enter into the contract and bind the Consumer to its terms.

4.5 Respondent will train customer service representatives within its current customer service center to address the concerns and complaints of New Jersey Consumers. Such representatives shall be trained on the Customer Bill of Rights. Customer service center representatives shall also be instructed that it is a requirement that all solid waste utilities must assist customers in the selection of the rate schedule most favorable for their individual requirements, in accordance with N.J.A.C. 7:26H-4.4(a)(3).

4.6 Respondent shall designate, by position, a representative whom the Department and/or the Division may contact regarding customer complaints submitted to the Department and/or Division concerning Respondent, in accordance with N.J.A.C. 7:26H-5.12(c)(5).

4.7 Respondent shall properly itemize customer bills for Merchandise in accordance with N.J.A.C. 7:26H-4.4(b)(3).

4.8 Respondent shall assist customers in the selection of the most favorable service to meet the customers' needs at the most reasonable rates in accordance with N.J.A.C. 7:26H-5.12(c)(13).

4.9 Respondent shall provide written notification to its customers that waste services in New Jersey are available on a competitive basis and shall include with that notice a copy of the customer bill of rights in accordance with N.J.A.C. 7:26H-5.12(b).

### **5. SETTLEMENT PAYMENT**

5.1 The Parties have agreed to the settlement of the Investigation in the amount of ~~Six Hundred Sixty Two Thousand Eight Hundred and 00/100 Dollars (\$662,800.00)~~ ("Settlement Payment"), to be paid in accordance with Sections 5.1 and 5.2.

5.2 Within sixty (60) days of the Effective Date, out of the Settlement Payment, Respondent shall pay One Hundred Sixty-Two Thousand Eight Hundred and 00/100 Dollars (\$162,800.00) to the Division ("Division Settlement Payment") and Five Hundred Thousand and 00/100 Dollars (\$500,000.00) to the Department ("Department Settlement Payment").

5.3 The Division Settlement Payment is comprised of One Hundred Fifty-Five Thousand and 00/100 Dollars (\$155,000.00) in civil penalties, pursuant to N.J.S.A. 56:8-13, One Thousand Eight Hundred Twenty and 00/100 Dollars (\$1,820.00) in reimbursement of the Division's investigative costs, pursuant to N.J.S.A. 56:8-11, and Five Thousand Nine Hundred Eighty and 00/100 Dollars (\$5,980.00) as reimbursement of the Division's attorneys' fees, pursuant to N.J.S.A. 56:8-19.

5.4 The Department Settlement Payment is comprised of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) in civil penalties, pursuant to N.J.A.C. 7:26H-5.19.

5.5 The Parties agree that the civil penalties are payable to and for the benefit of the State and are not compensation for actual pecuniary loss. Respondent acknowledges that the civil penalties are a nondischargeable debt under 11 U.S.C. §523(a)(7).

5.6 Respondent shall make the Division Settlement Payment by certified or cashier's check, money order, wire transfer or credit card payable to the "New Jersey Division of Consumer Affairs" and forwarded to:

Jeffrey Kozjar, Deputy Attorney General  
Consumer Fraud Prosecution Section  
State of New Jersey  
Department of Law and Public Safety  
Division of Law  
124 Halsey Street- 5<sup>th</sup> Floor  
Newark, New Jersey 07101

5.7 Respondent shall make the Department Settlement Payment by certified or a cashier's or certified check payable to the "Treasurer, State of New Jersey" and shall include the attached NJDEP invoices.

5.8 Upon making the Settlement Payment, Respondent shall immediately be fully divested of any interest in, or ownership of, the monies paid and all interest in the monies, and any subsequent interest or income derived therefrom, shall inure entirely to the benefit of the Division and the Department pursuant to the terms herein.

#### 6. AFFECTED CONSUMERS

6.1 Within sixty (60) days of the Effective Date, Respondent shall notify the Division whether the Affected Consumers have received Restitution. Such notification shall also include the following:

- (a) The name and address of the Affected Consumer;
- (b) Identification of the Restitution provided to the Affected Consumer;

- (c) Copies of all documents evidencing the Restitution; and
- (d) In the event that the Restitution was returned as undeliverable, the efforts that Respondent has undertaken to locate the Affected Consumer.
- (e) If Respondent is not able to locate any Affected Consumers for purposes of providing Restitution, Respondent shall forward the amount due such Affected Consumers to the Division. The Division shall have sole discretion as to how such funds will be distributed.

6.2 Restitution payments to the Affected Consumers will be accompanied by a general release to be executed by the Affected Consumers releasing Respondent from any and all claims which the Affected Consumer may now have, might have, or could hereafter have against Respondent, of any type or kind, known or unknown, which the Affected Consumer have or may have relating to or arising from Respondent's marketing or sale of the Merchandise. The general release to be executed by the Affected Consumers is attached hereto as Exhibit B

## **7. GENERAL PROVISIONS**

7.1 This Consent Order is entered into by the Parties as their own free and voluntary act and with full knowledge and understanding of obligations and duties imposed by this Consent Order.

7.2 This Consent Order shall be governed by, and construed and enforced in accordance with, the laws of the State.

7.3 The Parties have fully reviewed the terms of this Consent Order and the rule that uncertainty or ambiguity is to be construed against the drafter shall not apply to the construction or interpretation of this Consent Order.

7.4 This Consent Order contains the entire agreement between the Parties. Except as otherwise provided herein, this Consent Order shall be modified only by a written instrument signed by or on behalf of the Parties.



7.5 Except as otherwise explicitly provided in this Consent Order, nothing in this Consent Order shall be construed to limit the authority of the Attorney General to protect the interests of the State or the people of the State.

7.6 If any portion of this Consent Order is held invalid or unenforceable by operation of law, the remaining terms of this Consent Order shall not be affected.

7.7 This Consent Order shall be binding upon the Respondent as well as its owners, officers, directors, shareholders, founders, managers, agents, servants, employees, representatives, successors and assigns, and any entity or device through which it may now or hereafter act, as well as any Persons who have authority to control or who, in fact, control and direct its business.

7.8 This Consent Order shall be binding upon the Parties and their successors in interest. In no event shall assignment of any right, power or authority under this Consent Order be used to avoid compliance with this Consent Order.

7.9 This Consent Order is entered into by the Parties for settlement purposes only. Neither the fact of, nor any provision contained in this Consent Order shall constitute, or be construed as: (a) an approval, sanction or authorization by the Attorney General, the Division, the Department or any other governmental unit of the State of any act or practice of Respondent; and (b) an admission by Respondent that any of its acts or practices described in or prohibited by this Consent Order are unfair or deceptive or violate the CFA, the Advertising Regulations the SWUCA and/or the Customer Bill of Rights. Neither the existence of, nor the terms of this Consent Order, shall be deemed to constitute evidence or precedent of any kind, except in: (a) any action or proceeding by one of the Parties to enforce, rescind or otherwise implement or affirm any or all of the terms herein; or (b) any action or proceeding involving a Released Claim (as defined in Section

8) to support a defense of res judicata, collateral estoppel, release or other theory of claim preclusion, issue preclusion or similar defense.

7.10 The Parties represent and warrant an authorized representative of each has signed this Consent Order with full knowledge, understanding and acceptance of its terms and that the representative has done so with authority to legally bind the respective Party.

7.11 Unless otherwise prohibited by law, any signatures by the Parties required for entry of this Consent Order may be executed in counterparts, each of which shall be deemed an original, but all of which shall together be one and the same Consent Order.

7.12 This Consent Order is a public document subject to the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

7.13 The Parties hereby agree to comply with this Consent Order, which shall be fully enforceable as a final agency order in the Superior Court of New Jersey, under R. 4:67 and R. 4:70, or as otherwise authorized pursuant to applicable law. The Parties agree not to contest the terms or conditions of this Consent Order in any action to enforce its provisions.

7.14 Nothing contained in this Consent Order shall limit Respondent's ability to request that the Department or Division amend, modify, or strike any requirement or provision of this Consent Order because of any amendment or modification to the applicable Federal or State statutes or regulations or any other subsequent change to Respondent's business operations or corporate structure.

7.15 Nothing contained in this Consent Order restricts the ability of the Department to raise the facts identified in the above allegations in any proceeding pursuant to N.J.S.A. 13:1E-126 et seq. (commonly referred to as "A901"). However, this Consent Order may not be utilized by the

Department as the sole basis upon which to revoke any license or deny any permit or any other application filed with the Department by Respondent.

#### 8. RELEASE

8.1 In consideration of the payments, undertakings, mutual promises and obligations provided for in this Consent Order and conditioned on Respondent making the Settlement Payment in the manner referenced in Section 5, the Division and Department hereby agree to release Respondent from any and all pending civil claims, Consumer related administrative claims, or Solid Waste Utility related administrative claims, to the extent permitted by State law, which the Division and/or Department knew or should have known could have been brought prior to the Effective Date against Respondent for violations of the CFA, Advertising Regulations, the SWUCA and/or the Customer Bill of Rights, and/or the civil or administrative claims, penalties, or violations that are currently pending, or that the Department or Division had or should have had knowledge of that may have been brought by the Department or Division as of the Effective Date of this Consent Order, pursuant to, including but not limited to, the CFA, Advertising Regulations, the SWUCA and/or the Customer Bill of Rights arising out of the Investigation, or otherwise occurring prior to the date hereof, as well as the matters specifically addressed in this Consent Order ("Released Claims").

8.2 Notwithstanding any term of this Consent Order, the following do not comprise Released Claims: (a) private rights of action, provided, however, that nothing herein shall prevent Respondent from raising the defense of off-set against an Affected Consumer who has received Restitution; (b) actions to enforce this Consent Order; and (c) any claims against Respondent by any other agency or subdivision of the State.

## **9. PENALTIES FOR FAILURE TO COMPLY**

9.1 The Attorney General (or designated representative) shall have the authority to enforce the provisions of this Consent Order or to seek sanctions for violations hereof or both.

9.2 If Respondent fails to make the Settlement Payment in accordance with Section 5, the Department and/or Division may bring a summary action in the Superior Court to collect payment pursuant to R. 4:67-6, R. 4:70 and/or file this Consent Order as a judgment under the CFA, N.J.S.A. 56:8-14 and/or the Penalty Enforcement Law, N.J.S.A. 2A:58-1 et seq. and forwarded to a collection agency.

9.3 The Parties agree that any future violations of the provisions of Sections 4.1 through 4.9 of this Consent Order, the SWUCA and/or the Customer Bill of Rights may result in Respondent being liable for enhanced civil penalties, N.J.A.C. 7:26H-5.15(c).

## **10. COMPLIANCE WITH ALL LAWS**

10.1 Except as provided in this Consent Order, no provision herein shall be construed as:

- (a) Relieving Respondent of its obligation to comply with all State and Federal laws, regulations or rules, as now constituted or as may hereafter be amended, or as granting permission to engage in any acts or practices prohibited by any such laws, regulations or rules; or
- (b) Limiting or expanding any right the Division and/or Department may otherwise have to obtain information, documents or testimony from Respondent pursuant to any State or Federal law, regulation or rule, as now constituted or as may hereafter be amended, or limiting or expanding any right Respondent may otherwise have pursuant to any State or Federal law, regulation or rule, to oppose any process employed by the Division and/or Department to obtain such information, documents or testimony.

## **11. NOTICES UNDER THIS CONSENT ORDER**

12.1 Except as otherwise provided herein, any notices or other documents required to be sent to the Division, Department or Respondent pursuant to this Consent Order shall be sent by United States mail, Certified Mail Return Receipt Requested, or other nationally recognized courier

service that provides for tracking services and identification of the Person signing for the documents.

The notices and/or documents shall be sent to the following addresses:

For the Division:

Jeffrey Kozlar, Deputy Attorney General  
Consumer Fraud Prosecution Section  
State of New Jersey  
Department of Law and Public Safety  
Division of Law  
124 Halsey Street - 5<sup>th</sup> Floor  
Newark, New Jersey 07101

For the Department:

Michael Hastry  
Director  
State of New Jersey  
Department of Environmental Protection  
Waste Enforcement, Pesticides and Release Prevention  
401 East State Street  
Trenton, New Jersey 08625

For Respondent:


Dennis M. Toft, Esq.  
Chiesa, Shahinian & Giantomasi, PC  
One Boland Drive  
West Orange, New Jersey 07052

With a Copy to:

Stericycle, Inc.  
28161 N. Keith Drive  
Lake Forest, Illinois 60045  
Attn: General Counsel

IT IS ON THE April DAY OF 25, 2019 SO ORDERED.

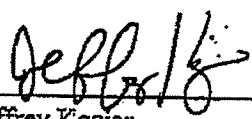
GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY

By:   
PAUL R. RODRIGUEZ, ACTING DIRECTOR  
DIVISION OF CONSUMER AFFAIR

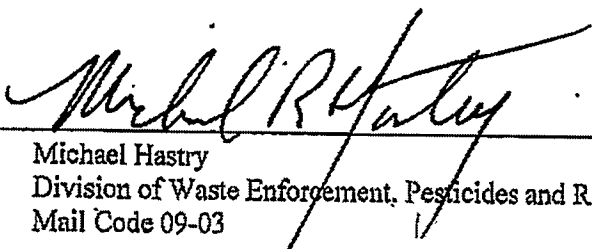
THE PARTIES CONSENT TO THE FORM, CONTENT AND ENTRY OF THIS CONSENT ORDER ON THE DATES BESIDE THEIR RESPECTIVE SIGNATURES.

FOR THE DIVISION:

GURBIR S. GREWAL  
ATTORNEY GENERAL OF NEW JERSEY

By:  Dated: 4/24, 2019  
Jeffrey Kozlar  
Deputy Attorney General  
Consumer Fraud Prosecution Section  
124 Halsey Street - 5th Floor  
P.O. Box 45029  
Newark, New Jersey 07101  
(973) 648-7819

FOR THE DEPARTMENT:

By:  Dated: 4/17/19, 2019  
Michael Hastry  
Division of Waste Enforcement, Pesticides and Release Prevention  
Mail Code 09-03

9 Ewing Street  
PO Box 420  
Trenton, NJ 08625-0420

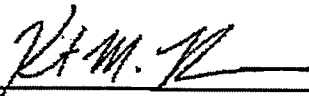
FOR RESPONDENT:

CHIESA, SHAHINIAN & GIANTOMASI, PC

By:  Dated: 4/16/19, 2019  
Dennis M. Toft, Esq.

One Boland Drive  
West Orange, New Jersey 07052  
(973) 530-2014

STERICYCLE, INC.

By:  Dated: 4/15/, 2019  
Kurt M. Rogers  
(Print Name)

EVP: General Counsel  
(Print Title)

28141 N. Keith Dr., Lake Forest IL, 60045  
(Print Address)

### EXHIBIT A

1. Aberdeen Family Dental - (\$1,725)
2. Absecon Family Dental PA (\$1,863)
3. AC Dental (\$1,164)
4. Advanced Dentistry of Summit (\$65)
5. Allied Dental of Old Bridge PA (\$1,863)
6. Altomonte, Jack DMD (\$496.80)
7. Amara Dental of Howell (\$1035)
8. American Dental Centers PA (\$552)
9. Barnes, Jeffrey Dr. (\$512.28)
10. Barrington Dental Association (\$1,920)
11. Birnbaum, Jason Dr. (\$828)
12. Bisignano, Stone & Eckel Medical (\$557.28)
13. Cape May Family Dental (\$1,863)
14. Caring Dentistry for Children (\$1,311)
15. Central Jersey Oral & Maxillofacial (\$7875)
16. Chapel Hill Dental Arts (\$1,449)
17. Cherry Hill Family Dental PA (\$1,863)
18. Clapcich, Robert J. DMD (\$3,024)
19. Clara Baton Professional Dental Group (\$129)
20. Cohen & Schwartz DDS (\$1,290)
21. Community Dental Of Hamilton (\$315)
22. Cosmetic Dental Associates (\$3,091.20)
23. Cross Keys Family Dental PA (\$2,139)
24. David, Lydia DMD (\$289.80)
25. Defabio, Dr EC (\$387)
26. Dental Care of Brigantine (\$464.40)
27. Dentistry At S Brunswick (\$523.20)
28. Dentistry for Children (\$165.75)
29. Dentistry of Haddon (\$372.60)
30. Deptford Family Dental (\$1,863)
31. Discepolo, Joseph T DMD (\$897)
32. Discepolo, Patrick DDS (\$250)
33. Dr. Sacks, Jones & Oberfeld (\$372.60)
34. Edison Dental 27 PC (\$395)
35. Egan-Lodge, Beth DMD PA (\$2,212)
36. Egg Harbor Family Dental PA (1,863)
37. Eisen, Dr. Steven (\$1,559)
38. Ellessawi, Julie DDS (\$124)
39. Elm Court Dental Associates (\$100)
40. Elmer Pediatrics (\$372.60)
41. E-Smile Dental (\$445.40)
42. Fairlawn Dental Associates (\$828)
43. Family Dentistry of Brick (\$372.60)
44. Feldman, Dr. Marc (\$8,852.76)
45. Freinan, Dr. Myron (\$1,422)
46. Fuscaldo, Dr. DDS (\$442.80)
47. Ginter, Daniel T. DMD (\$280.50)



48. Glickman, Steven DDS (\$552)
49. Goodwin, Robert A Jr. DMD (\$1,711.20)
50. Grasso, Daniel DMD (\$2,451.60)
51. Greenberg, Ben DDS (\$207)
52. Greenbrook Family Dental Care (\$1,079.76)
53. Hamilton Township Dental Association (\$483)
54. Harihar, Kumar DDS (\$552)
55. Hazlet Family Dental PA (\$1,863)
56. Howell Family Dental PA (\$1,794)
57. Hudson Park Dental (\$2,920.56)
58. Hunterdon Edodontics (\$496.80)
59. Hunterdon Family Dental PA (\$1,863)
60. Iulo, T.S. DMD (\$1,134)
61. Jackson, Dr. Marie DMD (\$414)
62. Jacobson, Barry DMD (\$496.80)
63. JW.Dental (\$375)
64. Karlsberg, Dr. Herbert R (\$1,806)
65. Keck, Dr. (\$553.50)
66. Klohn, Brian DMD (\$132)
67. Korwin, Robert DMD (\$276)
68. Koslowsky, Deymour DDS PA (\$774)
69. Krugman, Gary DMD (\$601.68)
70. Kurpis Cosmetic Dentistry (\$1,341.60)
71. Lake View Dental Associates (\$455.90)
72. Lakewood Family Dental PA (\$1,725)
73. Lee Dental and Facial (\$483)
74. Lenk, Dr. Barbara (\$4,644)
75. Little Egg Dental (\$1,329.52)
76. Little Falls Family Dental (\$1,449)
77. Logan, Robert DMD (\$1,032)
78. Lozier, Dr. Scott (\$267)
79. Manahawkin Family Dental PA (\$1,863)
80. Manolis, Manolakis DMD (\$2,418)
81. Marx, John D DMD (\$149)
82. Maslow, Dr. Scott (\$540)
83. Massenzio, A.J., DMD (\$189)
84. McDermott, Dr. Patrick (\$390)
85. Mercurio, Richard (\$481.80)
86. Mermet, Robert (\$414)
87. Miller Dental Arts, PA (\$69)
88. Millville Family Dental (\$1,863)
89. Minichetti, John DMD (\$1,320)
90. Mollica, Philip MS DMD (\$124.20)
91. Monmouth Family Health Dental (\$596.16)
92. Montville Oral Surgery Associates (\$1,548)
93. Nichols, Sophia DMD (\$298)
94. North Jersey Oral Surgeons (\$421.20)
95. Notchview Dental Group (\$336)
96. Ocean Family Dental (\$897.10)
97. Oral Surgery and Dental Implants (\$475.20)
98. Parsippany Family Dental (\$1,863)

99. Parlavecchio, Marc DDS (\$1,032)
100. Patient First Dentistry Summit (\$1,660)
101. Phillipsburg Endodontics (\$1,863)
102. Phillipsburg Family Dentistry (\$1,863)
103. Piper, Dr. Shawn (\$1,564.80)
104. Piscataway Family Dentistry PA (\$1,863)
105. Premier Oral Surgical Group (\$2,104)
106. Quality Dental Associates (\$897)
107. Rand, Elliot J. DDS (\$786.80)
108. Randolph Center for Oral Surgery (\$13,446)
109. Rathod & Associates PA (\$2,390)
110. Raziano, Dr. John (\$2,133)
111. Red Bank Dental Associates (\$1,290.96)
112. Resnick, Leonard DDS (\$251)
113. Riverside Oral Surgery (\$5,013.22)
114. Rizzo, Gerald V. DMD (\$2,838)
115. Roselle Park Dental Assoc LLC (\$828)
116. Rosenfeld, Jason DMD (\$276)
117. Rosner, Ted M. DMD (\$276)
118. Rotondi, Alan DDS (\$483)
119. Ruvo, Scott DDS & Bodnar DMD (\$1,737.92)
120. Sage Dental (\$690)
121. Salazar Dental LLC (\$293.52)
122. Salvador, Victor DMD (\$69)
123. Sgroi, Charles F DMD (\$366)
124. Sheenan, Carolyn DMD (\$220.80)
125. Shelton Dental PA (\$3,624.13)
126. Shore Family Dental Assoc PA (\$1,863)
127. Silverstrom, David DDS (\$1,741.50)
128. Skurla, Leslie A DMD (\$448)
129. Sloan Dental (\$1,873.08)
130. Smile USA (\$1,449.36)
131. Sofos, Dr. Effie DMD (\$386.40)
132. Somers Point Dental (\$1,266.96)
133. Sosna, Dr. Howard DDS (\$1,548)
134. Star Dental (\$381)
135. Sussman, Dr. Laurence (\$7,785)
136. Sykes, David L (\$485.40)
137. The Perfect Smile (\$922.80)
138. Tuttle, Dr. (\$1,730.40)
139. Universal Dental (\$2,116.08)
140. Universal Dentistry (\$2,139)
141. Upper Deerfield Dental Center (\$1,692)
142. Vallese, Richard DDS (\$1820)
143. Vidal, Lillian DDS LLC (\$69)
144. Vineland Oral Surgeons (\$378)
145. Vitale, John DMD (\$1884)
146. Ward, Dr. Michael T DMD (\$828)
147. Warren Oral Surgery (\$387)
148. Weinberg, Jay DMD (\$129)
149. West Morris Dental Associates (\$1,112)

- 150. Westfield Oral Surgery Associates (\$2,985)
- 151. Willingboro Family Dental PA (\$1,863)
- 152. Wolenski & Verdi DMDs (\$762.75)
- 153. Wortzel, Robert DMD (\$66)
- 154. Ykumar Dental LLC (\$370.20)
- 155. Yudkin, Leo Dr. (\$66)

**EXHIBIT B**

**GENERAL RELEASE**

This General Release ("Release"), dated \_\_\_\_\_, 2019, is executed

BY the Releasor: (Name of applicable Affected Consumer), referred to as "I" or "me",

TO the Releasee: Stericycle, Inc., along with any affiliates, referred to as "Stericycle".

1. Release. Upon accepting the enclosed sum, representing the amount paid by me for Stericycle's Hazardous Drug Disposal Service, also known as, Stericycle's HDDS Black Box Program, and such other valuable consideration given by Stericycle to me, I hereby release, waive, relinquish and forever discharge and give up any and all claims which I may now have, might have, or could hereafter have against Stericycle, of any type or kind, known or unknown, which I have or may have relating to or arising from Stericycle's Hazardous Drug Disposal Service program.

2. Consideration. The consideration set forth above shall constitute full consideration for making this Release.

3. Who is Bound. I am bound by this Release, as is anyone who is a successor to my interests or rights. This Release is made for Stericycle's benefit and all who succeed Stericycle's interests or rights.

4. Signatures. I understand and agree to the terms of this Release as my knowing and voluntary act. In executing this instrument, I represent and warrant that I have full power and authority to execute this instrument and that all approvals and other actions necessary in connection with the effective execution by me have been obtained and are in full force and effect.

[Name of Affected Consumer]

By: \_\_\_\_\_

Name:

Title:



## NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

INVOICE NO.

190336870

# SOLID WASTE COMPLIANCE AND ENFORCEMENT

<b>Program Interest</b>	<b>Type of Notice</b>	<b>Amount Due</b>
STERICYCLE INC 1525 CHESTNUT HILL RD MORGANTOWN, PA. 19543 216013	ORIGINAL (NON-INITIAL)	\$ 500,000.00
	<b>Billing Date</b>	<b>Due Date</b>
	04/17/19	06/20/19
	<b>NJEMS Bill ID</b>	
	000000194779100	

Summary	
Total Amount Assessed	500,000.00
Amount Received Before Creating Installment Plan (if installment plans is allowed)	0.00
Amount Transferred To Installment Plan	0.00
Installment Amount	0.00
Total Amount Credited	0.00
Total Amount Debited (Other Than Amounts Assessed)	0.00
<b>Total Amount Due</b>	<b>500,000.00</b>

**REMINDER:**  
 YOU CAN PAY THIS BILL ONLINE WITH A CREDIT CARD OR E-CHECK.  
 GO TO: [HTTP://WWW.NJ.GOV/DEP/ONLINE](http://WWW.NJ.GOV/DEP/ONLINE) AND CLICK PAY A PAPER INVOICE.  
 THE SYSTEM WILL ASK FOR THE INVOICE NUMBER THAT IS FOUND AT THE TOP-RIGHT CORNER OF THIS BILL.  
 THERE IS NO FEE FOR PAYING VIA E-CHECK; FOR CREDIT CARD USE, 1.9% OF THE TOTAL + \$1 IS CHARGED.  
 TO PAY BILL BY MAIL SEND A CHECK PAYABLE TO TREASURER-STATE OF NEW JERSEY.  
 WRITE INVOICE NUMBER AND PROGRAM INTEREST NUMBER ON CHECK.  
 RETURN CHECK WITH BOTTOM PORTION OF THIS INVOICE TO THE NJ DEPARTMENT OF TREASURY.  
 IF YOU HAVE QUESTIONS SEE BACK OF INVOICE FOR CONTACT INFORMATION.

See Back Of Page for Billing Inquiries

INVOICE NO.

190336870

DS901F (R 3/14/02)

Let's protect our earth



## NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

INVOICE NO.

190336870

# SOLID WASTE COMPLIANCE AND ENFORCEMENT

<b>Program Interest ID</b>	<b>Type of Notice</b>	<b>Billing Date</b>	<b>Due Date</b>	<b>NJEMS Bill ID</b>
216013	ORIGINAL (NON-INITIAL)	04/17/19	06/20/19	000000194779100
			<b>Amount Due</b>	
			\$ 500,000.00	

For name and/or address  
change, check box and write  
corrections on the back of this  
invoice.

**DO NOT FOLD, BEND OR MARK**Enter the Amount  
of your payment →

\$
----

**RETURN THIS PORTION** with your check made payable to:TREASURER, STATE OF NEW JERSEY  
and mail to:
 NJ DEPARTMENT OF TREASURY  
DIVISION OF REVENUE  
PO BOX 417  
TRENTON, NJ 08646-0417

000427

EP101010101010101002010600010311111050000000000031903368707H39

MARY SILLER, SUPERVISOR  
BSWC&E - CENTRAL  
MAIL CODE 09-01  
PO BOX 420  
TRENTON, NJ 08625-0407  
(609) 292-6305  
SOLID WASTE FEES & PENALTIES  
BERGEN, ESSEX, HUDSON, MORRIS,  
PASSAIC, SUSSEX AND WARREN  
COUNTIES

BRIAN PETITT, SUPERVISOR  
BSWC&E - CENTRAL  
MAIL CODE 09-01  
PO BOX 420  
TRENTON, NJ 08625-0407  
(609) 292-6305  
SOLID WASTE FEES & PENALTIES  
HUNTERDON, MERCER, MIDDLESEX,  
MONMOUTH, SOMERSET AND UNION  
COUNTIES

PAT FERRARO, SUPERVISOR  
BSWC&E - SOUTHERN  
MAIL CODE 09-01  
PO BOX 420  
TRENTON, NJ 08625-0407  
(609) 292-6305  
ATLANTIC, BURLINGTON, CAMDEN,  
CAPE MAY, CUMBERLAND,  
GLOUCESTER, OCEAN AND SALEM  
COUNTIES

JOHN BARRY, SECTION CHIEF  
BSWC&E - SUPPORT SERVICES  
MAIL CODE 09-01  
PO BOX 420  
TRENTON, NJ 08625-0407  
(609) 292-6305  
ENTIRE STATE

ROBERT GOMEZ, SUPERVISOR  
BSWC&E-TRANSPORTATION UNIT  
MAIL CODE 09-01  
PO BOX 420  
TRENTON, NJ 08625-0407  
(609) 292-3837  
ENTIRE STATE

D9901B (Rev. 03-14-02)

### REQUESTED CHANGES TO INFORMATION FOR PRIMARY BILLING PARTY

Contact Organization: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone No.: \_\_\_\_\_

Street Address: \_\_\_\_\_

Postal City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

D9901B

000428



## NEW JERSEY DEPARTMENT OF ENVIRONMENTAL PROTECTION

INVOICE NO

190336870

## SOLID WASTE

## COMPLIANCE AND ENFORCEMENT

## Program Interest

STERICYCLE INC  
1525 CHESTNUT HILL RD  
MORGANTOWN, PA. 19543  
216013

## Type of Notice

ORIGINAL (NON-INITIAL)

## Amount Due

\$ 500,000.00

## Billing Date

04/17/19

## Due Date

06/20/19

## NJEMS Bill ID

000000194779100

Administrative Consent Order (ACO)

Negotiated Enforcement Action

This bill was created by the Assessments Trigger

## ASSESSMENTS

Start-End Date: 04/17/2019-04/17/2019 Activity: NEA190001

Assessment Type: PENALTY

Regulatory Basis:

Status: Open (Pending Payment)

Amount: \$ 500000.00

Total Amount Assessed: \$ 500,000.00

000228



THE STATE OF NEW JERSEY  
**DEPARTMENT OF LAW & PUBLIC SAFETY**  
**OFFICE OF THE ATTORNEY GENERAL**

NJHome | Services A to Z | Departments/Agencies | FAQs



OAG Home

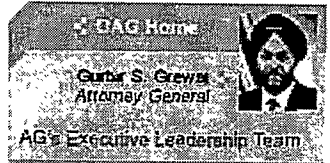
OAG Services from A - Z

Servicios en Español

OAG Contact

News Release

Search



AG's Executive Leadership Team

AG's Message | Ask the AG  
 Contact OAG | About OAG  
 OAG News | OAG FAQs  
 OAG Library | Employment  
 OAG Grants | Proposed Rules  
 OAG History | Services A-Z

Statutes / Regulations / Rules

Agencies / Programs / Units

Other News Pages

Governor's Office  
 Otras Noticias en Español (OAG)  
 Civil Rights (Division of)  
 Consumer Affairs (Division of)  
 Criminal Justice (Division of)  
 Election Law Enforcement Comm.  
 Gaming Enforcement (Div. of)  
 Highway Traffic Safety (Division of)  
 Insurance Fraud Prosecutor (Office of)  
 Juvenile Justice Commission  
 State Police (Division of NJ)  
 Law (Division of)

For Immediate Release:  
 April 26, 2019

**Office of The Attorney General**

- Gurbir S. Grewal, Attorney General

**Division of Law**

- Michelle Miller, Director

**Division of Consumer Affairs**

- Paul R. Rodriguez, Acting Director

**For Further Information:**

Media Inquiries-  
 Lee Moore  
 609-292-4791

Citizen Inquiries-  
 609-984-5828

**AG Grewal Announces Settlement with Medical Waste  
 Disposal Firm Stericycle over Allegedly Deceptive Sales,  
 Business Practices**  
**Overall \$867,000-Plus Settlement Includes Payment to the State,  
 Reimbursement to Customers**

[view settlement agreement](#)

**TRENTON** – Attorney General Gurbir S. Grewal, the Division of Consumer Affairs and New Jersey Department of Environmental Protection (DEP) announced today that the State has entered into an overall \$867,800 settlement with Illinois-based medical waste disposal company Stericycle. The settlement resolves allegations that Stericycle engaged in a variety of deceptive sales, pricing and other unlawful practices in its dealings with New Jersey dentists.

The State began investigating Stericycle in May 2016 after the New Jersey Dental Association wrote to the Division of Consumer Affairs complaining about the company. Specifically, the Association reported that Stericycle sales agents were pressuring dentists to purchase a Hazardous Drug Disposal Service Black Box Program (HDDS), which they claimed was required for the disposal of certain substances – even trace amounts -- by an EPA regulation. No such EPA regulation existed.

DEP's investigation was prompted by complaints to the Department about Stericycle's alleged unannounced price increases and unresponsive customer service, among other concerns. Stericycle was also accused of allowing unauthorized individuals to sign contracts on behalf of dentists, and of failing to cancel such contracts when the unauthorized status of the signatory became known.

"We expect businesses operating in New Jersey to act with integrity, to respect New Jersey consumers, and to play by our rules," said Attorney General Grewal. "That's the basic promise companies make to their customers, and it's what our law commands. So when businesses betray the trust of New Jersey consumers, we will hold them accountable to the fullest extent, just as we're doing today."

"Ensuring fair business practices in waste services is an important part of the DEP's enforcement activity," said DEP Deputy Commissioner Debbie Mans. "Today's action demonstrates New Jersey's commitment to promoting and enforcing legal compliance in this sector to protect businesses, their customers and New Jersey's environment."

000430



"Stericycle's business approach crossed the line from aggressive to deceptive, and that kind of conduct cannot be tolerated," said Division of Consumer Affairs Director Paul R. Rodríguez. "This case should serve as notice not only to regulated waste disposal operators, but to all businesses operating in our state: We are committed to protecting New Jersey consumers, and if you deceive them, cheat them or otherwise treat them unlawfully, we will take action."

Under the settlement, Stericycle will pay DEP \$500,000, as a majority of allegations resolved by the settlement involve violations of the New Jersey Solid Waste Utility Control Act and DEP's Customer Bill of Rights. Stericycle will pay the Division of Consumer Affairs \$155,000 to resolve allegations of having violated the State's Consumer Fraud Act and New Jersey Advertising Regulations.

Stericycle will also provide a total of \$205,160 in reimbursement to a total of 155 New Jersey dentists affected by its allegedly deceptive practices. Stericycle will reimburse the State a total of \$7,800 to cover its investigative and legal costs. The company denies any wrongdoing.

The company is prohibited under the settlement from proactively advertising, offering for sale or selling the HDDS Black Box Program in New Jersey – except with respect to consumers who are required to properly dispose of hazardous drug waste in accordance with applicable state or federal statutes and regulations, such as Small Quantity Generators or P-Waste Generators.

Under other non-monetary terms of the settlement, Stericycle must:

- Properly itemize any bills submitted to its customers.
- Train its customer service representatives on the Customer Bill of Rights, as well as the legal requirement in New Jersey that all solid waste utilities must assist customers in selecting the rate schedule most favorable for their individual requirements.
- Verify that all contracts for the sale of merchandise in New Jersey include a statement by the signatory of the contract -- in large, bold typeface -- verifying that he or she is an authorized representative of the consumer, and is authorized to enter into a binding contract on behalf of the consumer.
- Provide written notice to customers that waste services in New Jersey are available on a competitive basis and shall include with that notice a copy of the Customer Bill of Rights.
- Designate a company representative whom DEP or the Division of Consumer Affairs may contact regarding customer complaints submitted to the agencies.

The Stericycle matter was handled on behalf of New Jersey by Lead Deputy Attorney General Jeffrey Koziar, of the Division of Law's Consumer Fraud Prosecution Section, and Deputy Attorney General Ray Lamboy of the Division of Law's Environmental Enforcement and Environmental Justice Section.

####



*Follow the New Jersey Attorney General's Office online at [Twitter](#), [Facebook](#), [Instagram](#), [Flickr](#) & [YouTube](#). The social media links provided are for reference only. The New Jersey Attorney General's Office does not endorse any non-governmental websites, companies or applications.*

[News Index Page](#) | [top](#)

[Contact Us](#) | [Privacy Notice](#) | [Legal Statement](#) | [Accessibility Statement](#) 

Departmental: [OAG Home](#) | [Contact OAG](#) | [About OAG](#) | [OAG News](#) | [OAG FAQs](#)

Statewide: [NJ Home](#) | [Services A to Z](#) | [Departments/Agencies](#) | [FAQs](#)

Copyright © State of New Jersey

This page is maintained by OAG Communications. Comments/Questions: [email](#) or call 609-292-4925

000432

# APPENDIX K

1 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP  
2 THOMAS R. KAUFMAN, Cal. Bar No. 177936  
3 1901 Avenue of the Stars, Suite 1600  
4 Los Angeles, California 90067-6055  
5 Telephone: 310.228.3700  
6 Fax: 310.228.3701  
7 Email: [tkaufman@sheppardmullin.com](mailto:tkaufman@sheppardmullin.com)

8 Attorneys for Defendant  
9 STERICYCLE, INC.

10 LAW OFFICES OF KEVIN T. BARNES  
11 Kevin T. Barnes (SBN 138477)  
12 Gregg Lander (SBN 194018)  
13 5670 Wilshire Boulevard Suite 1460  
14 Los Angeles, CA 90036-5664  
15 Telephone: 323-549-9100  
16 Fax: 323-549-0101  
17 Email: [barnes@kbarnes.com](mailto:barnes@kbarnes.com)

18 LAW OFFICES OF SAHAG MAJARIAN II  
19 Sahag Majarian II (SBN 146621)  
20 18250 Ventura Boulevard  
21 Tarzana, CA 91356  
22 Telephone: 818-609-0807  
23 Fax: 818-609-0892  
24 Email: [sahagii@aol.com](mailto:sahagii@aol.com)

25 Attorneys for Plaintiffs  
26 KENNETH MONIZ and  
27 And KEVIN HENSHAW,

28 UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

29 SERGIO GUTIERREZ on behalf of  
30 himself and all others similarly situated;

31 Plaintiffs,

32 v.

33 STERICYCLE, INC., a Delaware  
34 Corporation,

35 Defendants.

Case No. 2:15-cv-08187-JAK-JEM

STIPULATION OF CLASS  
SETTLEMENT AND RELEASE

Action filed; August 14, 2014

1 This Stipulation of Class Settlement and Release ("Stipulation of Settlement"  
2 or "Settlement Agreement") is made and entered into by and between Plaintiffs  
3 Kenneth Moniz and Kevin Henshaw ("Plaintiffs" or "Class Representatives") and  
4 Stericycle, Inc. ("Defendant" or "Stericycle"), and is subject to the terms and  
5 conditions herein and the approval of the Court. Plaintiffs and Stericycle are  
6 referenced collectively herein as "the Parties."

7 **BACKGROUND AND RECITALS**

8 1. On or about August 14, 2014, former named Plaintiff, Sergio Gutierrez,  
9 filed a class action ("the Lawsuit") in the Superior Court for the County of Los  
10 Angeles, entitled *Sergio Gutierrez v. Stericycle, Inc.* The complaint for the Lawsuit  
11 alleged various wage and hour claims, including that Stericycle failed to pay all  
12 wages owed based on their time rounding and donning and doffing policies, did not  
13 include all bonuses in the overtime rate, failed to pay all vested vacation payments  
14 due, failed to provide statutory meal and rest periods and derivative claims for  
15 failure to provide accurate wage statements, waiting time penalties, PAGA and  
16 unfair competition. When Gutierrez passed away during the litigation, Plaintiffs  
17 substituted as class representatives in his place. The action was removed to the  
18 United States District Court for the Central District of California on or about  
19 October 19, 2015, and the action has been litigated in federal court since that time.

20 2. On June 12, 2017 the parties mediated the Lawsuit before retired judge  
21 Hon. Carl West. The case did not resolve at mediation, but settlement discussions  
22 continued and the Parties ultimately reached a settlement on November 21, 2017.

23 3. Accordingly, for purposes of this Settlement Agreement, the  
24 "Settlement Class" shall consist of all "Class Members" who fail to opt out of this  
25 Settlement Agreement. "Class Members" are defined as:

26 "All non-exempt hourly employees who worked for Stericycle in  
27 California at an time between August 14, 2010 and September 18,  
28 2017, except the class shall not include: (1) members of the settlement  
class in the class action *Butler v. Stericycle, Inc.*; (2) any non-exempt

1 employees who worked for Stericycle in California but was hired on or  
2 after April 1, 2017; (3) any other individuals who have filed their own  
3 lawsuits asserting any of the claims raised in the *Gutierrez v. Stericycle,*  
4 *Inc* lawsuit; or (4) any Class Member who entered into a general  
release as part of a settlement of a lawsuit.”

5 The “Class Period” is defined as the period of time from August 14,  
6 2010 through September 18, 2017.

7 4. For purposes of settling the Lawsuit, the Parties conditionally stipulate  
8 and agree that the requisites for establishing class certification with respect to the  
9 Settlement Class have been met and are met, and therefore, stipulate to class  
10 certification. More specifically, the Parties conditionally stipulate and agree that,  
11 for the Settlement Class:

- 12 a. The number of Class Members is so numerous as to make it  
13 impracticable to join all Class Members.  
14 b. There is an ascertainable class.  
15 c. There are common questions of law and fact  
16 d. Plaintiffs’ claims are typical of the claims of the members of the  
17 Settlement Class.  
18 e. Law Offices of Kevin T. Barnes and Law Offices of Sahag  
19 Majarian II should be deemed “Class Counsel” and will fairly and  
20 adequately protect the interests of the Settlement Class.  
21 f. Plaintiffs Kenneth Moniz and Kevin Henshaw should be  
22 appointed as the representative of the Settlement Class and will fairly  
23 and adequately represent the interests of the Settlement Class.  
24 g. The prosecution of separate actions by individual members of the  
25 Settlement Class would create the risk of inconsistent or varying  
26 adjudications, which would establish incompatible standards of  
27 conduct.  
28

1 h. Questions of law and fact common to the members of the  
2 Settlement Class predominate over questions affecting individual  
3 members in the Settlement Class and a class action is superior to other  
4 available means for the fair and efficient adjudication of the  
5 controversy.

6 5. Stericycle denies any liability or wrongdoing of any kind associated  
7 with the claims alleged in the Complaint and further denies that, for any purpose  
8 other than settling the Lawsuit, this action is appropriate for class treatment.  
9 Stericycle contends, among other things, that it has complied at all times with the  
10 California Labor Code, and all applicable California law.

11 6. Plaintiffs believe that they have filed a meritorious action and that class  
12 certification is appropriate of the claims asserted in the operative Complaint.  
13 Plaintiffs contends that Stericycle violated California's wage-and-hour laws and that  
14 this case is appropriate for class certification as the requisites for class certification  
15 can be satisfied in this case.

16 7. It is the desire of the Parties to fully, finally, and forever settle,  
17 compromise, and discharge all disputes and claims which exist between them arising  
18 from the factual allegations that underlie the Lawsuit concerning the failure to pay  
19 overtime correctly and derivative claims for penalties. In order to achieve a full and  
20 complete release of Stericycle (and the "Releasees" as defined in Paragraph 8) of  
21 such disputes and claims, the Class Representatives and Class Members (which  
22 includes any legal heirs and/or successors-in-interest of each Class Member who  
23 receives Notice), through execution of the Stipulation of Settlement, acknowledge  
24 that this Stipulation of Settlement is intended to include in its effect the entirety of  
25 the Released Class Claims, as more fully described in Paragraph 21 of this  
26 Stipulation of Settlement.

27 8. It is the intention of the Parties that this Stipulation of Settlement shall  
28 constitute a full and complete settlement and release of all claims described in

1 Paragraph 21 of this Stipulation of Settlement. This release shall include in its  
2 effect not only Stericycle, but also its respective affiliates, subsidiaries, parent  
3 companies, predecessor entities (i.e., companies it acquired during the class period),  
4 related companies, partners, officers, directors, managers, servants, agents,  
5 employees, former employees, representatives, and attorneys, past or present, and all  
6 persons acting under, by, though, or in concert with any of them (collectively, the  
7 "Releasees").

#### 8 TERMS OF SETTLEMENT

9 9. Overview of Payment Structure. ~~This \$2,000,000 settlement~~ is made  
10 on a non-reversionary basis except Stericycle shall be entitled to a credit of  
11 \$460,000 which is the amount Stericycle has paid to individual class member who  
12 have previously entered into an individual settlement agreement of wage and hour  
13 claims under which that class member received a payment. Stericycle entered into  
14 these individual settlement with class members beginning in 2015 in response to the  
15 Lawsuit and pursuant to Chindarah v. Pick Up Stix, Inc., 171 Cal. App. 4th 796  
16 (2009).

17 This settlement shall consist of a Gross Fund Value which, in turn, is  
18 comprised of a Net Fund Value for the class, an award of attorney's fees and costs,  
19 an award of administration expenses, enhancement awards to the Class  
20 Representatives for their service as representatives, and a payment to the Labor  
21 Workforce Development Agency ("LWDA") to extinguish any PAGA claims  
22 arising within the scope of the release. Further specifics are provided below.

23 10. Gross Fund Value. ~~Stericycle shall pay the gross sum of TWO~~  
24 ~~MILLION DOLLARS ("S2,000,000")~~ (the "Gross Fund Value" or "GFV") to fund  
25 the settlement of this action. Payments by Stericycle pursuant to this Settlement  
26 Agreement shall settle all pending issues between the Parties. The settlement  
27 payments are not being made for any other purpose and will not be construed as  
28 compensation for purposes of determining eligibility for any health and welfare



1 benefits or unemployment compensation. Stericycle shall be responsible for paying  
2 any appropriate and lawfully required employer payroll taxes arising from the  
3 portion of the class member settlement payments attributable to wages.

4 11. Amounts Paid from the Gross Fund Value:

5 a. Attorneys' Fees and Costs: Subject to review and final approval  
6 by the Court, Stericycle agrees that Class Counsel may apply for a total of FIVE  
7 HUNDRED THOUSAND DOLLARS (\$500,000) for reasonable attorneys' fees  
8 (representing 25% of the Gross Fund Value), and an additional amount to reimburse  
9 actual litigation costs billed to the Plaintiffs, not to exceed \$26,000. Any award  
10 granted shall be taken from the Gross Fund Value. If a lower amount is awarded,  
11 the difference will be allocated to the Net Fund Value.

12 b. Enhancement Award: In further consideration for settling this  
13 matter and in exchange for the release of all claims by the Settlement Class, and  
14 subject to final approval, Stericycle agrees that Class Counsel may apply for a class  
15 member enhancements for the two named Plaintiffs to compensate them for their  
16 time, risk and effort on behalf of the class. The enhancement award is in addition to  
17 the claim share to which Plaintiffs are otherwise entitled as a Qualified Claimant.  
18 Stericycle agrees that Plaintiffs may apply for enhancement award not to exceed  
19 TEN THOUSAND DOLLARS (\$10,000 to each of the two Plaintiffs). Any award  
20 granted shall be taken from the Gross Fund Value. If a lower amount is awarded,  
21 the difference will be allocated to the Net Fund Value.

22 c. Administration Costs: Costs required to administer the  
23 settlement will also be paid from the GFV. The Parties have agreed to use Rust  
24 Consulting as claims administrator for the class with an expectation that the total  
25 amount charged by Rust Consulting will be approximately TWENTY SIX  
26 THOUSAND FIVE HUNDRED ELEVEN DOLLARS (\$26,511). The  
27 administration duties shall include, without limitation, mailing Notices, calculating  
28 awards, processing requests for exclusion and objections, performing necessary skip

000440

1 traces on Notices returned as undeliverable, mailing Class Member settlement  
2 checks, issuing any required tax reporting forms, and providing weekly status  
3 reports to Counsel for the Parties, among other tasks set forth in this Stipulation. To  
4 the extent the administration costs are lower than anticipated, the difference will be  
5 allocated to the Net Fund Value.

6           d.     PAGA Payment. The parties agree that FIFTEEN THOUSAND  
7 DOLLARS (\$15,000) of the GFV should be allocated to claims under the Private  
8 Attorney General Act ("PAGA"). The state's 75% share of PAGA penalties will be  
9 \$11,250 and the remaining \$3,750 will be allocated to the Net Fund Value.

10           e.     Remaining Net Fund Value for Class: After all payments of  
11 attorney's fees and costs, class representative enhancements, administrative costs,  
12 and PAGA payments are deducted from the Gross Fund Value, the remaining  
13 portion, the "Net Fund Value" or "NFV" shall be distributed to class members who  
14 do not affirmatively exclude themselves from the settlement, as discussed below.

15           f.     Credit for Settlement Sums Already Paid: Beginning in 2015,  
16 Stericycle offered individual settlements to individuals who will fall within the  
17 Settlement Class in response to the Lawsuit and pursuant to Chindarah v. Pick Up  
18 Stix, Inc., 171 Cal. App. 4th 796 (2009). To the extent those employees signed their  
19 individual settlement agreement and accepted the settlements and received payments  
20 as a result (entered into a "Pick Up Stix settlement"), they will receive no money for  
21 all of their shifts worked during the time period covered by their individual  
22 settlement agreement.. However, employees who signed their individual settlement  
23 agreement and accepted the settlements and received payments as a result but who  
24 continued to work for Stericycle, will receive money for all of their work shifts  
25 worked after the time period covered by their individual settlement agreement. To  
26 the extent employees received settlements but did no work after agreeing to the  
27 settlement (e.g., they were former employees at the time), they will not participate  
28 as class members in this settlement.

1           g.     "Opt Out" Process for the Net Fund Value: Class Members  
2 shall receive notice of the action and may exclude themselves or "opt out" if they do  
3 not want to participate in the settlement. Class Members who do not "opt out" shall  
4 be deemed to have made a settlement claim. In consideration for settlement and a  
5 release of all claims of the Settlement Class against Stericycle, each Class Member  
6 who does not timely "opt out" ("Qualified Claimant") will receive a share of the  
7 NFV.

8           h.     Formula to Distribute the Net Fund Value. Subject to the credit  
9 described above in paragraphs 11a-f, the Net Fund Value, which would be  
10 approximately NINE HUNDRED FIFTY SIX THOUSAND TWO HUNDRED  
11 THIRTY-NINE DOLLARS (\$956,239) if all requested attorney's fees, costs,  
12 enhancements and the PAGA payments are approved, will be distributed  
13 proportionally based on the number of work shifts each class member worked in a  
14 class position during the period from August 14, 2010 to September 18, 2017  
15 (excluding periods covered by Pick Up Stix releases). To calculate the work shifts,  
16 the parties will count the number of each class members' work shifts recorded in  
17 Stericycle's timekeeping system during the class period, with a shift being defined  
18 as any day on which the employee clocked in for work in Stericycle's timekeeping  
19 system and also clocked out. Each person will then receive a share calculated by  
20 dividing their individual work shift total by the aggregate number of all class  
21 members' work shifts multiplied by the NFV. As explained above, to the extent  
22 employees signed their individual settlement agreement and accepted the  
23 settlements and received payments as a result, those work shifts worked during the  
24 time period covered by their individual settlement agreement will not be counted  
25 towards each such class members' work shifts recorded in Stericycle's timekeeping  
26 system during the class period or in the aggregate number of all class members'  
27 work shifts.

28           i.     Defendant has certified that the number of work shifts that have

000442

1 accrued for all Class Members from August 14, 2010 to September 18, 2017 is  
2 622,987. This shift count excludes all of the following work shifts: (1) members of  
3 the settlement class in the class action *Butler v. Stericycle, Inc.*; (2) any non-exempt  
4 employees who worked for Stericycle in California but was hired after April 1,  
5 2017; (3) any other individuals who have filed their own lawsuits asserting any of  
6 the claims raised in the *Gutierrez v. Stericycle, Inc* lawsuit; (4) all work shifts for  
7 worked during the time period covered by their individual settlement agreement for  
8 employees who signed their individual settlement agreement and accepted the  
9 settlements and received payments as a result; and (5) any Class Member who  
10 entered into a general release as part of a settlement of a lawsuit. If the number of  
11 work shifts actually accrued from August 14, 2010 to September 18, 2017 should  
12 exceed the number of such work shifts certified by Defendant by more than five  
13 percent (5%), the Class Settlement Amount shall be increased by the percentage  
14 difference between the certified amount and the actual number of work shifts from  
15 August 14, 2010 to September 18, 2017.

16 12. Settlement Date: The settlement embodied in this Stipulation of  
17 Settlement shall go into effect upon entry of a final Judgment by the Court  
18 approving this Stipulation of Settlement.

19 13. Funding and Payout of Settlement Funds

20 a. Payment Procedure to Claims Administrator: No later than ten  
21 (10) calendar days after the "effective date" of final approval of the settlement,  
22 Stericycle will issue to the Claims Administrator payment of the Gross Fund Value.  
23 The effective date shall be the date of final approval if no objections are filed to the  
24 settlement. If objections are filed and overruled, and no appeal is taken of the final  
25 approval order, then the effective date of final approval shall be sixty-five (65) days  
26 after the Court enters final approval. If an appeal is taken from the Court's  
27 overruling of objections to the settlement, then the effective date of final approval  
28 shall be twenty (20) days after the appeal is withdrawn or after an appellate decision

000443

1 affirming the final approval decision becomes final. No money will be distributed  
2 unless and until the effective date of final approval occurs.

3           b. The Claims Administrator will mail settlement checks to  
4 Qualified Claimants no later than fifteen (15) calendar days after receiving payment  
5 from Stericycle. Payments will be made at this same time for attorney's fees, costs,  
6 and class representative enhancements. Qualified Claimants shall have 180 days  
7 after mailing by the Claims Administrator to cash their settlement checks. If  
8 Qualified Claimants do not cash their checks within the 180 day period, those  
9 checks will become void and the Claims Administrator will stop payment on the  
10 uncashed checks. In such event, those Qualified Claimants will be deemed to have  
11 waived irrevocably any right in or claim to a settlement payment.

12           c. Should there remain any residual from the Gross Fund Value  
13 after all payments are made under this Settlement Agreement, for example, if any  
14 settlement checks remain uncashed more than 180 calendar days after mailing, the  
15 Claims Administrator will pay the funds represented by such un-redeemed checks to  
16 the California Department of Labor Standards Enforcement Unpaid Wage Fund with  
17 an identification of the Qualified Claimant.

18           d. Tax Treatment of Settlement Payments: The Parties agree that 50% of  
19 the amount distributed to each Qualified Claimant will be considered wages and  
20 50% will be considered interest or penalties. In addition to its payment to each  
21 Qualified Claimant, Stericycle shall be responsible for paying all employer-paid  
22 withholding and payroll taxes and similar expenses (including state and federal  
23 income taxes, social security contributions and unemployment taxes) on the portion  
24 of the settlement where employer-side payroll taxes are required by law. Stericycle  
25 will be responsible for all required withholdings. Each Qualified Claimant will  
26 receive an IRS Form W-2 and 1099 for the class member's settlement payment.  
27 Each Qualified Claimant also will be responsible for correctly characterizing this  
28

000444

1 compensation for tax purposes and for payment of any personal income taxes owing  
2 on said amount.

3 e. Resolution of Disputes Relating to Amounts Owed to a  
4 Claimant: If a Qualified Claimant timely disputes Stericycle's records as to the  
5 proper size of his or her claim, the Parties' counsel will make a good faith effort to  
6 resolve the dispute informally. If counsel for the Parties cannot agree, the dispute  
7 shall be submitted to the claims administrator Rust Consulting, who shall examine  
8 the records in an attempt to resolve the dispute.

9 **NOTICE TO THE CLASS**

10 14. The Parties agree that within fifteen (15) calendar days after  
11 preliminary approval of this settlement, Stericycle will provide to the Claims  
12 Administrator all of the following information about each Class Member in Excel  
13 format ("Class Data List"): (1) name, (2) last known home address and home  
14 telephone number, (3) Social Security number, and (4) the number of work shifts  
15 each class member worked as a non-exempt employees for Stericycle in California  
16 at an time between August 14, 2010 and September 18, excluding any work shifts  
17 worked that are part of any class members individual settlement with Stericycle.

18 15. Within fifteen (15) calendar days after receipt of the "Class Data List,"  
19 the Claims Administrator will send Class Members, by first-class mail to their last  
20 known address, the Court-approved Notice of Pendency of Class Action ("Notice"),  
21 in the form which will be attached hereto as Exhibit "A." The Notice will also  
22 include Stericycle's calculation of each Class Member's work shifts and  
23 corresponding settlement allocation.

24 **CLAIMS ADMINISTRATION PROCESS**

25 16. Class Members will have forty-five (45) days from the date of the  
26 Notices to postmark their objections or written requests for exclusion to the Claims  
27 Administrator. To be valid, requests for exclusion must comply with the  
28 instructions in the Notice and must state, in effect, that the Class Member does not

000445

1 wish to participate in the settlement of this action. In addition, any request must  
2 include the Class Member's first and last name, signature, address, phone number,  
3 and last four digits of social security number for verification purposes. A Class  
4 Member who excludes himself or herself from the settlement shall lose standing to  
5 object. The Claims Administrator will perform skip-traces on returned mail and re-  
6 mail the Notice to an updated address (if any) as soon as possible upon return of the  
7 undeliverable Notice, but no later than ten (10) days of receiving notice that a  
8 Notice was undeliverable. It is the intent of the Parties that reasonable means be  
9 used to locate Class Members since all Class Members who do not request exclusion  
10 are entitled to receive their proportionate share of the NFV.

11 17. Within ten (10) calendar days after receipt by the Claims Administrator  
12 of each timely-submitted request for exclusion, the Claims Administrator will send a  
13 deficiency notice to the Class Members for any irregularities in any request for  
14 exclusion (such as failure to sign or include last four digits of Social Security  
15 Number). The deficiency notice will provide the Class Members no more than ten  
16 calendar (10) days from the mailing of the deficiency notice to postmark a written  
17 response to cure all deficiencies. The failure of a Class Member to cure all  
18 deficiencies in a timely manner shall invalidate a request for exclusion and will not  
19 be subject to cure.

20 18. Stericycle, with the Class Data List, will provide the Claims  
21 Administrator an Excel spreadsheet that the Claims Administrator will use to  
22 calculate each Class Member's share of the NFV based on information contained in  
23 its HRIS systems. The Claims Administrator will certify jointly which request for  
24 exclusion forms, if any, were timely postmarked. The Claims Administrator shall  
25 be responsible for calculating the payments, issuing the payments and any required  
26 tax reporting forms, and for communicating this information to Stericycle and Class  
27 Counsel. Upon completion of its calculation of payments, the Claims Administrator  
28 shall provide Plaintiffs and Stericycle with a report listing the amount of all

000446

1 payments to be made to each Qualified Claimant. Proof of payment will be filed  
2 with the Court and provided to the Parties' counsel.

3 19. To the extent any Class Members request exclusion from the  
4 settlement, their unclaimed portion shall effectively be reallocated to the NFV based  
5 on the formula used to calculate individual payments to Qualified Claimants.

6 **RIGHT TO RESCISSION IN THE EVENT OF EXCESS OPT-OUTS**

7 20. Notwithstanding any other provision of this Stipulation of Settlement,  
8 Stericycle shall retain the right, in the exercise of its sole discretion, to nullify the  
9 settlement within ten (10) calendar days of expiration of the opt-out deadline, if fifty  
10 (50) or more of the Class Members opt out of the settlement. All signatories and  
11 their counsel must not encourage opt-outs. The Parties specifically agree not to  
12 solicit opt-outs, directly or indirectly, through any means. Objective statements to  
13 Class Members who call Class Counsel with inquiries regarding the settlement, or  
14 the exercise of Class Counsel's ethical obligations, shall not be deemed a violation  
15 of the prohibitions contained herein. In the event of such a rescission, no party may  
16 use the fact that the Parties agreed to settle this case as evidence of Stericycle's  
17 liability in the Lawsuit or the lack thereof. If Stericycle exercises its right to rescind  
18 the settlement it will be solely responsible for the Claims Administrator's costs  
19 incurred up to that date.

20 **RELEASE BY THE CLASS OF RELEASED CLASS CLAIMS**

21 21. Upon final approval by the Court, the Settlement Class and each  
22 Class Member who has not submitted a timely and valid request for exclusion will  
23 release Stericycle and the Releasees from the Released Class Claims defined as any  
24 and all claims asserted in the operative Complaint and any other claims based on the  
25 same cited statutes or underlying facts. The release will apply to any claims arising  
26 within the scope of the Lawsuit up through November 30, 2017.

27 The Class Members agree to release any further attempt, by lawsuit,  
28 administrative claim or action, arbitration, demand, or other action of any kind by

000447



1 each and all of the Class Members (including participation to any extent in any class  
2 or collective action), to obtain a recovery against any of the Released Parties for the  
3 Released Claims. The Class Members' release shall not include or release all other  
4 claims including claims outside the Class Period, claims for unemployment  
5 insurance, wrongful termination, hostile work environment, Title VII, FEHA and  
6 disability and workers' compensation.

7       22. Upon the Effective Date, and as a condition of receiving any portion of  
8 their Class Representative Enhancement Payments, Plaintiffs agree to the additional  
9 following General Release: In consideration of Defendant's promises and  
10 agreements as set forth herein, Plaintiffs hereby fully releases the Released Parties  
11 from any and all Released Claims and also generally releases and discharges the  
12 Released Parties from any and all claims, demands, obligations, causes of action,  
13 rights, or liabilities of any kind which have been or could have been asserted against  
14 the Released Parties arising out of or relating to Plaintiffs' employment by  
15 Defendant or termination thereof, including but not limited to claims for wages,  
16 restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful  
17 termination of employment. This release specifically includes any and all claims,  
18 demands, obligations and/or causes of action for damages, restitution, penalties,  
19 interest, and attorneys' fees and costs (except provided by this Agreement) relating  
20 to or in any way connected with his employment with Released Parties and the  
21 matters referred to herein, whether or not known or suspected to exist, and whether  
22 or not specifically or particularly described herein. Specifically, Plaintiffs waive all  
23 rights and benefits afforded by California Civil Code Section 1542, which provides:

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

000448

1                   **DUTIES OF THE PARTIES PRIOR TO COURT APPROVAL**

2           22.    The Parties shall promptly submit this Stipulation of Settlement to the  
3 Court in support of a request for preliminary approval and determination by the  
4 Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of  
5 this Stipulation of Settlement, the Parties shall apply to the Court for the entry of a  
6 preliminary order, substantially in the form attached hereto as Exhibit "B," which  
7 would accomplish the following:

8                   a.    Scheduling a final fairness hearing on the question of whether  
9 the proposed settlement, the Class Representatives' enhancement awards, and the  
10 requested attorneys' fees and costs should be finally approved as fair, reasonable,  
11 and adequate as to the Class Members;

12                   b.    Certifying a Settlement Class for all claims;

13                   c.    Certifying this action under California law as a class action for  
14 purposes of settlement;

15                   d.    Approving as to form and content the proposed Notice;

16                   e.    Directing the mailing of the Notice, by first-class mail, to the  
17 Class Members;

18                   f.    Preliminarily approving the settlement subject only to the  
19 objections of Class Members and final review by the Court; and,

20                   g.    Preliminarily approving the use of a mutually agreed Claims  
21 Administrator for approximately \$26,511.

22                   **DUTIES OF THE PARTIES FOLLOWING FINAL APPROVAL**

23           23.    Following final approval of the settlement provided for in this  
24 Stipulation of Settlement, Class Counsel will submit a proposed final order and  
25 Judgment, substantially in the form attached hereto as Exhibit "C":

26                   a.    Approving the settlement, adjudging the terms thereof to be fair,  
27 reasonable, and adequate, and directing consummation of its terms and provisions;

28

000449

1 b. Approving Class Counsels' application for an award of  
2 attorney's fees and costs;

3 c. Approving the Class Representatives' enhancement awards;

4 d. Approving the payment of the Claims Administrator's fees from  
5 the Gross Fund Value.

6 e. Barring all members of the Settlement Class from prosecuting  
7 against Releasees any of the Released Class Claims.

8 **PARTIES' AUTHORITY**

9 24. The signatories hereto hereby represent that they are fully authorized to  
10 enter into this Stipulation of Settlement and bind the Parties hereto to the terms and  
11 conditions hereof.

12 **MUTUAL FULL COOPERATION**

13 25. The Parties agree fully to cooperate with each other to accomplish the  
14 terms of this Stipulation of Settlement, including but not limited to, execution of  
15 such documents and to take such other action as may reasonably be necessary to  
16 implement the terms of this Stipulation of Settlement. The Parties to this Stipulation  
17 of Settlement shall use their best efforts, including all efforts contemplated by this  
18 Stipulation of Settlement and any other efforts that may become necessary by order  
19 of the Court, or otherwise, to effectuate this Stipulation of Settlement and the terms  
20 set forth herein. As soon as practicable after execution of this Stipulation of  
21 Settlement, Class Counsel shall, with the assistance and cooperation of Stericycle  
22 and its counsel, take all necessary steps to secure the Court's final approval of this  
23 Stipulation of Settlement.

24 **NO PRIOR ASSIGNMENTS**

25 26. The Parties hereto represent, covenant, and warrant that they have not  
26 directly or indirectly, assigned, transferred, encumbered, or purported to assign,  
27 transfer, or encumber to any person or entity any portion of any liability, claim,  
28

000450

# APPENDIX H

000301

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE: STERICYCLE, INC., STERISAFE  
CONTRACT LITIGATION

No. 1:13-cv-05795

MDL No. 2455

Judge Milton I. Shadur

SETTLEMENT AGREEMENT

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
I. RECITALS .....	1
II. DEFINITIONS.....	4
III. SETTLEMENT RELIEF .....	11
IV. ATTORNEYS' FEES AND EXPENSES AND PLAINTIFFS' SERVICE AWARDS .....	20
V. NOTICE TO THE CLASS .....	21
VI. REQUESTS FOR EXCLUSION .....	25
VII. OBJECTIONS TO SETTLEMENT .....	26
VIII. RELEASE AND WAIVER .....	28
IX. PRELIMINARY APPROVAL ORDER, FINAL ORDER, FINAL JUDGMENT AND RELATED ORDERS .....	32
X. MODIFICATION OR TERMINATION OF THIS AGREEMENT .....	34
XI. GENERAL MATTERS AND RESERVATIONS.....	36

000303

**TABLE OF EXHIBITS**

<b><u>Document</u></b>	<b><u>Exhibit No.</u></b>
List of Transferred Actions in the MDL.....	1
Long Form Notice.....	2
Settlement Notice Administrator's Declaration.....	3
Short Form Notice.....	4
Alternative Dispute Resolution.....	5

## SETTLEMENT AGREEMENT AND RELEASE

This Class Action Settlement Agreement and Release is entered into between and among (1) Lyndon Veterinary Clinic, PLLC, RESEARCHDX, LLC, Cochran Veterinary Hospital, Amores Dental Care, McMackin & Zimnoch, P.C., Madison Avenue Professional Building, and Greater Hampstead Family Medicine, PC. ("Plaintiffs") on behalf of themselves and as representatives of the Class and (2) Defendant Stericycle, Inc. ("Stericycle") in order to effect a full and final settlement and dismissal with prejudice of all claims against Stericycle alleged in the Actions comprising the multidistrict litigation proceeding known as *In re: Stericycle, Inc., Sterisafe Contract Litigation*, MDL No. 2455, Case No. 1:13-cv-05795 (N.D. Ill.), on the terms set forth below and to the full extent reflected herein. Capitalized terms shall have the meaning ascribed to them in Section II of this Agreement.

### I. RECITALS

**WHEREAS**, on April 3, 2013, Lyndon Veterinary Clinic, PLLC filed a class action complaint in *Lyndon Veterinary Clinic, PLLC v. Stericycle, Inc.*, No. 1:13-cv-02499 (N.D. Ill.), alleging, among other things, that Stericycle engaged in (a) a practice of imposing Automated Price Increases in violation of the contracts between Stericycle and its customers and (b) unfair and deceptive acts or practices by misrepresenting or concealing material facts from its customers regarding its pricing practices in violation of, *inter alia*, the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS § 505/1 *et seq.*, and the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS § 510/2;

**WHEREAS**, on August 6, 2013, *Lyndon Veterinary Clinic, PLLC v. Stericycle, Inc.* was consolidated for pretrial proceedings by the Judicial Panel on Multidistrict Litigation with additional class and individual actions alleging similar or identical claims, captioned *In re:*

000305



*Stericycle, Inc., Sterisafe Contract Litigation*, MDL No. 2455, and pending before the Honorable Milton I. Shadur in the United States District Court for the Northern District of Illinois;

**WHEREAS**, on October 11, 2013, the Court entered an order appointing Hagens Berman Sobol Shapiro LLP as interim lead counsel;

**WHEREAS**, on November 11, 2013, Plaintiffs filed the First Amended Consolidated Complaint;

**WHEREAS**, on March 8, 2016, Plaintiffs filed the Second Amended Consolidated Complaint alleging, among other things, that Stericycle engaged in (a) a practice of imposing Automated Price Increases in violation of the contracts between Stericycle and its customers and (b) unfair and deceptive acts or practices by misrepresenting or concealing material facts from its customers regarding its pricing practices in violation of, *inter alia*, the Illinois Consumer Fraud and Deceptive Business Practices Act, 815 ILCS § 505/1 *et seq.*, and the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS § 510/2 or, in the alternative, the consumer protection statutes of 26 additional states and seeking monetary damages, punitive damages and injunctive and equitable relief;

**WHEREAS**, on February 16, 2017, the Court entered an order appointing Hagens Berman Sobol Shapiro LLP as Plaintiffs' Class Counsel and certifying a nationwide class in this matter consisting of "All persons and entities that, between March 8, 2003 through the date of trial resided in the United States (except Washington and Alaska), were identified by Stericycle as "Small Quantity" or "SQ" customer, and were charged and paid more than their contractually-agreed price for Stericycle's medical waste disposal goods and services pursuant to Stericycle's Automated Price Increase Policy. Governmental entities whose claims were asserted in *United States ex rel. Perez v. Stericycle Inc.* shall be excluded from the class";

**WHEREAS**, on March 2, 2017, Stericycle filed a Motion for Reconsideration of the Court's order certifying the class, the consideration of which has been continued by the agreement of the Parties to allow for settlement negotiations and which motion remains pending;

**WHEREAS**, as a result of extensive arm's length negotiations, including multiple in-person mediation sessions before Judge Wayne Andersen (Ret.) and numerous follow-up negotiations in person, via email and by telephone, Plaintiffs, Plaintiffs' Class Counsel and Stericycle have entered into this Agreement;

**WHEREAS**, Plaintiffs' Class Counsel have conducted substantial discovery, have investigated the facts and underlying events relating to the subject matter of the claims, have carefully analyzed the applicable legal principles and have concluded, based upon their investigation, and taking into account the risks, uncertainties, burdens and costs of further prosecution of their claims and taking into account the substantial benefits to be received pursuant to this Agreement as set forth below, which, in the view of the Plaintiffs and Plaintiffs' Class Counsel, is designed for the purpose of putting to rest all controversies with Stericycle that were or could have been alleged or brought and that a resolution and compromise on the terms set forth herein is fair, reasonable, adequate and in the best interests of the Plaintiffs and the Class;

**WHEREAS**, Stericycle denies and continues to deny each and every allegation of liability, wrongdoing and damages and further denies that the Action may be properly maintained as a class action except for settlement purposes. Nonetheless, without admitting or conceding any liability or damages whatsoever and without admitting any wrongdoing and without conceding the appropriateness of class treatment for claims asserted in any future complaint, Stericycle has agreed to settle the Action on the terms and conditions set forth in this

Agreement solely to avoid the substantial expense, inconvenience, burden and disruption of continued litigation;

**WHEREAS**, Plaintiffs' Class Counsel represent and warrant that they are fully authorized to enter into this Agreement on behalf of Plaintiffs and the Class and that Plaintiffs' Class Counsel have consulted with and confirmed that all Plaintiffs fully support and have no objection to this Agreement; and

**WHEREAS**, it is agreed that this Agreement shall not be deemed or construed to be an admission, concession or evidence of any violation of any federal, state or local statute, regulation, rule or other law or principle of common law or equity or of any liability or wrongdoing whatsoever by Stericycle or any of the Released Parties or of the truth or validity of any of the claims that Plaintiffs have asserted;

**NOW, THEREFORE**, without any admission or concession by Plaintiffs or Plaintiffs' Class Counsel of any lack of merit to their allegations and claims and without any admission or concession by Stericycle of any liability or wrongdoing or lack of merit in its defenses on the merits or to the propriety of class treatment of Plaintiffs' claims in a non-settlement context, in consideration of the mutual covenants and terms contained herein and subject to the final approval of the Court, Plaintiffs, Plaintiffs' Class Counsel and Stericycle agree as follows:

## **II. DEFINITIONS**

A. As used in and solely for the purposes of this Agreement and the attached exhibits (which are an integral part of this Agreement and are incorporated in their entirety by reference), the following terms have the following meanings, unless this Agreement specifically provides otherwise:

1. "Action" or "Actions" means all class, mass and individual actions, however denominated, that were or will be transferred and consolidated for pretrial proceedings in the

United States District Court for the Northern District of Illinois in *In re: Stericycle, Inc., Sterisafe Contract Litigation*, MDL No. 2455, Case No. 1:13-cv-05795, before the Honorable Judge Milton I. Shadur, including but limited those listed in Exhibit 1 hereto.

2. “Actual Price” means the total amount paid by each Class Member during the Class Period for Stericycle’s regulated medical waste disposal services, as reflected in Stericycle’s customer transactional database and/or other documents.

3. “Agreement” means this Settlement Agreement and Release as well as the exhibits attached hereto or incorporated herein, including any subsequent amendments and any exhibits to such amendments.

4. “Attorneys’ Fees and Expenses” means such funds as may be awarded by the Court to compensate any and all attorneys representing parties who claim to have assisted in conferring benefits upon the Class, as described in Section IV of this Agreement.

5. “Automated Price Increase” or “Automated Price Increase Policy” mean the practice of increasing prices on Stericycle customers identified as “Small Quantity” or “SQ” customers by fixed percentages or otherwise on a periodic basis.

6. “Challenged Pricing Practice” means the pricing practice alleged in the Action of increasing prices on Stericycle customers identified as “Small Quantity” or “SQ” customers by 12%, 15% or 18% (depending on the time period) on a periodic basis. This definition does not include price increases where the percentage increase is fixed in the contract.

7. “Claim” means the claim of a Class Member or his, her, or its representative.

8. “Class” means, for settlement purposes only:

All persons and entities that, between March 8, 2003 through the date of Preliminary Approval resided in the United States (except Washington and Alaska), were identified by Stericycle as a “Small Quantity” or “SQ” customer, and were charged and paid more than their Contractually Agreed Price for

Stericycle's medical waste disposal goods and services. Excluded from the class are governmental entities whose claims were asserted and resolved in *United States ex rel. Perez v. Stericycle Inc.* and any entities that have previously settled similar claims with Stericycle and released those claims.

Members of the Class have been identified from Stericycle's customer transaction database, along with the Gross Compensation Basis for each member of the Class calculated using Stericycle's customer transaction database.

9. "Class Action Settlement Administrator" means the third-party agent or administrator agreed to by the Parties and appointed by the Court to implement the notice and other settlement requirements of this Agreement including but not limited to issuing checks in the appropriate amounts to each Class Member for that Class Member's share of the Settlement Fund, subject to the Court's approval. The Parties agree that GCG, 1985 Marcus Ave., Lake Success, NY 11042 shall serve as Class Action Settlement Administrator, subject to approval by the Court.

10. "Class Member" means a member of the Class who has not Opted Out of the Class.

11. "Class Notice" means the notice program described in Section V.

12. "Class Period" means March 8, 2003 through the date of Preliminary Approval.

13. "Contractually Agreed Price" means the initial price charged to the member of the Class pursuant to agreement between it and Stericycle, as reflected in Stericycle's customer transaction database. In the event of a price change not identified by Stericycle's customer transaction database as being the result of the Challenged Pricing Practice, that changed price becomes the Contractually Agreed Price for purposes of calculating Gross Compensation Basis for any later price changes as described in the definition of the term Gross Compensation Basis.

14. "Contractually Allowed Price" means, solely for the purposes of this Agreement, the initial price charged to Class Members, as reflected in Stericycle's customer transaction database, plus annual price increases of 8%.

15. "Court" means the United States District Court for the Northern District of Illinois.

16. "Escrow Agent" means the entity proposed by the Parties and designated by the Court to address and hold for distribution the funds identified in this Agreement pursuant to the terms of an Escrow Agreement.

17. "Escrow Account" means the custodial or investment account administered by the Class Action Settlement Administrator in which the funds to be deposited will be held, invested, administered, and disbursed pursuant to this Agreement and an Escrow Agreement.

18. "Escrow Agreement" means the agreement by and among Plaintiffs' Class Counsel, Stericycle's Counsel and the Class Action Settlement Administrator with respect to the escrow of the funds to be deposited into the Escrow Account pursuant to this Agreement.

19. "Fairness Hearing" means the hearing for the purposes of the Court determining whether to approve this Agreement as fair, reasonable, and adequate.

20. "Final Effective Date" means the date on which the Final Order and/or Final Judgment approving this Agreement becomes final. For purposes of this Agreement the Final Effective Date will be:

a. The date on which the time to appeal therefrom has expired, if no appeal has been taken from the Final Order and/or Final Judgment; or

b. The date on which all appeals therefrom, including petitions for rehearing or re-argument, petitions for rehearing *en banc* and petitions for *certiorari* or any other

000311

form of review, have been finally disposed of in a manner that affirms the Final Order or Final Judgment, if any appeal has been taken from the Final Order and/or Final Judgment; or

c. Any other date agreed to in writing by Plaintiffs' Class Counsel and Stericycle's Counsel.

21. "Final Judgment" means the Court's final judgment as described in Section IX.B of this Agreement.

22. "Final Order" means the Court's order approving the Settlement and this Agreement, as described in Section IX.B of this Agreement.

23. "Gross Compensation Basis" means the amount by which Plaintiffs alleged each Class Member was charged over the Contractually Agreed Price. "Gross Compensation Basis" is calculated as the difference between (a) the Actual Price each Class Member paid during the Class Period, including price increases resulting from the Challenged Pricing Practice and (b) the Contractually Allowed Price. If a Class Member received statement credits during the Class Period, both the original transaction and any corresponding credit shall be excluded from the Gross Compensation Basis. If a Class Member received credits that cannot be matched with any specific transaction, the Gross Compensation Basis shall be reduced by the amount of such credits. The calculation of the "Gross Compensation Basis" shall take into account the total amount by which Plaintiffs allege each Class Member was charged over the Contractually Agreed Price during the Class Period. In the event of a price change that was not identified in Stericycle's customer transaction database as being the result of Stericycle's Challenged Pricing Practice, the resulting price becomes the new Contractually Agreed Price, and additional Gross Compensation Basis will only accrue based on the new Contractually Agreed Price.

000312

24. "Long Form Notice" means the Long Form Notice substantially in the form attached hereto as Exhibit 2.

25. "Notice And Administrative Costs" means the reasonable and authorized costs and expenses of effecting notice in accordance with this Agreement and the Preliminary Approval Order and all reasonable and authorized costs and expenses incurred by the Class Action Settlement Administrator in administering the Agreement, including but not limited to costs and expenses associated with assisting Class Members, processing claims, escrowing funds, issuing and mailing awards, paying taxes and tax expenses and other reasonable and authorized fees and expenses of the Class Action Settlement Administrator.

26. "Notice Date" means the first day on which the Class Action Settlement Administrator or its designee disseminates the Short Form Notice.

27. "Opt-Out" means member of the Class who properly and timely submits a request for exclusion from the Class as set forth in Section VI.

28. "Opt-Out List" means the list compiled by the Class Action Settlement Administrator pursuant to Section VI, identifying those members of the Class who properly and timely submits a request for exclusion from the Class.

29. "Opt-Out and Objection Date" means the date, to be set by the Court, by which a request for exclusion from the Class must be filed with the Class Action Settlement Administrator in order for a member of the Class to be excluded from the Class and the date by which Class Members must file objections, if any, to the Settlement.

30. "Parties" means Plaintiffs and Stericycle, collectively, as each of those terms is defined in this Agreement.

000313



31. "Plaintiffs" mean Lyndon Veterinary Clinic, PLLC, RESEARCHDX, LLC, Cochran Veterinary Hospital, Amores Dental Care, McMackin & Zimnoch, P.C., Madison Avenue Professional Building, and Greater Hampstead Family Medicine, PC.

32. "Plaintiffs' Class Counsel" means counsel for Plaintiffs in the Actions, Hagens Berman Sobol Shapiro LLP.

33. "Preliminary Approval Order" means the order to be entered by the Court preliminarily approving the Settlement as outlined in Section IX of this Agreement.

34. "Release" means the release and waiver set forth in Section VIII of this Agreement and in the Final Order and Final Judgment.

35. "Released Parties" or "Released Party" means Stericycle and each of its past, present and future parents, predecessors, successors, spin-offs, assigns, holding companies, joint-ventures and joint-venturers, partnerships and partners, members, divisions, stockholders, bondholders, subsidiaries, related companies, affiliates, officers, directors, employees, associates, dealers, representatives, suppliers, vendors, advertisers, service providers, distributors and sub-distributors, agents, insurers, attorneys, administrators and advisors. The Parties expressly acknowledge that each of the foregoing is included as a Released Party even though not identified by name herein.

36. "Service Awards" means such funds as may be awarded by the Court to Plaintiffs to compensate them for their participation in the Action, as described in Section IV of this Agreement.

37. "Service Location(s)" means the place(s), location(s), or address(es) where a member of the Class received regulated medical waste disposal services from Stericycle during the Class Period.

38. "Settlement" means the settlement set forth in this Agreement.

39. "Settlement Monitor" means the third-party agreed to by the Parties and appointed by the Court to monitor the Settlement in accordance with Section III. The Parties agree that Hon. Wayne Andersen (ret.) shall serve as the Settlement Monitor, subject to approval by the Court.

40. "Short Form Notice" means the Short Form Notice substantially in the form as attached hereto as Exhibit 4.

41. "SACC" means the Second Amended Consolidated Complaint filed in *In re: Stericycle, Inc., Sterisafe Contract Litigation*, MDL No. 2455.

42. "Stericycle" means Stericycle, Inc.

43. "Stericycle's Counsel" means Mark S. Mester and Kathleen P. Lally of Latham & Watkins LLP.

A. Other capitalized terms used in this Agreement but not defined in this Section shall have the meanings ascribed to them elsewhere in this Agreement.

B. All terms defined in this Agreement have the definition asserted herein solely for the purposes of this Agreement.

C. The terms "he or she" and "his or her" include "it" or "its" where applicable.

D. The plural of any defined term includes the singular, and the singular of any defined term includes the plural, as the case may be.

### III. SETTLEMENT RELIEF

In consideration for the dismissal of the Actions with prejudice, as contemplated in this Agreement, and for the full and complete Release, Final Order and Final Judgment provided below, Stericycle agrees to provide the following:

A. **Settlement Consideration.** Pursuant to the terms and conditions set forth herein, Stericycle agrees to pay the sum of two hundred ninety-five million U.S. dollars (\$295,000,000.00) (the "Settlement Amount"). Stericycle's payment of the Settlement Amount shall be in full satisfaction of all Settlement costs including, without limitation, all payments to Class Members, Notice and Administrative Costs, Attorneys' Fees and Expenses, Service Awards and Taxes. In no event shall Stericycle be obligated to contribute in excess of the Settlement Amount for any aspect of this Settlement, except for the payment of the Settlement Monitor's costs and fees as described in Section III.E.4.

B. **Establishment of Qualified Settlement Fund.** The Parties shall move the Court to establish and create a Qualified Settlement Fund, pursuant to Internal Revenue Code § 468B and the Regulations issued thereto. Stericycle's payment of the Settlement Amount, which includes any amounts pre-paid for Notice and Administrative Costs pursuant to Section V.A, shall be made by wire transfer into an Escrow Account, as warranted, established and controlled consistent with and pursuant to an Escrow Agreement at a mutually-agreed upon bank. The Escrow Agent shall invest this payment in short-term United States Agency or Treasury Securities (or a mutual fund invested solely in such instruments), or in an account fully insured by United States Government, and shall collect and reinvest any and all interest accrued thereon, if applicable, unless interest rates are such that they would effectively preclude investment in interest-bearing instruments as defined herein. All (i) taxes on the income of the Escrow Account and (ii) expenses and costs incurred with taxes paid from the Escrow Account (including, without limitation, expenses of tax attorneys and accountants) (collectively, "Taxes") shall be timely paid out of the Settlement Amount and Escrow Account without prior order of the Court. The Parties agree that the Escrow Agent shall be responsible for filing tax returns for the

000316

Qualified Settlement Fund and paying from the Escrow Account any Taxes owed with respect to the Qualified Settlement Fund. The Parties hereto agree that the Escrow Account shall be treated as a Qualified Settlement Fund from the earliest date possible, and agree to any relation-back election required to treat the Escrow Account as a Qualified Settlement Fund from the earliest date possible.

C. **Cash Payment for Alleged Overcharges.** The Class Action Settlement Administrator will distribute the Settlement Amount from the Escrow Account in accordance with the terms of this Agreement.

1. Within thirty (30) days of the Final Effective Date, Stericycle will deposit into the Escrow Account ~~the sum of \$295,000,000~~ less any amounts previously paid for Notice and Administrative Costs pursuant to Section V.A. A Class Member shall be entitled to a share of the Settlement Fund if the Class Member has a Gross Compensation Basis of greater than \$0. In no event shall a Class Member receive more than one payment from the fund under this Section, except that a Class Member with multiple Service Locations, whether billed separately or together, may recover for each Service Location provided that the Class Member has an aggregate Gross Compensation Basis across all Service Locations greater than \$0.

2. A Class Member's share of the Settlement Fund shall be determined as follows: the Gross Compensation Basis for all Class Members will be added to become the "Total Gross Compensation Basis." The Total Gross Compensation Basis will then be compared to the "Net Settlement Fund" (i.e., the Settlement Fund less Notice and Administrative Costs, Attorneys' Fees and Expenses and Plaintiffs' Service Awards) in order to determine what percentage of the Total Gross Compensation Basis is covered by the Net Settlement Fund. Each Class Member's Gross Compensation Basis will then be adjusted according to that percentage.

By way of example only, if it is determined that the Net Settlement Fund will cover 60% of the Total Gross Compensation Basis, each Class Member will receive 60% of their Gross Compensation Basis.

**D. Timing of Cash Payments.** The Class Action Settlement Administrator shall use its best efforts to begin to pay Class Members' shares of the Settlement proceeds by issuing a check to each Class Member within one hundred eighty (180) days after the Final Effective Date. The Class Action Settlement Administrator shall use its best efforts to have completed the payment to Class Members not later than two hundred seventy (270) days after the Final Effective Date.

1. **Check Cashing Deadlines & Reissuance.** The checks mailed by the Class Action Settlement Administrator to Class Members shall be valid for one hundred fifteen (115) days, after which time the checks shall be void. Reissued checks will be valid for ninety (90) days from the reissue date.

2. **Reminder Notices.** Approximately ninety (90) days after the issuance date of a check, a reminder notice will be sent by the Class Action Settlement Administrator to Class Members who have not cashed their checks. The reminder notice shall inform the Class Member of the following: (i) that a check was previously mailed to the Class Member; (ii) that the deadline for cashing the check is one hundred fifteen (115) days from the issuance date of the check; (iii) if the Class Member no longer possesses the check, the Class Member can request a reissuance of the check if it timely notifies the Class Action Settlement Administrator; and (iv) if the check is not cashed before the deadline the funds will be redistributed in accordance with this Settlement Agreement.

3.     **Redistribution of Unclaimed Settlement Proceeds.** After all issued and reissued checks have expired, the amounts of all uncashed checks will be returned to the Net Settlement Fund, and any remaining proceeds from the Net Settlement Fund ("Remaining Net Settlement Fund") will be distributed as follows:

a.     The Remaining Net Settlement Fund will first be used to pay any remaining Notice and Administrative Costs.

b.     Next, second distribution will be made to Class Members who cashed their initial checks, provided that the cost of administering such a distribution is less than 50% of the Remaining Net Settlement Fund. Each eligible Class Member's share of any second distribution will be calculated in the same manner as the initial distribution was calculated (as set forth in Section III.C), except that only the Gross Compensation Basis for Class Members who cashed their initial checks (less the amount each such Class Member was paid in the initial distribution) shall be used in calculating the Total Gross Compensation Basis for the second distribution.

c.     If the cost of administering such a second distribution is greater than 50% of the Remaining Net Settlement Fund or if after a second distribution the Net Settlement Fund has not been exhausted, the remainder of the Net Settlement Fund shall be distributed as *cy pres* to such recipients that are agreed upon by the Parties and reported to the Court. Any recipient of such funds shall be required to provide the Parties and the Court with annual reports, and a final report, on the project(s) or service(s) funded by the *cy pres* award.

E. **Prospective Relief.** Stericycle agrees to the following prospective relief:

1. **Termination of Challenged Pricing Practice.** Within sixty (60) days of Preliminary Approval, Stericycle will discontinue the Challenged Pricing Practice for all Class Member contracts still subject to such increases.

2. **Capped Price Increases Following Preliminary Approval.**

a. To the extent a Class Member has a contract that is still subject to the Challenged Pricing Practice on the date of Preliminary Approval, Stericycle agrees not to impose an annual price increase of more than 6% of the price in effect for such Class Members on the date of Preliminary Approval. Stericycle will also be permitted to implement price increases to cover non-controllable costs, including but not limited to taxes, fuel and regulatory fees that can be documented and verified, but prior to imposing such costs on Class Members, Stericycle will verify the sufficiency of such a cost increase with Hon. Wayne Andersen (ret.), who will act as a monitor from the date of Preliminary Approval, through the Final Effective Date and for a period of time of three (3) years from the Final Effective Date, subject to Section III.E.4. below. Class Members subject to this subsection of the Agreement will otherwise continue to be charged in accordance with their contracts until such time as those contracts are either renegotiated or expire in accordance with their terms.

b. Class Members who, at any time, previously renegotiated their contracts with Stericycle such that they are no longer subject to the Challenged Pricing Practice on the date of Preliminary Approval and instead are being charged annual price increases that are set forth in their contracts will continue to be charged in accordance with those contracts until such time as those contracts are either renegotiated or expire in accordance with their terms.

c. Except as modified in this Paragraph, all existing contracts otherwise remain valid and enforceable on their terms.

3. **Future Price Increases After The Final Effective Date.** For a period of three (3) years after the Final Effective Date, Stericycle agrees that all new contracts for SQ customers, including any contracts for Class Members that are entered into upon the expiration of the Class Member's current contract, will comport with the following requirements:

a. The contract price will include the cost of service as well as all fees and surcharges, except taxes and regulatory fees over which Stericycle has no control;

b. The contracts will allow Stericycle to impose an annual price increase not to exceed 8%;

c. The contracts will allow Stericycle to implement price increases to cover non-controllable costs, including but not limited to taxes, fuel and regulatory fees that can be documented and verified, but prior to imposing such costs on Class Members, Stericycle will verify the sufficiency of such a cost increase with Hon. Wayne Andersen (ret.), who will act as Settlement Monitor from the date of Preliminary Approval, through the Final Effective Date and for a period of time of three (3) years from the Final Effective Date, subject to Section III.E.4. below;

d. On the first page of the agreement, the contracts will identify (i) the price of the contract and (ii) the annual maximum price increase percentage; and

e. Nothing in this Agreement will prevent Stericycle and any given Class Member from negotiating terms different from those set forth above, provided that Stericycle initially offers the terms set forth above. This provision does not require Stericycle to affirmatively renegotiate its contracts with any Class Member, which contracts otherwise remain



in force and effect, but to the extent that a Class Member requests renegotiation of his, her or its contracts upon the expiration of that contract, Stericycle will adhere to the terms set forth above.

4. **Settlement Monitor and Additional Price Increase Criteria.** Hon.

Wayne Andersen (ret.) will act as Settlement Monitor from the date of Preliminary Approval, through the Final Effective Date and for a period of time three (3) years from the Effective Date. The responsibilities of the Settlement Monitor, and the procedures governing the Settlement Monitor's activities shall be as follows:

a. The Settlement Monitor shall periodically (but at least once per year) solicit and review such information from Stericycle as he reasonably deems necessary and appropriate to ensure that Stericycle has (i) terminated the Challenged Pricing Practice within the period provided for in this agreement, and/or has not re-started the Challenged Pricing Practice; (ii) appropriately capped price increases at 6% annually for Class Members with ongoing contracts subject to the Challenge Pricing Practice at the time of Preliminary Approval; (iii) appropriately capped price increases at 8% annually for SQ customers entering into new or renewed Contracts with Stericycle and otherwise complied with the requirements of such contracts set forth in this Agreement.

b. In addition to the foregoing, the Settlement Monitor shall promptly review any proposals by Stericycle to implement price increases to cover non-controllable costs, including but not limited to taxes, fuel and regulatory fees that can be documented and verified. In considering such requests, the Settlement Monitor shall approve any such price increases only if he finds that:

i. Stericycle has sufficiently documented and verified increases of non-controllable costs such as taxes, fuel and regulatory fees.

- ii. Such non-controllable costs are properly attributed to Stericycle's provision of regulated medical waste disposal services to SQ customers.
- iii. The requested price increase is due to a non-controllable cost increase that is unusual, significant or unexpected, such that it would not have been considered in a typical annual cost increase.
- iv. The requested price increase is not excessive in amount or duration, and/or is subject to periodic review such that the requested price increase may be reduced or eliminated in the event the non-controllable costs that justified the price increase are reduced.

c. The Settlement Monitor shall be governed by the following

additional rules:

- i. The Settlement Monitor shall include Plaintiffs' Class Counsel in all communications with Stericycle relating to the monitoring functions described herein, and Plaintiffs' Class Counsel shall receive copies of all data and other submissions made by Stericycle to the Settlement Monitor, which shall be treated as Confidential under the terms of the Agreed Confidentiality Order entered in this case.
- ii. The Settlement Monitor may, at his discretion, request additional information from Stericycle or seek the advice of independent consultants to determine Stericycle's compliance.
- iii. The Settlement Monitor may find Stericycle in compliance with the terms of this Agreement, or may find that Stericycle is not in compliance and order such remedial action as he may deem necessary.

iv. The Settlement Monitor may either grant or deny Stericycle permission to implement the price increases discussed in Section III.E.4.b.

v. Stericycle's failure to comply with any decision, order, or instruction by the Settlement Monitor shall be deemed a material breach of this Agreement.

d. Stericycle shall pay the reasonable costs for the Settlement Monitor's services, including the cost of any independent consultants retained by the Settlement Monitor in the performance of his duties above and beyond the amount paid into the Settlement Fund.

5. **Alternative Dispute Resolution.** Any disputes arising out of or relating to the issues raised in the Actions between the time of Final Approval and the Final Effective Date that are not otherwise resolved by the Agreement will be resolved by binding arbitration in accordance with the Federal Arbitration Act and as described fully in Exhibit 5 hereto. Any arbitration pursuant to this provision will be solely between the Class Member and Stericycle, class arbitration will not be permitted and no arbitration will be combined with another without the prior written consent of all parties to all affected arbitrations or proceedings.

Notwithstanding the foregoing, Plaintiffs' Class Counsel shall not be barred from seeking to enforce this Agreement on behalf of the Class, and any such enforcement action shall not be subject to arbitration under this paragraph.

#### **IV. ATTORNEYS' FEES AND EXPENSES AND PLAINTIFFS' SERVICE AWARDS**

A. Plaintiffs will apply for reasonable Service Awards to be paid from the Settlement Fund for the time and efforts spent by Plaintiffs in this matter. Plaintiffs will request Service Awards equal to the greater of \$5,000 or \$100 per hour for time spent on the case for each Plaintiff, each of whom was deposed in this matter and/or provided written and documentary

discovery and other information as a result of their participation in the case as Plaintiffs. Any such awards shall be subject to Court approval and will be paid from the Settlement Amount. Stericycle will not object to or contest any awards made pursuant to the terms of this Paragraph. Stericycle's obligation, however, to pay any such awards shall be limited to the amounts set forth in this Paragraph, and Stericycle shall be under no obligation to pay any amounts in excess of those amounts.

B. Plaintiffs' Class Counsel will apply to the Court for an award of Attorneys' Fees and Expenses from the Settlement Fund. Plaintiffs' Class Counsel's application shall not exceed a total of forty million U.S. dollars (\$40,000,000.00) in attorneys' fees and up to two million U.S. dollars (\$2,800,000.00) in out-of-pocket expenses for time and expenses already incurred in prosecuting this case and estimated time and expenses through the final implementation of this Settlement Agreement. Any award of Class Counsel Attorneys' Fees and Expenses from the Settlement Fund shall be subject to Court approval and will be paid from the Settlement Amount. Stericycle's obligation, however, to pay any attorneys' fees and expenses shall be limited to the amounts set forth in this Paragraph, and Stericycle shall be under no obligation to pay any amounts in excess of those amounts.

## **V. NOTICE TO THE CLASS**

### **A. Settlement Notice and Claims Administration.**

1. Notice and Administrative Costs, as agreed to by the Parties, will be paid from the Settlement Fund. Stericycle agrees to pay \$175,000.00 of the Settlement Fund into an escrow account administered in accordance with the provisions of Section III.B of this Agreement within thirty (30) days after Preliminary Approval for the sole purpose of paying Notice and Administrative Costs. Stericycle shall make additional payments sufficient to cover

any additional Notice and Administrative Costs as may be necessary before the Final Effective Date.

2. If this Agreement does not for any reason achieve a Final Effective Date or is otherwise rescinded, withdrawn, or abrogated before a Final Effective Date, then all amounts that have been paid by Stericycle out of the Settlement Fund into Escrow pursuant to Section III.B above that are not necessary to pay Notice and Administrative Costs already incurred shall be returned to Stericycle.

3. The Class Action Settlement Administrator shall use its best efforts to send such Notices to the Class as are described in this Agreement, and as may be ordered by the Court.

**B. Components and Cost of Class Notice.**

Class Notice will be accomplished through a combination of the Short Form Notices, notice through the Settlement Website, Long Form Notice, and other applicable notice, each of which is described below, as specified in the Preliminary Approval Order and this Agreement and in order to comply with all applicable laws, including but not limited to, Fed. R. Civ. P. 23, the Due Process Clause of the United States Constitution, and any other applicable statute, law or rule.

**C. Short Form Notices.**

Beginning not later than thirty (30) days after Preliminary Approval, the Class Action Settlement Administrator shall send the Short Form Notices in postcard format, substantially in the form attached hereto as Exhibit 4, by U.S. Mail, proper postage prepaid, to members of the Class identified using Stericycle's customer transaction database. In addition, the Class Action Settlement Administrator shall: (1) re-mail any notices returned by the United States Postal

Service with a forwarding address no later than the deadline found in the Preliminary Approval Order and (2) by itself or using one or more address research firms, as soon as practicable following receipt of any returned notices that do not include a forwarding address, research such returned mail for better addresses and promptly mail copies of the applicable notice to any better addresses so found. The Class Action Settlement Administrator shall complete the mailing of Short Form Notices to class members no later than fifty-one (51) days after Preliminary Approval.

**D. Settlement Website.**

The Class Action Settlement Administrator shall establish a Settlement Website that will inform Class Members of the terms of this Agreement, their rights, dates and deadlines and related information. The Settlement Website shall include, in .pdf format, materials agreed upon by the Parties and/or required by the Court.

**E. Long Form Notice.** The Long Form Notice shall be in a form substantially similar to the document attached to this Agreement as Exhibit 2. The Long Form Notice shall be available on the Settlement Website. The Class Action Settlement Administrator shall send, via first-class mail, the Long Form Notice to those persons who request it in writing or through the toll-free telephone number.

**F. Toll-Free Telephone Number.** The Class Action Settlement Administrator shall establish a toll-free telephone number that will provide Settlement-related information to members of the Class.

**G. Class Action Fairness Act Notice.** The Class Action Settlement Administrator shall send to each appropriate State and Federal official, the materials specified in 28 U.S.C.

§ 1715 and otherwise comply with its terms. The identities of such officials and the content of the materials shall be mutually agreed to by the Parties.

**H. Duties of the Class Action Settlement Administrator.**

1. The Class Action Settlement Administrator shall be responsible for, without limitation: (a) printing, mailing or arranging for the mailing of the Short Form Notices; (b) handling returned mail not delivered to members of the Class; (c) attempting to obtain updated address information for any Short Form Notices returned without a forwarding address; (d) making any additional mailings required under the terms of this Agreement; (e) responding to requests for Long Form Notice; (f) receiving and maintaining on behalf of the Court any correspondence from members of the Class regarding requests for exclusion and/or objections to the Settlement; (g) forwarding written inquiries to Plaintiffs' Class Counsel or their designee for a response, if warranted; (h) establishing a post-office box for the receipt of any correspondence; (i) responding to requests from Plaintiffs' Class Counsel and/or Stericycle's Counsel; (j) establishing a website and toll-free voice response unit with message capabilities to which Class Members may refer for information about the Actions and the Settlement; (k) fulfilling any escheatment obligations that may arise; (l) consulting on Class Notice; and (m) otherwise implementing and/or assisting with the dissemination of the notice of the Settlement.

2. If the Class Action Settlement Administrator fails to perform adequately on behalf of Stericycle or the Class, the Parties may agree to remove the Class Action Settlement Administrator. Under such circumstances, no Party shall unreasonably withhold consent to removing the Class Action Settlement Administrator, but this event shall occur only after Stericycle's Counsel and Plaintiffs' Class Counsel have attempted to resolve any disputes

000328

regarding the retention or dismissal of the Class Action Settlement Administrator in good faith, and, if they are unable to do so, after the matter has been referred to the Court for resolution.

3. Subject to the approval of the Parties, the Class Action Settlement Administrator may retain persons and/or entities necessary to assist in the completion of its responsibilities.

4. Not later than thirty (30) days before the date of the Fairness Hearing, the Class Action Settlement Administrator shall file with the Court a document detailing the scope, method, and results of the notice program along with a list of those persons who have opted out or excluded themselves from the Settlement.

5. The Class Action Settlement Administrator and the Parties shall promptly after receipt provide copies of any requests for exclusion, objections and/or related correspondence to each other.

#### **VI. REQUESTS FOR EXCLUSION**

A. Any member of the Class who wishes to be excluded from the Class must mail a written request for exclusion to the Class Action Settlement Administrator at the address provided in the Long Form Notice, postmarked no later than the date ordered by the Court, specifying that he or she wishes to be excluded from the Settlement and otherwise complying with the terms stated in the Long Form Notice and Preliminary Approval Order. The Class Action Settlement Administrator shall forward copies of any written requests for exclusion to Plaintiffs' Class Counsel and Stericycle's Counsel. A list reflecting all requests for exclusion shall be filed with the Court by the Class Action Settlement Administrator later than thirty (30) days before the date of the Fairness Hearing. If a potential Class Member files a request for exclusion, he or she may not file an objection under Section VII. A member of the Class may opt-out on an individual basis only. So-called "mass" or "class" opt-outs, whether filed by third



parties on behalf of a "mass" or "class" of class members or multiple class members where no personal statement has been signed by each and every individual class member, shall not be allowed.

B. Any member of the Class who does not file a timely written request for exclusion as provided in Section VI.A shall be bound by all subsequent proceedings, orders and judgments, including, but not limited to, the Release, Final Order and Final Judgment in the Actions, even if he, she or it has litigation pending or subsequently initiates litigation against Stericycle relating to the claims and transactions released in the Actions. Stericycle's Counsel shall provide to the Class Action Settlement Administrator, within twenty (20) days of the entry of the Preliminary Approval Order, a list of all counsel for anyone who has then-pending litigation against Stericycle relating to claims involving the pricing practices at issue and/or otherwise covered by the Release.

C. Any member of the Class who institutes a lawsuit against Stericycle arising out of or relating to the issues raised in the Actions and/or resolved by this Settlement between the time of Preliminary Approval and Final Approval will be considered an Opt-Out. If that member of the Class agrees to resolve his, her or its dispute through the Alternative Dispute Resolution procedure discussed in Section III.E.5, then he, she or it will no longer be considered an Opt-Out and will be able to participate in the Settlement.

## **VII. OBJECTIONS TO SETTLEMENT**

A. Any Class Member who has not filed a timely written request for exclusion and who wishes to object to the fairness, reasonableness, or adequacy of this Agreement or the proposed Settlement, the award of Attorneys' Fees and Expenses or the individual awards to the Plaintiffs must deliver to Plaintiffs' Class Counsel and to Stericycle's Counsel and file with the Court on a date ordered by the Court a written statement of his or her objections. Any such

objection shall include the specific reason(s), if any, for the objection, including any legal support the Class Member wishes to bring to the Court's attention, any evidence or other information the Class Member wishes to introduce in support of the objections, a statement of whether the Class Member intends to appear and argue at the Fairness Hearing, and the Class Member(s) and all Service Locations to which the objection applies. Class Members may do so either on their own or through an attorney retained at their own expense.

B. Any Class Member who files and serves a written objection, as described in the preceding Section VII, may appear at the Fairness Hearing, either in person or through personal counsel hired at the Class Member's expense, to object to the fairness, reasonableness, or adequacy of this Agreement or the proposed Settlement, or to the award of Attorneys' Fees and Expenses or the Service Awards to Plaintiffs. Class Members or their attorneys who intend to make an appearance at the Fairness Hearing must deliver a notice of intention to appear to one of Plaintiffs' Class Counsel identified in the Class Notice and to Stericycle's Counsel, and file said notice with the Court, on a date ordered by the Court.

C. Any Class Member who fails to comply with the provisions of Sections VI or VII above shall waive and forfeit any and all rights he or she may have to appear separately and/or to object, and shall be bound by all the terms of this Agreement and by all proceedings, orders and judgments, including, but not limited to, the Release, the Final Order and the Final Judgment in the Actions. The exclusive means for any challenge to this Settlement shall be through the provisions of this Section. Without limiting the foregoing, any challenge to the Settlement, Final Approval Order or Final Judgment shall be pursuant to appeal under the Federal Rules of Appellate Procedure and not through a collateral attack.

D. Any Class Member who objects to the Settlement shall be entitled to all of the benefits of the Settlement if this Agreement and the terms contained herein are approved, as long as the objecting Class Member complies with all requirements of this Agreement applicable to Class Members.

#### **VIII. RELEASE AND WAIVER**

A. The Parties agree to the following release and waiver, which shall take effect upon entry of the Final Order and Final Judgment.

B. In consideration of the Settlement, Plaintiffs and each Class Member, on behalf of themselves and any other legal or natural persons who may claim by, through or under them, agree to fully, finally and forever release, relinquish, acquit, discharge and hold harmless the Released Parties from any and all claims, demands, suits, petitions, liabilities, causes of action, rights, and damages of any kind and/or type regarding the subject matter of the Actions, including, but not limited to, compensatory, exemplary, punitive, expert and/or attorneys' fees or by multipliers, whether past, present, or future, mature, or not yet mature, known or unknown, suspected or unsuspected, contingent or non-contingent, derivative or direct, asserted or unasserted, whether based on federal, state or local law, statute, ordinance, regulation, code, contract, common law, or any other source, or any claim of any kind related arising from, related to, connected with, and/or in any way involving the Actions, Stericycle's practice or alleged practice of imposing Automated Price Increases relating to the collection and disposal of waste during the Class Period, Stericycle's imposition of surcharges and/or fees during the Class Period, in any manner that are, or could have been, defined, alleged or described in the SACC, the Actions or any amendments of the Actions.

C. Notwithstanding the foregoing, Plaintiffs and Class Members are not releasing claims relating to Stericycle's performance of the obligations imposed upon it by virtue of this Agreement, or its compliance with the terms of this Agreement.

D. The Final Order and Final Judgment will reflect these terms.

E. Plaintiffs and Class Members expressly agree that this Release, the Final Order, and/or the Final Judgment is, will be, and may be raised as a complete defense to, and will preclude any action or proceeding encompassed by, this Release.

F. Plaintiffs and Class Members shall not now or hereafter institute, maintain, prosecute, assert, and/or cooperate in the institution, commencement, filing, or prosecution of any suit, action, and/or proceeding, against the Released Parties, either directly or indirectly, on their own behalf, on behalf of a class or on behalf of any other person or entity with respect to the claims, causes of action and/or any other matters released through this Settlement.

G. In connection with this Agreement, Plaintiffs and Class Members acknowledge that they may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those that they now know or believe to be true concerning the subject matter of the Actions and/or the Release herein. Nevertheless, it is the intention of Plaintiffs' Class Counsel and Class Members in executing this Agreement fully, finally and forever to settle, release, discharge, and hold harmless all such matters, and all claims relating thereto which exist, hereafter may exist, or might have existed (whether or not previously or currently asserted in any action or proceeding) with respect to the Actions, except as otherwise stated in this Agreement.

H. Plaintiffs expressly understand and acknowledge, and all Plaintiffs and Class Members will be deemed by the Final Order and Final Judgment to acknowledge and waive Section 1542 of the Civil Code of the State of California, which provides that:

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

Plaintiffs and Class Members expressly waive and relinquish any and all rights and benefits that they may have under, or that may be conferred upon them by, the provisions of Section 1542 of the California Civil Code, or any other law of any state or territory that is similar, comparable or equivalent to Section 1542, to the fullest extent they may lawfully waive such rights.

I. Plaintiffs represent and warrant that they are the sole and exclusive owners of all claims that they are releasing under this Agreement. Plaintiffs further acknowledge that they have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the Actions, including without limitation, any claim for benefits, proceeds or value under the Actions and that Plaintiffs are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Actions or in any benefits, proceeds or values under the Actions. Class Members receiving payments from the Settlement Fund shall, by cashing the payment check, represent and warrant therein that they are the sole and exclusive owner of all claims that they are releasing under the Settlement and that they have not assigned, pledged, or in any manner whatsoever, sold, transferred, assigned or encumbered any right, title, interest or claim arising out of or in any way whatsoever pertaining to the Actions, including without limitation, any claim for benefits, proceeds or value under the Actions, and that such Class Member(s) are not aware of anyone other than themselves claiming any interest, in whole or in part, in the Actions or in any benefits, proceeds or values under the Actions.

J. Without in any way limiting its scope, and, except to the extent otherwise specified in the Agreement, this Release covers by example and without limitation, any and all

claims for attorneys' fees, attorneys' liens, costs, expert fees, or consultant fees, interest, or litigation fees, costs or any other fees, costs, and/or disbursements incurred by any attorneys, Plaintiffs' Class Counsel, Plaintiffs or Class Members who claim to have assisted in conferring the benefits under this Settlement upon the Class.

K. In consideration for the Settlement, Stericycle and its past or present officers, directors, employees, agents, attorneys, predecessors, successors, affiliates, subsidiaries, divisions, and assigns shall be deemed to have, and by operation of the Final Approval Order shall have, released Plaintiffs' Class Counsel and each current and former Plaintiffs from any and all causes of action that were or could have been asserted pertaining solely to the conduct in filing and prosecuting the litigation or in settling the Action.

L. Plaintiffs, Plaintiffs' Class Counsel and any other attorneys who receive attorneys' fees and costs from this Settlement acknowledge that they have conducted sufficient independent investigation and discovery to enter into this Settlement Agreement and, by executing this Settlement Agreement, state that they have not relied upon any statements or representations made by the Released Parties or any person or entity representing the Released Parties, other than as set forth in this Settlement Agreement.

M. The Parties specifically understand that there may be further pleadings, discovery requests and responses, testimony, or other matters or materials owed by the Parties pursuant to existing pleading requirements, discovery requests, or pretrial rules, procedures, or orders, and that, by entering into this Agreement, the Parties expressly waive any right to receive, hear, or inspect such pleadings, testimony, discovery, or other matters or materials.

N. Nothing in this Release shall preclude any action to enforce the terms of the Agreement, including participation in any of the processes detailed herein.

O. Plaintiffs and Plaintiffs' Class Counsel hereby agree and acknowledge that the provisions of this Release together constitute an essential and material term of the Agreement and shall be included in any Final Order and Final Judgment entered by the Court.

**IX. PRELIMINARY APPROVAL ORDER, FINAL ORDER, FINAL JUDGMENT AND RELATED ORDERS**

A. The Parties shall seek from the Court, within fourteen (14) days after the execution of this Agreement, a Preliminary Approval Order. The Preliminary Approval Order shall, among other things:

1. Preliminarily approve the Settlement;
2. Require the dissemination of the Notice and the taking of all necessary and appropriate steps to accomplish this task;
3. Determine that the Class Notice complies with all legal requirements, including, but not limited to, Fed. R. Civ. P. 23 and the Due Process Clause of the United States Constitution;
4. Schedule a date and time for a Fairness Hearing to determine whether the Settlement should be finally approved by the Court;
5. Require that members of the Class who wish to exclude themselves to submit an appropriate and timely written request for exclusion as directed in this Agreement and Long Form Notice and that a failure to do so shall bind those Class Members who remain in the Class;
6. Require Class Members who wish to appear to object to this Agreement to submit an appropriate and timely written statement as directed in the Agreement and Long Form Notice;

7. Require attorneys representing Class Members, at the Class Members' expense, to file a notice of appearance as directed in this Agreement and Long Form Notice;

8. Issue a preliminary injunction and stay all other Actions in the MDL pending final approval by the Court;

9. Issue a preliminary injunction enjoining potential Class Members, pending the Court's determination of whether the Settlement should be given final approval, from challenging in any action or proceeding any matter covered by this Settlement, except for proceedings in this Court to determine whether the Settlement will be given final approval;

10. Appoint the Class Action Settlement Administrator;

11. Authorize Stericycle to take all necessary and appropriate steps to establish the means necessary to implement the Agreement; and

12. Issue other related orders to effectuate the preliminary approval of the Agreement.

B. After the Fairness Hearing, the Parties shall seek to obtain from the Court a Final Order and Final Judgment. The Final Order and Final Judgment shall, among other things:

1. Find that the Court has personal jurisdiction over all Plaintiffs and Class Members, that the Court has subject matter jurisdiction over the claims asserted in the SACC and the Actions, and that venue is proper;

2. Finally approve the Agreement and Settlement, pursuant to Fed. R. Civ. P. 23;

3. Finally certify the Class for settlement purposes only;



4. Find that the notice and the notice dissemination methodology complied with all laws, including, but not limited to, Fed. R. Civ. P. 23 and the Due Process Clause of the United States Constitution;

5. Dismiss the Actions, including the Actions listed on Exhibit 1, with prejudice and without costs (except as provided for herein as to costs);

6. Incorporate the Release set forth in the Agreement and make the Release effective as of the date of the Final Order and Final Judgment;

7. Issue a permanent injunction enjoining Class Members from challenging in any action or proceeding any matter covered by this Settlement;

8. Authorize the Parties to implement the terms of the Agreement;

9. Retain jurisdiction relating to the administration, consummation, enforcement, and interpretation of the Agreement, the Final Order and Final Judgment, and for any other necessary purpose; and

10. Issue related Orders to effectuate the final approval of the Agreement and its implementation.

#### **X. MODIFICATION OR TERMINATION OF THIS AGREEMENT**

A. Within fifteen (15) days after the occurrence of any of the following events and upon written notice to counsel for all Parties, a Party shall have the right to withdraw from the Settlement and terminate this Agreement:

1. If the Court fails to approve the Agreement as written or if on appeal the Court's approval is reversed or modified;

2. If the Court materially alters any of the terms of the Agreement, except that a reduction in an award of Attorneys' Fees and Expenses or Plaintiffs' Service Awards shall not be deemed to be a material alteration; or

3. If the Preliminary Approval Order or the Final Order and Judgment is not entered by the Court or is reversed or modified on appeal, or otherwise fails for any reason. In the event of a withdrawal pursuant to this Paragraph, any certification of a Class for purposes of settlement will be vacated, without prejudice to any Party's position on the issue of class certification and the amenability of the claims asserted in the Litigation to class treatment, and the Parties shall be restored to their litigation position existing immediately before the execution of this Agreement.

B. If members of the Class properly and timely submit requests for exclusion from the Class as set forth in Section VI, thereby becoming Opt-Outs, and are in a number more than the confidential number submitted to the Court by the Parties under seal at the time of filing the Motion For Preliminary Approval, then at its sole election, Stericycle may withdraw from the Settlement and terminate this Agreement. In that event, all of Stericycle's obligations under this Agreement shall cease to be of any force and effect, and the Parties shall be restored to their litigation position existing immediately before the execution of this Agreement. In order to elect to withdraw from the Settlement and terminate this Agreement on the basis set forth in this Paragraph, Stericycle must notify Class Counsel in writing of its election to do so within ten business days after the Opt-Out List has been served on the Parties. In the event that Stericycle exercises such right, Class Counsel shall have twenty (20) business days or such longer period as agreed to by the Parties to address the concerns of the Opt-Outs. If through such efforts the total number of members of the Opt-Out List subsequently becomes and remains fewer than the number of Class Members submitted to the Court under seal at the time of filing the Motion For Preliminary Approval, Stericycle shall withdraw its election to withdraw from the Settlement and terminate the Agreement. In no event, however, shall Stericycle have any further obligation

under this Agreement to any Opt-Out unless such Class Member withdraws his/her request for exclusion. For purposes of this Paragraph, Opt-Outs shall not include (1) persons who are specifically excluded from the Class; (2) Class Members who elect to withdraw their request for exclusion and (3) Opt-Outs who agree to sign an undertaking that they will not pursue an individual claim, class claim or any other claim that would otherwise be a Released Claim as defined in this Agreement.

C. In the event of withdrawal by Stericycle in accordance with the terms set forth in Section X.A. and X.B. above, the Agreement shall be null and void, shall have no further force and effect with respect to any Party in the Action and shall not be offered in evidence or used in any litigation for any purpose, including the existence, certification or maintenance of any proposed or existing class or the amenability of these or similar claims to class treatment. In the event of such withdrawal, this Agreement and all negotiations, proceedings, documents prepared and statements made in connection herewith shall be without prejudice to Stericycle, the Plaintiffs and the Class Members and shall not be deemed or construed to be an admission or confession in any way by any Party of any fact, matter or proposition of law and shall not be used in any manner for any purpose, and the Parties to the Action shall stand in the same position as if this Agreement had not been negotiated, made or filed with the Court.

#### **XI. GENERAL MATTERS AND RESERVATIONS**

A. Stericycle has denied and continues to deny each and all of the claims and contentions alleged in the Actions and has denied and continues to deny that it has committed any violation of law or engaged in any wrongful act that was alleged or that could have been alleged in the Actions. Stericycle believes that it has valid and complete defenses to the claims asserted against it in the Actions and denies that it committed any violations of law, engaged in any unlawful act or conduct or that there is any basis for liability for any of the claims that have

been, are or might have been alleged in the Actions. Without in any way limiting the scope of this denial, Stericycle denies that its pricing practices were, are or have been in violation of its contracts with any customers or with the laws of any state. Nonetheless, Stericycle has concluded that it is desirable that the Actions be fully and finally settled in the matter and upon the terms and conditions set forth in this Agreement.

B. The obligation of the Parties to conclude the proposed Settlement is and shall be contingent upon each of the following:

1. Entry by the Court of the Final Order and Final Judgment approving the Settlement, from which the time to appeal has expired or which has remained unmodified after any appeal(s); and

2. Any other conditions stated in this Agreement.

C. The Parties and their counsel agree to keep the existence and contents of this Agreement confidential until the date on which the Motion for Preliminary Approval is filed; provided, however, that this Section shall not prevent (1) Stericycle from disclosing such information, prior to the date on which the Motion for Preliminary Approval is filed, to state and federal agencies, independent accountants, actuaries, advisors, financial analysts, insurers or attorneys; (2) Stericycle from disclosing such information based on the substance of this Agreement; and/or (3) the Parties and their counsel from disclosing such information to persons or entities (such as experts, courts, co-counsel, and/or administrators) to whom the Parties agree disclosure must be made in order to effectuate the terms and conditions of this Agreement.

D. Plaintiffs and Plaintiffs' Class Counsel agree that the confidential information made available to them solely through the settlement process was made available, as agreed to, on the condition that neither Plaintiffs nor their counsel may disclose it to third parties (other

than experts or consultants retained by Plaintiffs in connection with the Actions); that it not be the subject of public comment; that it not be used by Plaintiffs or Plaintiffs' Class Counsel in any way in this litigation or otherwise should the Settlement not be achieved, and that it is to be returned if a Settlement is not concluded; provided, however, that nothing contained herein shall prohibit Plaintiffs from seeking such information through formal discovery if not previously requested through formal discovery or from referring to the existence of such information in connection with the Settlement of the Actions.

E. Information provided by Stericycle or Stericycle's Counsel to Plaintiffs, Plaintiffs' Class Counsel, any individual Class Member, counsel for any individual Class Member and/or administrators, pursuant to the negotiation and implementation of this Agreement, includes trade secrets and highly confidential and proprietary business information and shall be deemed "Highly Confidential" pursuant to the protective orders that have been or will be entered in the Actions, and shall be subject to all of the provisions thereof. Any materials inadvertently produced shall, upon Stericycle's request, be promptly returned to Stericycle's Counsel, and there shall be no implied or express waiver of any privileges, rights and defenses.

F. Within ninety (90) days after the Final Effective Date (unless the time is extended by agreement of the Parties), Plaintiffs' Class Counsel and any expert or other consultant employed by them in such capacity or any other individual with access to documents provided by Stericycle and/or its Counsel, to Plaintiffs' Class Counsel shall either: (1) return to Stericycle's Counsel all such documents and materials (and all copies of such documents in whatever form made or maintained) produced during the settlement process by Stericycle and/or its Counsel, and any and all handwritten notes summarizing, describing or referring to such documents; or (2) certify to Stericycle's Counsel that all such documents and materials (and all

copies of such documents in whatever form made or maintained) and any and all handwritten notes summarizing, describing or referring to such documents have been destroyed, provided, however, that this Section shall not apply to any documents made part of the record in connection with a Claim, nor to any documents made part of a Court filing, nor to Plaintiffs' Class Counsel's work product.

G. Six (6) months after the distribution of the settlement funds to Class Members, the Class Action Settlement Administrator shall return or destroy all documents and materials to Stericycle and/or its Counsel and/or Plaintiffs' Class Counsel that produced the documents and materials, except that it shall not destroy any and all information and/or documentation submitted by Class Members. Nothing in this Agreement shall affect any confidentiality order or protective order in the Action.

H. Stericycle's execution of this Agreement shall not be construed to release – and Stericycle expressly does not intend to release – any claim Stericycle may have or make against any insurer for any cost or expense incurred in connection with this Settlement, including, without limitation, for attorneys' fees and costs.

I. Plaintiffs' Class Counsel represent that: (1) they are authorized by the Plaintiffs to enter into this Agreement with respect to the claims in these Actions; and (2) they are seeking to protect the interests of the Class.

J. Plaintiffs' Class Counsel further represent that the Plaintiffs: (1) have agreed to serve as representatives of the Class proposed to be certified herein; (2) are willing, able, and ready to perform all of the duties and obligations of representatives of the Class, including, but not limited to, being involved in discovery and fact finding; (3) have read the pleadings in the Actions, including the SACC, or have had the contents of such pleadings described to them;

000343

(4) are familiar with the results of the fact-finding undertaken by Plaintiffs' Class Counsel; (5) have been kept apprised of settlement negotiations among the Parties, and have either read this Agreement, including the exhibits annexed hereto, or have received a detailed description of it from Plaintiffs' Class Counsel and they have agreed to its terms; (6) have consulted with Plaintiffs' Class Counsel about the Actions and this Agreement and the obligations imposed on representatives of the Class; (7) have authorized Plaintiffs' Class Counsel to execute this Agreement on their behalf; and (8) shall remain and serve as representatives of the Class until the terms of this Agreement are effectuated, this Agreement is terminated in accordance with its terms, or the Court at any time determines that said Plaintiffs cannot represent the Class.

K. The Parties acknowledge and agree that no opinion concerning the tax consequences of the proposed Settlement to Class Members is given or will be given by the Parties nor are any representations or warranties in this regard made by virtue of this Agreement. Each Class Member's tax obligations, and the determination thereof, are the sole responsibility of the Class Member, and it is understood that the tax consequences may vary depending on the particular circumstances of each individual Class Member.

L. Stericycle represents and warrants that the individual(s) executing this Agreement is authorized to enter into this Agreement on behalf of Stericycle.

M. This Agreement, complete with its exhibits, sets forth the sole and entire agreement among the Parties with respect to its subject matter, and it may not be altered, amended, or modified except by written instrument executed by Plaintiffs' Class Counsel and Stericycle's Counsel. The Parties expressly acknowledge that no other agreements, arrangements or understandings not expressed in this Agreement exist among or between them and that in deciding to enter into this Agreement, they rely solely upon their judgment and

knowledge. This Agreement supersedes any prior agreements, understandings, or undertakings (written or oral) by and between the Parties regarding the subject matter of this Agreement.

N. This Agreement and any amendments thereto shall be governed by and interpreted according to the law of the State of Illinois notwithstanding its conflict of law provisions.

O. Any disagreement and/or action to enforce this Agreement shall be commenced and maintained only in the United States District Court for the Northern District of Illinois.

P. Plaintiffs, Plaintiffs' Class Counsel and all other counsel of record for Plaintiffs and Stericycle's Counsel hereby agree not to issue any press releases regarding this Settlement or publicize it in any way and further agree not to engage in any communications with the media or the press, on the internet, or in any public forum, orally or in writing, that relate to this Settlement or the Litigation other than statements that are fully consistent with the Class Notice.

Q. Whenever this Agreement requires or contemplates that one of the Parties shall or may give notice to the other, notice shall be provided by e-mail and/or next-day (excluding Saturdays, Sundays and Federal Holidays) express delivery service as follows:

1. If to Stericycle, then to:

Mark S. Mester, Esq.  
Kathleen P. Lally, Esq.  
Latham & Watkins LLP  
330 North Wabash Avenue, Suite 2800  
Chicago, Illinois 60611  
Telephone: 312-876-7700  
Facsimile: 312-993-9767

Stericycle, Inc.  
Attn. General Counsel  
28161 N Keith Drive  
Lake Forest, Illinois 60045  
Telephone: 847-367-5910



If to Plaintiffs, then to:

Steve W. Berman, Esq.  
Garth D. Wojtanowicz, Esq.  
Hagens Berman Sobol Shapiro LLP  
1918 Eighth Avenue, Suite 3300  
Seattle, Washington 98101  
Telephone: 206-623-7292  
Facsimile: 206-623-0594

R. All time periods set forth herein shall be computed in calendar days unless otherwise expressly provided. In computing any period of time prescribed or allowed by this Agreement or by order of the Court, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday or a Federal Holiday, or, when the act to be done is the filing of a paper in court, a day on which weather or other conditions have made the office of the clerk of the court inaccessible, in which event the period shall run until the end of the next day that is not one of the aforementioned days. As used in this Section, "Federal Holiday" includes New Year's Day, Birthday of Martin Luther King, Jr., Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Patriot's Day, Thanksgiving Day, Christmas Day, and any other day appointed as a holiday by the President, the Congress of the United States or the Clerk of the United States District Court for the Northern District of Illinois.

S. The Parties reserve the right, subject to the Court's approval, to agree to any reasonable extensions of time that might be necessary to carry out any of the provisions of this Agreement.

T. The Class, Plaintiffs, Plaintiffs' Class Counsel, Stericycle and/or Stericycle's Counsel shall not be deemed to be the drafter of this Agreement or of any particular provision, nor shall they argue that any particular provision should be construed against its drafter. All

Parties agree that this Agreement was drafted by counsel for the Parties during extensive arm's length negotiations. No parol or other evidence may be offered to explain, construe, contradict, or clarify its terms, the intent of the Parties or their counsel, or the circumstances under which this Agreement was made or executed.

U. The Parties expressly acknowledge and agree that this Agreement and its exhibits, along with all related drafts, motions, pleadings, conversations, negotiations, and correspondence, constitute an offer of compromise and a compromise within the meaning of Federal Rule of Evidence 408 and any equivalent rule of evidence in any state. In no event shall this Agreement, any of its provisions or any negotiations, statements or court proceedings relating to its provisions in any way be construed as, offered as, received as, used as, or deemed to be evidence of any kind in the Actions, any other action, or in any judicial, administrative, regulatory or other proceeding, except in a proceeding to enforce this Agreement or the rights of the Parties or their counsel. Without limiting the foregoing, neither this Agreement nor any related negotiations, statements, or court proceedings shall be construed as, offered as, received as, used as or deemed to be evidence or an admission or concession of any liability or wrongdoing whatsoever on the part of any person or entity, including, but not limited to, the Released Parties, Plaintiffs, or the Class or as a waiver by the Released Parties, Plaintiffs or the Class of any applicable privileges, claims or defenses.

V. Plaintiffs expressly affirm that the allegations contained in the SACC were made in good faith, but consider it desirable for the Actions to be settled and dismissed because of the substantial benefits that the proposed settlement will provide to Class Members.

W. The Parties, their successors and assigns, and their counsel undertake to implement the terms of this Agreement in good faith, and to use good faith in resolving any disputes that may arise in the implementation of the terms of this Agreement.

X. The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any prior or subsequent breach of this Agreement.

Y. If one Party to this Agreement considers another Party to be in breach of its obligations under this Agreement, that Party must provide the breaching Party with written notice of the alleged breach and provide a reasonable opportunity to cure the breach before taking any action to enforce any rights under this Agreement.

Z. The Parties, their successors and assigns, and their counsel agree to cooperate fully with one another in seeking Court approval of this Agreement and to use their best efforts to effect the prompt consummation of this Agreement and the proposed Settlement.

AA. This Agreement may be signed with a facsimile signature and in counterparts, each of which shall constitute a duplicate original.

BB. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision if Stericycle, on behalf of Defendants, and Plaintiffs' Class Counsel, on behalf of Plaintiffs and Class Members, mutually agree in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement. Any such agreement shall be reviewed and approved by the Court before it becomes effective.

*Agreed to on the date indicated below.*

APPROVED AND AGREED TO BY:

BY: [Signature]  
STEVE W. BERMAN  
HAGENS BERMAN SOBOL SHAPIRO LLP  
PLAINTIFFS' CLASS COUNSEL

DATE: 10/13/17

BY: \_\_\_\_\_  
MARK S. MESTER  
LATHAM & WATKINS LLP  
STERICYCLE COUNSEL

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
STERICYCLE, INC.  
DEFENDANT

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
LYNDON VETERINARY CLINIC, PLLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
RESEARCHDX, LLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
GREATER HAMPSTEAD FAMILY MEDICINE, PC.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
JOSEPH G. SAUDER  
MCCUNE WRIGHT AREVALO LLP  
COUNSEL TO COCHRANTAN VETERINARY  
HOSPITAL, AMORES DENTAL CARE, MCMACKIN &  
ZIMNOCH, P.C., AND MADISON AVENUE  
PROFESSIONAL BUILDING

DATE: \_\_\_\_\_

BY: \_\_\_\_\_  
COCHRANTON VETERINARY HOSPITAL  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

APPROVED AND AGREED TO BY:

BY: \_\_\_\_\_

STEVE W. BERMAN  
HAGENS BERMAN SOBOL SHAPIRO LLP  
PLAINTIFFS' CLASS COUNSEL

DATE: \_\_\_\_\_

BY:  \_\_\_\_\_

MARK S. MESTER  
LATHAM & WATKINS LLP  
STERICYCLE COUNSEL

DATE: October 17, 2017

BY: \_\_\_\_\_

STERICYCLE, INC.  
DEFENDANT

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

LYNDON VETERINARY CLINIC, PLLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

RESEARCHDX, LLC  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

GREATER HAMPSTEAD FAMILY MEDICINE, PC.  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

JOSEPH G. SAUDER  
MCCUNE WRIGHT AREVALO LLP  
COUNSEL TO COCHRANTON VETERINARY  
HOSPITAL, AMORES DENTAL CARE, MCMACKIN &  
ZIMNOCH, P.C., AND MADISON AVENUE  
PROFESSIONAL BUILDING

DATE: \_\_\_\_\_

BY: \_\_\_\_\_

COCHRANTON VETERINARY HOSPITAL  
PLAINTIFF AND CLASS REPRESENTATIVE

DATE: \_\_\_\_\_

1 demand, action, cause of action, or rights herein released and discharged except as  
2 set forth herein.

3 **NO ADMISSION**

4 27. Nothing contained herein, nor the consummation of this Stipulation of  
5 Settlement, is to be construed or deemed an admission of liability, culpability,  
6 negligence, or wrongdoing on the part of Stericycle. Stericycle specifically denies  
7 any liability. Each of the Parties hereto has entered into this Stipulation of  
8 Settlement with the intention to avoid further disputes and litigation with the  
9 attendant inconvenience and expenses.

10 **PUBLICITY**

11 28. Neither Plaintiffs nor Class Counsel will publicize the Settlement in  
12 any way prior to preliminary approval. This provision shall not prohibit Class  
13 Counsel from communicating with members of the Class.

14 **NO RETALIATION**

15 29. Stericycle agrees that there will be no retaliation, discrimination or  
16 adverse employment action against the Plaintiffs or any member of the Settlement  
17 Class as a result of the Lawsuit, the Settlement or their participation in the Lawsuit  
18 or Settlement.

19 **CONSTRUCTION**

20 30. The Parties hereto agree that the terms and conditions of this  
21 Stipulation of Settlement are the result of lengthy, intensive arms-length  
22 negotiations between the Parties, and that this Stipulation of Settlement shall not be  
23 construed in favor of or against any party by reason of the extent to which any party  
24 or his, her, or its counsel participated in the drafting of this Stipulation of  
25 Settlement.

26 **CAPTIONS AND INTERPRETATIONS**

27 31. Paragraph titles or captions contained herein are inserted as a matter of  
28 convenience and for reference, and in no way define, limit, extend, or describe the

000451

1 scope of this Stipulation of Settlement or any provision hereof. Each term of this  
2 Stipulation of Settlement is contractual and not merely a recital.

3 **MODIFICATION**

4 32. This Stipulation of Settlement may not be changed, altered, or  
5 modified, except in writing and signed by the Parties hereto, and approved by the  
6 Court. This Stipulation of Settlement may not be discharged except by performance  
7 in accordance with its terms or by a writing signed by the Parties hereto.

8 **INTEGRATION CLAUSE**

9 33. This Stipulation of Settlement contains the entire agreement between  
10 the Parties relating to the settlement and transaction contemplated hereby, and all  
11 prior or contemporaneous agreements, understandings, representations, and  
12 statements, whether oral or written and whether by a party or such party's legal  
13 counsel, are merged herein. No rights hereunder may be waived except in writing.

14 **BINDING ON ASSIGNS**

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

18 **CLASS COUNSEL SIGNATORIES**

19 35. The parties agree that it is impossible or impractical to have each Class  
20 Member execute this Stipulation of Settlement. The Notice, Exhibit "A," will  
21 advise all Class Members of the binding nature of the release and such shall have  
22 the same force and effect as if this Stipulation of Settlement were executed by each  
23 Class Member.

24 **COUNTERPARTS**

25 36. This Stipulation of Settlement may be executed in counterparts, and  
26 when each party has signed and delivered at least one such counterpart, each  
27 counterpart shall be deemed an original, and, when taken together with other signed  
28

000452

counterparts, shall constitute one Stipulation of Settlement, which shall be binding upon and effective as to all Parties.

Dated: December 12, 2017

Kenneth Moniz  
Kenneth Moniz  
Plaintiff and Class Representative

Dated: December \_\_, 2017

**Kevin Henshaw**  
Plaintiff and Class Representative

Dated: December , 2017

for Stericycle, Inc.

**Approval As To Form And Content By Counsel:**

Dated: December , 2017

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP.

THOMAS R. KAUFMAN  
Attorneys for Defendant  
STERICYCLE, INC.

Dated: December \_\_, 2017

LAW OFFICES OF KEVIN T. BARNES

KEVIN T. BARNES  
Attorneys for Plaintiffs




1 counterparts, shall constitute one Stipulation of Settlement, which shall be binding  
2 upon and effective as to all Parties.

3 Dated: December \_\_, 2017

\_\_\_\_\_  
Kenneth Moniz  
Plaintiff and Class Representative

6 Dated: December 6, 2017

  
\_\_\_\_\_  
Kevin Henshaw  
Plaintiff and Class Representative

9 Dated: December \_\_, 2017

\_\_\_\_\_  
for Stericycle, Inc.

12 **Approval As To Form And Content By Counsel:**

13 Dated: December \_\_, 2017

14 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

17 \_\_\_\_\_  
18 THOMAS R. KAUFMAN  
19 Attorneys for Defendant  
STERICYCLE, INC.


20 Dated: December \_\_, 2017

21 LAW OFFICES OF KEVIN T. BARNES


24 \_\_\_\_\_  
25 KEVIN T. BARNES  
26 Attorneys for Plaintiffs  
27  
28

1 counterparts, shall constitute one Stipulation of Settlement, which shall be binding  
2 upon and effective as to all Parties.

3 Dated: December \_\_, 2017

4   
Kenneth Moniz  
5 Plaintiff and Class Representative

6 Dated: December \_\_, 2017

7   
Kevin Henshaw  
8 Plaintiff and Class Representative


9 Dated: December 8, 2017

10   
for Stericycle, Inc.

11  
12 **Approval As To Form And Content By Counsel:**


13 Dated: December 5, 2017

14 SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

15  
16   
17 THOMAS R. KAUFMAN  
18 Attorneys for Defendant  
19 STERICYCLE, INC.


20 Dated: December 6, 2017

21 LAW OFFICES OF KEVIN T. BARNES

22   
23 KEVIN T. BARNES  
24 Attorneys for Plaintiffs  
25  
26  
27  
28

1 Dated: December 5, 2017

2 LAW OFFICES OF SAHAG MAJARIAN II

3  
4  
5   
6 SAHAG MAJARIAN II  
7 Attorneys for Plaintiffs  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

000456

Standing Strong: Counsel Financial is fully operational & here to assist you with your financing needs.

[Learn More](#)

## \$2 Million Settlement Reached in Stericycle Employee Wage Class Action

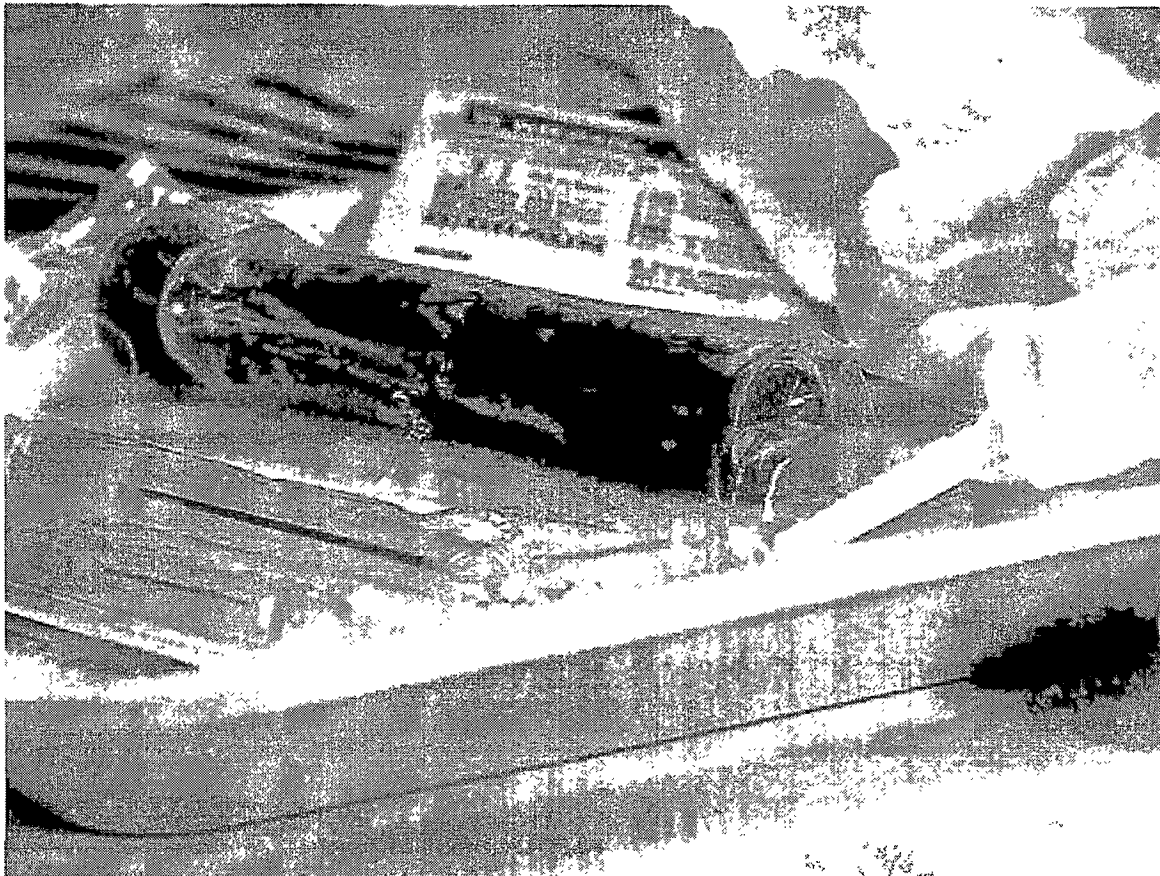
Elizabeth DiNardo, Esq. | Associate Counsel

Embed

Share

Like 0

Share



On February 5, 2018, plaintiffs in the Stericycle Inc. employee wage dispute class action, asked U.S. District Judge John Kirschstadt to grant preliminary approval for a \$2 million settlement agreement.

The suit was originally filed by named plaintiff, Sergio Gutierrez, in Los Angeles Superior Court in 2014. Plaintiff argued that the defendant medical waste disposal company denied its employees proper breaks, rounded payroll time thus cheating employees out of wages for time spent working and failed to compensate employees for time spent changing into their company-required uniform.

Further, the complaint alleges that Stericycle failed to include all bonuses in employees' overtime rate, in addition to not providing statutory meal breaks. The case was transferred to the U.S. District Court for the Central District

Standing Strong: Counsel Financial is fully operational & here to assist you with your financing needs.

[Learn More](#)

---

District of California.

Explore all of our financial solutions designed for your contingent fee practice

*Counsel Financial provides working capital credit lines exclusively for the plaintiffs' bar in all states except California, where credit lines are issued by California Attorney Lending.*

**Counsel Financial**  
*The power of attorney funding.*

PRODUCTS

---

PRACTICE AREAS

---

ABOUT US

---

CONTACT US

---

©2020 Counsel Financial. All Rights Reserved

TERMS    PRIVACY

000459

# APPENDIX L

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

## FORM 10-K

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2019

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission File Number 1-37556

## Stericycle, Inc.

(Exact name of registrant as specified in its charter)

Delaware

36-3640402

(State or other jurisdiction of incorporation or organization)

(IRS Employer Identification Number)

2355 Waukegan Road

Bannockburn, Illinois 60015

(Address of principal executive offices, including zip code)

(847) 367-5910

(Registrant's telephone number, including area code)

## Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	SRCL	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: **None**Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☒ NO ☐Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES ☐ NO ☒Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer", "accelerated filer" "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>	Non-accelerated filer <input type="checkbox"/>
Smaller reporting company <input type="checkbox"/>	Emerging Growth Company <input type="checkbox"/>	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES ☐ NO ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates computed by reference to the price at which common equity was last sold as of the last business day of the registrant's most recently completed second fiscal quarter (June 30, 2019): \$4,350,940,797.

On February 24, 2020 there were 91,271,184 shares of the Registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

000461

7/28/2020

src1-10k\_20191231.htm

Information required by Items 10, 11, 12 and 13 of Part III of this Report is incorporated by reference from the Registrant's definitive Proxy Statement for the 2020 Annual Meeting of Stockholders.

---

000462





## Table of Contents

	Page No.
<b>PART I.</b>	
<u>Item 1. Business</u>	6
<u>Item 1A. Risk Factors</u>	20
<u>Item 1B. Unresolved Staff Comments</u>	31
<u>Item 2. Properties</u>	31
<u>Item 3. Legal Proceedings</u>	31
<u>Item 4. Mine Safety Disclosures</u>	31
<b>PART II.</b>	
<u>Item 5. Market Price for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchase of Equity Securities</u>	32
<u>Item 6. Selected Financial Data</u>	34
<u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	36
<u>Item 7A. Quantitative and Qualitative Disclosures about Market Risk</u>	65
<u>Item 8. Financial Statements and Supplementary Data</u>	67
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	122
<u>Item 9A. Controls and Procedures</u>	122
<u>Item 9B. Other Information</u>	127
<b>PART III.</b>	
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	128
<u>Item 11. Executive Compensation</u>	128
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	128
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	129
<u>Item 14. Principal Accountant Fees and Services</u>	129
<b>PART IV.</b>	
<u>Item 15. Exhibits and Financial Statement Schedules</u>	130
<u>Item 16. Form 10-K Summary</u>	133
<u>SIGNATURES</u>	134

000463

- property ownership restrictions in certain countries.

Any of the foregoing or other factors associated with doing business abroad could adversely affect our business, financial condition and results of operations.

***We have operations in Latin America, and changes in the business, regulatory, political or social climate could adversely affect our operations there, which could adversely affect our results of operations and growth plans.***

We have business operations in Argentina and Brazil. Doing business in those countries exposes us to risks related to political instability, corruption, economic volatility, social unrest, tax and foreign investment policies, public safety and security, and uncertain application of laws and regulations. Consequently, actions or events in any of those countries that are beyond our control could restrict our ability to operate there or otherwise adversely affect the financial results of those operations. Furthermore, changes in the business, regulatory or political climate in any of those countries, or significant fluctuations in currency exchange rates, could affect our ability to continue our operations there, which could have a material adverse impact on our prospects, results of operations, and cash flows.

***We face continuing risks relating to compliance with the FCPA and other anti-corruption and anti-bribery laws.***

On June 12, 2017, the SEC issued a subpoena to us, requesting documents and information relating to our compliance with the FCPA or other foreign or domestic anti-corruption laws with respect to certain of our operations in Latin America. In addition, the DOJ has notified us that it is investigating this matter in parallel with the SEC. We are cooperating with these agencies and are also conducting an internal investigation of these and other matters, including outside of Latin America, under the oversight of the Audit Committee of the Board of Directors and with the assistance of outside counsel, and this investigation has found evidence of improper conduct. These matters (and other matters which may arise or of which we become aware in the future) may be deemed to violate the FCPA and other anti-corruption and anti-bribery laws. Such determinations could subject us to, among other things, enforcement actions by the SEC or the DOJ or other regulatory bodies, fines, penalties, or litigation, which could adversely affect our business, financial condition and results of operations. In addition, any significant settlement amount may require us to incur additional indebtedness, adversely affect our liquidity and ability to service our indebtedness, or require us to restructure or amend the terms of our indebtedness. See *Part II, Item 8. Financial Statements and Supplementary Data; Note 20 - Legal Proceedings* in the Consolidated Financial Statements for more information regarding currently pending legal proceedings.

***We are subject to a number of pending lawsuits.***

We are a defendant in a number of pending lawsuits and may be named as a defendant in future lawsuits. These current and future matters may result in significant liabilities and diversion of our management's time, attention, and resources. Given the uncertain nature of litigation generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome in these matters. In view of these uncertainties, the outcome of these matters may result in charges in excess of any established reserves and, to the extent available, liability insurance. Protracted litigation, including any adverse outcomes, may have an adverse impact on our reputation, business, financial condition or results of operations. In addition, any significant judgment or settlement amount may require us to incur additional indebtedness, adversely affect our liquidity and ability to service our indebtedness, or require us to restructure or amend the terms of our indebtedness. See *Part II, Item 8. Financial Statements and Supplementary Data; Note 20 - Legal Proceedings* in the Consolidated Financial Statements for more information regarding currently pending legal proceedings.

In millions

	Year Ended December 31,		
	2019	2018	2017
Regulated Waste and Compliance Services	\$ 1,892.8	\$ 1,932.6	\$ 2,023.6
Secure Information Destruction Services	901.9	911.0	823.4
Communication and Related Services	219.2	313.1	382.6
Manufacturing and Industrial Services	295.0	329.2	351.1
Revenues	\$ 3,308.9	\$ 3,485.9	\$ 3,580.7

**NOTE 20 – LEGAL PROCEEDINGS**

The Company operates in highly regulated industries and responds to regulatory inquiries or investigations from time to time that may be initiated for a variety of reasons. At any given time, the Company has matters at various stages of resolution with the applicable government authorities. The Company is also routinely involved in actual or threatened legal actions, including those involving alleged personal injuries and commercial, employment, environmental, tax, and other issues. The outcomes of these matters are not within the Company's complete control and may not be known for prolonged periods of time. In some actions, claimants seek damages, as well as other relief, including injunctive relief, that could require significant expenditures or result in lost revenue.

In accordance with applicable accounting standards, the Company establishes an accrued liability for loss contingencies related to legal and regulatory matters when the loss is both probable and reasonably estimable. If the reasonable estimate of a probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is not probable or a probable loss is not reasonably estimable, no liability is recorded. When determining the estimated loss or range of loss, significant judgment is required to estimate the amount and timing of a loss to be recorded. These accruals represent management's best estimate of probable losses and, in such cases, there may be an exposure to loss in excess of the amounts accrued. Estimates of probable losses resulting from litigation and regulatory proceedings are difficult to predict. Legal and regulatory matters inherently involve significant uncertainties based on, among other factors, the jurisdiction and stage of the proceedings, developments in the applicable facts or law, and the unpredictability of the ultimate determination of the merits of any claim, any defenses the Company may assert against that claim and the amount of any damages that may be awarded. The Company's accrued liabilities for loss contingencies related to legal and regulatory matters may change in the future as a result of new developments, including, but not limited to, the occurrence of new legal matters, changes in the law or regulatory environment, adverse or favorable rulings, newly discovered facts relevant to the matter, or changes in the strategy for the matter. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

**Contract Class Action and Opt Out Lawsuits.** Beginning on March 12, 2013, the Company was served with several class action complaints filed in federal and state courts in several jurisdictions. These complaints asserted, among other things, that the Company had imposed unauthorized or excessive price increases and other charges on its customers in breach of its contracts and in violation of the Illinois Consumer Fraud and Deceptive Business Practices Act. The complaints sought certification of the lawsuit as a class action and the award to class members of appropriate damages and injunctive relief. These related actions were ultimately transferred to the United States District Court for the Northern District of Illinois for centralized pretrial proceedings (the "MDL Action").

The parties engaged in discussions through and overseen by a mediator regarding a potential resolution of the matter and reached a settlement agreement, as previously disclosed, which settlement agreement obtained court approval on March 8, 2018 (the "Settlement"). Under the terms of the Settlement, the Company admitted no fault or wrongdoing whatsoever, and it entered into the Settlement to avoid the cost and uncertainty of litigation.

Certain class members who have opted out of the Final Settlement have filed lawsuits against the Company, and the Company will defend and resolve those actions. The Company has accrued its estimate of the probable loss for these collective matters, which is not material.

**Securities Class Action and Opt Out Lawsuits.** On July 11, 2016, two purported stockholders filed a putative class action complaint in the U.S. District Court for the Northern District of Illinois, which was subsequently amended. As amended, the complaint purported to assert claims on behalf of all purchasers of the Company's publicly traded securities between February 7, 2013 and February 21, 2018, inclusive, and all those who purchased securities in the Company's public offering of depositary shares on or around September 15, 2015. The complaint named as defendants the Company, its directors and certain of its current and former officers, and certain of the underwriters in the public offering. The complaint purported to assert claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933 and Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as well as SEC Rule 10b-5, promulgated thereunder. The complaint alleged, among other things, that the Company imposed unauthorized or excessive price increases and other charges on its customers in breach of its contracts, and that defendants failed to disclose those alleged practices in public filings and other statements issued during the proposed class period.

Defendants filed a motion to dismiss. Before the court had ruled on the pending motion to dismiss, the parties engaged in discussions through and overseen by a mediator regarding a potential resolution of the matter and reached a settlement agreement as previously disclosed (the "Securities Class Action Settlement"). The court held a final fairness hearing on July 22, 2019, at which it granted final approval of the Settlement and took under advisement the amount of attorneys' fees to be awarded to plaintiffs' counsel from the settlement fund. Under the terms of the Settlement, the Company admitted no fault or wrongdoing whatsoever, and it entered into the Settlement to avoid the cost and uncertainty of litigation.

Certain class members who have opted out of the Final Settlement have filed lawsuits against the Company, and the Company will defend and resolve those actions. The Company has not accrued any amounts in respect of these lawsuits, as it cannot estimate any reasonably possible loss or any range of reasonably possible losses that the Company may incur.

**Government Investigations.** On June 12, 2017, the SEC issued a subpoena to the Company, requesting documents and information relating to the Company's compliance with the FCPA or other foreign or domestic anti-corruption laws with respect to certain of the Company's operations in Latin America. In addition, the DOJ has notified the Company that it is investigating this matter in parallel with the SEC. The Company is cooperating with these agencies and certain foreign authorities. The Company is also conducting an internal investigation of these and other matters, including outside of Latin America, under the oversight of the Audit Committee of the Board of Directors and with the assistance of outside counsel, and this investigation has found evidence of improper conduct.

As part of the FCPA investigation discussed above, the SEC has requested certain additional information from the Company. On July 29, 2019, the SEC issued a subpoena to the Company requesting documents relating to the Company's pricing practices concerning small quantity customers, as alleged in the Contract Class Actions and in the Securities Class Action. The Company is cooperating with the SEC's request.

The Company has not accrued any amounts in respect of this matter, as it cannot estimate any reasonably possible loss or any range of reasonably possible losses that the Company may incur. The Company is unable to make such an estimate because, based on what the Company knows now, in the Company's judgment, the factual and legal issues presented in this matter are sufficiently unique that the Company is unable to identify other circumstances sufficiently comparable to provide guidance in making estimates.

**Environmental and Regulatory Matters.** The Company's Environmental Solutions business is regulated by federal, state and local laws enacted to regulate the discharge of materials into the environment, the generation, transportation and disposal of waste, and the cleanup of contaminated soil and groundwater and protection of the environment. Because of the highly regulated nature of this business, the Company frequently becomes a party to legal or administrative proceedings involving various governmental authorities and other interested parties. The issues involved in these proceedings generally relate to alleged violations of existing permits and licenses or alleged responsibility under federal or state Superfund laws to remediate contamination at properties owned either by the Company or by other parties to which either the Company or the prior owners of certain of its facilities shipped wastes. From time to time, the Company may be subject to fines or penalties in regulatory proceedings relating primarily to waste treatment, storage or disposal facilities.

*North Salt Lake, Utah.* The Company has continued to toll the statute of limitations with the United States Attorney's Office for the District of Utah (the "USAO") relating to an investigation by the U.S. Environmental Protection Agency (the "EPA") into past Clean Air Act emissions and permit requirements, as previously alleged in the notice of violation (the "NOV") issued by the State of Utah Division of Air Quality (the "DAQ"). The NOV resulted in the Company's December 2014 settlement with the DAQ, as previously disclosed.

The parties have reached agreement in principle, to be documented in the form of a civil consent decree, under which the Company will undertake a Supplemental Environmental Project and pay a civil penalty under the Clean Air Act.

The Company has accrued the total amount of the agreement in principle.

**Tabasco, Mexico.** In late 2016, the National Agency for Industrial Security and the Protection of the Environment for the Hydrocarbon Sector in Mexico ("ASEA") conducted a permit compliance inspection at a hazardous waste treatment facility acquired by one of the Company's subsidiaries in Dos Bocas, Tabasco, Mexico. ASEA subsequently claimed that the soil treatment process described in the facility's treatment permit had not been followed properly and issued an order imposing a fine and directing that the facility be closed and that alleged contamination on a certain portion of the facility be remediated. The Company's subsidiary has engaged a firm of environmental technicians to assess the contamination described in the ASEA order and to conduct a broader environmental assessment of the facility. The Company's review and assessment of the overall facility is ongoing. In November 2017, ASEA rescinded the prior order imposing the fine. After reassessing the evidence and arguments presented, ASEA issued a new resolution on March 9, 2018, containing a lower, revised fine and including remedial obligations. In March 2018, the Company submitted a proposal for remedial measures. On April 26, 2018, the Company appealed the fines in the most recent order.

In December 2018, ASEA approved the Company's remedial plan for the facility, which will involve an amendment to the facility's permit to allow for on-site, in-situ remediation of the one treatment cell subject to ASEA's original order.

In June 2018, the Company instituted both civil and criminal legal proceedings in Mexico against the company from which it acquired the relevant facility, seeking to hold the seller liable for any remediation

as well as lost profits and damages. The defendants named in the civil complaint filed their answers in September 2018 and evidence is being heard in this matter.

The Company has accrued its estimate of the probable loss and costs necessary to comply with the ASEA order and remediate the treatment cell, which are not material.

*Tacoma, Washington.* On October 7, 2019, the State of Washington Department of Ecology ("Washington Ecology") issued an Administrative Order alleging violations of Washington regulations and the facility operating permit for our hazardous waste facility in Tacoma, Washington during 2018 and ordering compliance with Chapter 70.105 Revised Code of Washington, Hazardous Waste Management Act, Chapter 173-303 Washington Administrative code, Dangerous Waste Regulations, and Dangerous Waste Management Facility Permit WAD020257945 effective March 22, 2012. The Administrative Order identified certain alleged violations and associated corrective actions for the Tacoma Facility to take upon receipt of the Order. Washington Ecology also issued an associated Notice of Penalty, assessing a fine of \$1.9 million.

On November 5, 2019, the Company appealed the fine to the state Pollution Control hearings Board. A hearing is scheduled to take place in November, 2020. The Company intends to vigorously defend itself against these allegations.

The Company has accrued its estimate of the probable loss for these collective matters, which is not material.

*Rancho Cordova, California.* On June 25 and 26, 2018, the California Department of Toxic Substances Control ("DTSC") conducted a Compliance Enforcement Inspection of the Company's facility in Rancho Cordova, California. On October 7, 2019, the Company learned that DTSC has referred alleged violations of California's Hazardous Waste Control Law and the facility's hazardous waste permit arising from the inspection to the Environmental Section of the California Attorney General's Office for enforcement.

Separately, on August 15, 2019, the Company received from DTSC a written Intent to Deny Hazardous Waste Facility Permit application for the Rancho Cordova Facility. A public hearing was held on September 22, 2019, and the public comment period closed on October 25, 2019. The Company entered a written submission as part of that process. Next, DTSC will issue a final permit decision. If DTSC were to deny the permit renewal, the Company has the right to file an administrative appeal.

The Company has not accrued any amounts in respect of these alleged violations and cannot estimate the reasonably possible loss or the range of reasonably possible losses that it may incur. The Company is unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable and (ii) in the Company's judgment, the factual and legal allegations asserted by plaintiffs are sufficiently unique that it is unable to identify other proceedings with circumstances sufficiently comparable to provide guidance in making estimates.

*DEA Investigation – Rancho Cordova, California and Indianapolis, Indiana.* On February 11, 2020, the Company received an administrative subpoena from the DEA, which executed a search warrant at the Rancho Cordova facility and an administrative inspection warrant at the Company's facility in Indianapolis, Indiana for materials related to Stericycle's business of shipping and destroying controlled substances. On that same day, agents from the DTSC executed a separate search warrant at the Rancho Cordova facility. The Company is cooperating fully with the DEA and DTSC in response to their investigations of Stericycle, including with the government's activity at the Company's Rancho Cordova and Indianapolis facilities.

The Company has not accrued any amounts in respect of these investigations and cannot estimate the reasonably possible loss or the range of reasonably possible losses that it may incur. The Company is

000468

unable to make such an estimate because (i) litigation is by its nature uncertain and unpredictable and (ii) in the Company's judgment, the factual and legal allegations asserted by plaintiffs are sufficiently unique that it is unable to identify other proceedings with circumstances sufficiently comparable to provide guidance in making estimates.

The Company intends to vigorously defend itself against these allegations and actions.

## NOTE 21 – QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table summarizes our unaudited consolidated quarterly results of operations as reported for 2019 and 2018:

### In millions, except per share data

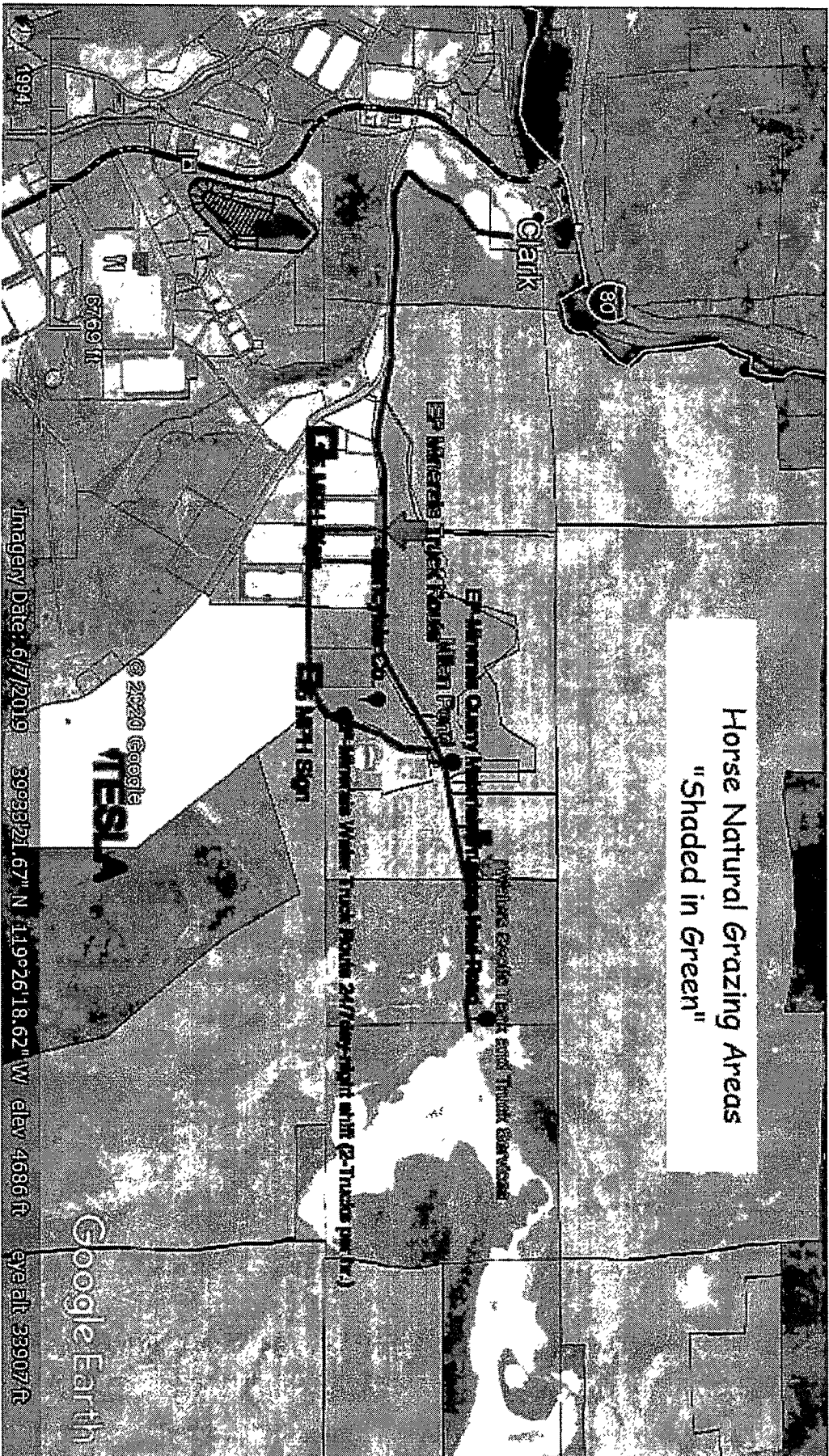
	First Quarter 2019	Second Quarter 2019	Third Quarter 2019	Fourth Quarter 2019	Year 2019
Revenues	\$ 830.1	\$ 845.8	\$ 833.1	\$ 799.9	\$ 3,308.9
Gross profit	297.1	302.6	295.3	279.5	1,174.5
Goodwill impairment	20.9	-	-	207.4	228.3
Divestiture losses, net of (gains)	(5.4)	0.3	83.2	24.9	103.0
Loss on early extinguishment of debt	-	23.1	-	-	23.1
Net loss attributable to Stericycle, Inc. common shareholders	(37.8)	(30.5)	(59.2)	(219.3)	(346.8)
* Basic loss per common share	\$ (0.42)	\$ (0.33)	\$ (0.65)	\$ (2.41)	\$ (3.81)
* Diluted loss per common share	\$ (0.42)	\$ (0.33)	\$ (0.65)	\$ (2.41)	\$ (3.81)

### In millions, except per share data

	First Quarter 2018	Second Quarter 2018	Third Quarter 2018	Fourth Quarter 2018	Year 2018
Revenues	\$ 895.0	\$ 883.3	\$ 854.9	\$ 852.7	\$ 3,485.9
Gross profit	358.5	353.3	335.5	328.7	1,376.0
Goodwill impairment	-	-	-	358.7	358.7
Divestiture losses, net of (gains)	4.1	7.3	1.6	(0.2)	12.8
Net (loss) income attributable to Stericycle, Inc.	22.5	27.7	23.5	(318.4)	(244.7)
Preferred stock dividend	(8.8)	(8.3)	(8.4)	-	(25.5)
Net (loss) income attributable to Stericycle, Inc. common shareholders	21.0	26.6	17.5	(318.4)	(253.3)
* Basic earnings (loss) per common share	\$ 0.25	\$ 0.31	\$ 0.20	\$ (3.51)	\$ (2.91)
* Diluted earnings (loss) per common share	\$ 0.25	\$ 0.31	\$ 0.20	\$ (3.51)	\$ (2.91)

\* EPS calculated on a quarterly basis, and, as such, the amounts may not total the calculated full-year EPS.







FILED

2021 FEB 12 PM 2:16

STOKEY COUNTY CLERK

COPY BY

DEPUTY

CODE NO.

MARY LOU WILSON

Attorney at Law, Bar Number 3329

2064 Regent Street

Reno, Nevada 89509

775-771-8620

Attorney for Petitioner

IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA,

IN AND FOR CARSON CITY

MARY LOU MCSWEENEY-WILSON,  
Petitioner,

vs.

STOKEY COUNTY COMMISSIONERS,

Respondents.

20 OC 00005 1E

Dept. 1

**NOTICE OF ADDITIONAL ARGUMENT UNDER NRS 241.020, TO INCLUDE THE  
LEGISLATIVE HISTORY**

COMES NOW MARY LOU MCSWEENEY-WILSON, and hereby files this Notice of Additional argument under NRS 241.020, to include the legislative history. This material includes Assembly Bill No. 1, Chapter 23, approved February 17, 1960 and Assembly Bill No. 437, Chapter 127, approved May 14, 1977. The statute under NRS 241.020 has been mentioned and discussed already in the Opposition to the State's Motion to Dismiss, filed October 1, 2020, Exhibit 2.

DATED this 12<sup>th</sup> day of February, 2021.

By: Mary Lou Wilson

MARY LOU WILSON

Attorney At Law, Bar #3329

2064 Regent Street, Reno, Nevada 89509

Attorney for Petitioner

775-771-8620

000475

2

3

4

5 By: Mary Lou Wilson  
6 MARY LOU WILSON  
7 Attorney At Law, Bar #3329  
8 2064 Regent Street  
Reno, Nevada 89509  
Attorney for Petitioner

6

7

1

8

1 CERTIFICATE OF SERVICE

2 I, Mary Lou Wilson, hereby affirm that on the 12<sup>th</sup> day of February, 2021, I mailed the  
3 aforementioned document and sent a hard copy to the following parties at the following  
4 addresses through the U.S. Mail:

5 The Storey County Clerk of the Court  
6 26 S. B Street  
7 Drawer D  
8 Virginia City, Nevada 89440

9 Assistant District Attorney Keith Loomis  
10 Storey County District Attorney  
11 201 S C St.  
12 Virginia City, Nevada 89440

13 Commissioners Jay Carmona  
14 and Marshall McBride  
15 P.O. Box 176  
16 26 South B Street  
17 Virginia City, Nevada 89440

18 Stericycle Biohazardous Medical Waste Disposal  
19 c/o McDonald/Carano  
20 100 West Liberty Street  
21 10<sup>th</sup> Floor  
22 Reno, Nevada 89501

23 Office of the Attorney General  
24 100 North Carson Street  
25 Carson City, Nevada 89701-4717

# **NRS 241.020 Meetings to be open and public; size of facilities; limitations on closure of meetings; notice of meetings; copy of materials; exceptions.**

1. Except as otherwise provided by specific statute, all meetings of public bodies must be open and public, and all persons must be permitted to attend any meeting of these public bodies. A meeting that is closed pursuant to a specific statute may only be closed to the extent specified in the statute allowing the meeting to be closed. All other portions of the meeting must be open and public, and the public body must comply with all other provisions of this chapter to the extent not specifically precluded by the specific statute. Public officers and employees responsible for these meetings shall make reasonable efforts to assist and accommodate persons with physical disabilities desiring to attend.

2. If any portion of a meeting is open to the public, the public officers and employees responsible for the meeting must make reasonable efforts to ensure the facilities for the meeting are large enough to accommodate the anticipated number of attendees. No violation of this chapter occurs if a member of the public is not permitted to attend a public meeting because the facilities for the meeting have reached maximum capacity if reasonable efforts were taken to accommodate the anticipated number of attendees. Nothing in this subsection requires a public body to incur any costs to secure a facility outside the control or jurisdiction of the public body or to upgrade, improve or otherwise modify an existing facility to accommodate the anticipated number of attendees.

3. Except in an emergency, written notice of all meetings must be given at least 3 working days before the meeting. The notice must include:

(a) The time, place and location of the meeting.

(b) A list of the locations where the notice has been posted.

(c) The name and contact information for the person designated by the public body from whom a member of the public may request the supporting material for the meeting described in subsection 7 and a list of the locations where the supporting material is available to the public.

(d) An agenda consisting of:

(1) A clear and complete statement of the topics scheduled to be considered during the meeting.

(2) A list describing the items on which action may be taken and clearly denoting that action may be taken on those items by placing the term "for possible action" next to the appropriate item or, if the item is placed on the agenda pursuant to NRS 241.0365, by placing the term "for possible corrective action" next to the appropriate item.

(3) Periods devoted to comments by the general public, if any, and discussion of those comments. Comments by the general public must be taken:

(I) At the beginning of the meeting before any items on which action may be taken are heard by the public body and again before the adjournment of the meeting; or

(II) After each item on the agenda on which action may be taken is discussed by the public body, but before the public body takes action on the item.

→ The provisions of this subparagraph do not prohibit a public body from taking comments by the general public in addition to what is required pursuant to sub-subparagraph (I) or (II). Regardless of whether a public body takes comments from the general public pursuant to sub-subparagraph (I) or (II), the public body must allow the general public to comment on any matter that is not specifically included on the agenda as an action item at some time before adjournment of the meeting. No action may be taken upon a matter raised during a period devoted to comments by the general public until the matter itself has been specifically included on an agenda as an item upon which action may be taken pursuant to subparagraph (2).

(4) If any portion of the meeting will be closed to consider the character, alleged misconduct or professional competence of a person, the name of the person whose character, alleged misconduct or professional competence will be considered.

(5) If, during any portion of the meeting, the public body will consider whether to take administrative action regarding a person, the name of that person.

(6) Notification that:

(I) Items on the agenda may be taken out of order;

(II) The public body may combine two or more agenda items for consideration; and

(III) The public body may remove an item from the agenda or delay discussion relating to an item on the agenda at any time.

(7) Any restrictions on comments by the general public. Any such restrictions must be reasonable and may restrict the time, place and manner of the comments, but may not restrict comments based upon viewpoint.

4. Minimum public notice is:

(a) Posting a copy of the notice at the principal office of the public body or, if there is no principal office, at the building in which the meeting is to be held, and at not less than three other separate, prominent places within the jurisdiction of the public body not later than 9 a.m. of the third working day before the meeting;

(b) Posting the notice on the official website of the State pursuant to NRS 232.2175 not later than 9 a.m. of the third working day before the meeting is to be held, unless the public body is unable to do so because of technical problems relating to the operation or maintenance of the official website of the State; and

(c) Providing a copy of the notice to any person who has requested notice of the meetings of the public body. A request for notice lapses 6 months after it is made. The public body shall inform the requester of this fact by enclosure with, notation upon or text included within the first notice sent. The notice must be:

(1) Delivered to the postal service used by the public body not later than 9 a.m. of the third working day before the meeting for transmittal to the requester by regular mail; or

(2) If feasible for the public body and the requester has agreed to receive the public notice by electronic mail, transmitted to the requester by electronic mail sent not later than 9 a.m. of the third working day before the meeting.

5. For each of its meetings, a public body shall document in writing that the public body complied with the minimum public notice required by paragraph (a) of subsection 4. The documentation must be prepared by every person who posted a copy of the public notice and include, without limitation:

(a) The date and time when the person posted the copy of the public notice;

(b) The address of the location where the person posted the copy of the public notice; and

(c) The name, title and signature of the person who posted the copy of the notice.

6. If a public body maintains a website on the Internet or its successor, the public body shall post notice of each of its meetings on its website unless the public body is unable to do so because of technical problems relating to the operation or maintenance of its website. Notice posted pursuant to this subsection is supplemental to and is not a substitute for the minimum public notice required pursuant to subsection 4. The inability of a public body to post notice of a meeting pursuant to this subsection as a result of technical problems with its website shall not be deemed to be a violation of the provisions of this chapter.

7. Upon any request, a public body shall provide, at no charge, at least one copy of:

(a) An agenda for a public meeting;

(b) A proposed ordinance or regulation which will be discussed at the public meeting; and

(c) Subject to the provisions of subsection 8 or 9, as applicable, any other supporting material provided to the members of the public body for an item on the agenda, except materials:

(1) Submitted to the public body pursuant to a nondisclosure or confidentiality agreement which relates to proprietary information;

(2) Pertaining to the closed portion of such a meeting of the public body; or

(3) Declared confidential by law, unless otherwise agreed to by each person whose interest is being protected under the order of confidentiality.

➔ The public body shall make at least one copy of the documents described in paragraphs (a), (b) and (c) available to the public at the meeting to which the documents pertain. As used in this subsection, "proprietary information" has the meaning ascribed to it in NRS 332.025.

8. Unless it must be made available at an earlier time pursuant to NRS 288.153, a copy of supporting material required to be provided upon request pursuant to paragraph (c) of subsection 7 must be:

(a) If the supporting material is provided to the members of the public body before the meeting, made available to the requester at the time the material is provided to the members of the public body; or

(b) If the supporting material is provided to the members of the public body at the meeting, made available at the meeting to the requester at the same time the material is provided to the members of the public body.

➔ If the requester has agreed to receive the information and material set forth in subsection 7 by electronic mail, the public body shall, if feasible, provide the information and material by electronic mail.

9. Unless the supporting material must be posted at an earlier time pursuant to NRS 288.153, the governing body of a county or city whose population is 45,000 or more shall post the supporting material described in paragraph (c) of subsection 7 to its website not later than the time the material is provided to the members of the governing body or, if the supporting material is provided to the members of the governing body at a meeting, not later than 24 hours after the conclusion of the meeting. Such posting is supplemental to the right of the public to request the supporting material pursuant to subsection 7. The inability of the governing body, as a result of technical problems with its website, to post supporting material pursuant to this subsection shall not be deemed to be a violation of the provisions of this chapter.

10. A public body may provide the public notice, information or supporting material required by this section by electronic mail. Except as otherwise provided in this subsection, if a public body makes such notice, information or supporting material available by electronic mail, the public body shall inquire of a person who requests the notice, information or supporting material if the person will accept receipt by electronic mail. If a public body is required to post the public notice, information or supporting material on its website pursuant to this section, the public body shall inquire of a person who requests the notice, information or supporting material if the person will accept by electronic mail a link to the posting on the website when the documents are made available. The inability of a public body, as a result of technical problems with its electronic mail system, to provide a public notice, information or supporting material or a link to a website required by this section to a person who has agreed to receive such notice, information, supporting material or link by electronic mail shall not be deemed to be a violation of the provisions of this chapter.

11. As used in this section, "emergency" means an unforeseen circumstance which requires immediate action and includes, but is not limited to:

(a) Disasters caused by fire, flood, earthquake or other natural causes; or

(b) Any impairment of the health and safety of the public.

(Added to NRS by 1960, 25; A 1977, 1099, 1109; 1979, 97; 1989, 570; 1991, 785; 1993, 1356, 2636; 1995, 562, 1608; 2001, 2395; 2003, 488; 2005, 2243; 2007, 1122; 2009, 2288; 2011, 2386, 2838; 2013, 729, 1884; 2015, 329, 1056; 2019, 3621)

000475

## Assembly Bill No. 1—Mr. Evans

## CHAPTER 23

ACT relating to meetings of state and local agencies, meetings of boards of county commissioners, city councils of incorporated cities, boards of trustees of school districts and meetings of the board of regents of the University of Nevada; declaring the public policy on the subject; requiring that all such meetings shall be open and public; providing for executive sessions; providing penalties; to amend Title 19 of NRS, relating to miscellaneous matters related to government and public affairs, by creating a new chapter relating to meetings of state and local agencies; to amend NRS section 244.080, relating to meetings of boards of county commissioners; to amend chapter 268 of NRS, relating to powers and duties common to cities and towns incorporated under general or special laws, by creating a new provision relating to meetings of city councils; to amend chapter 386 of NRS, relating to local administrative organization of the public schools, by creating a new provision relating to meetings of boards of trustees of school districts; to amend NRS section 396.100, relating to meetings and records of the board of regents of the University of Nevada; and by providing other matters properly relating thereto.

[Approved February 17, 1960]

*The People of the State of Nevada, represented in Senate and Assembly,  
do enact as follows:*

SECTION 1. Title 19 of NRS is hereby amended by adding thereto a new chapter to consist of the provisions set forth in sections 2 to 5, inclusive, of this act.

SEC. 2. In enacting this chapter, the legislature finds and declares that all public agencies, commissions, bureaus, departments, public corporations, municipal corporations and quasi-municipal corporations and political subdivisions exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

SEC. 3. Except as otherwise provided in section 4, all meetings of public agencies, commissions, bureaus, departments, public corporations, municipal corporations and quasi-municipal corporations and political subdivisions shall be open and public, and all persons shall be permitted to attend any meeting of these bodies.

SEC. 4. Nothing contained in this chapter shall be construed to prevent the legislative body of a public agency, commission, bureau, department, public corporation, municipal corporation, quasi-municipal corporation or political subdivision from holding executive sessions to consider the appointment, employment or dismissal of a public officer or employee or to hear complaints or charges brought against such officer or employee by another public officer, person or employee unless such officer or employee requests a public hearing.

↓1960 Statutes of Nevada, Page 26 (CHAPTER 23, AB 1)↓

employee or to hear complaints or charges brought against such officer or employee by another public officer, person or employee unless such officer or employee requests a public hearing. The legislative body also may exclude from any such public or private meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.

SEC. 5. A violation of any of the provisions of this chapter or the wrongful exclusion of any person or persons from any meeting for which provision is made in this chapter is a misdemeanor.

SEC. 6. NRS 244.080 is hereby amended to read as follows:

244.080 1 In enacting this section, the legislature finds and declares that the boards of county commissioners exist to aid in the conduct of the people's business. It is the intent of this section that their actions be taken openly and that their deliberations be conducted openly.

2. [All] Except as otherwise provided in subsection 3, all sessions of the board shall be open and public [.] , and all persons shall be permitted to attend any meeting of the board.

3. Nothing contained in this section shall be construed to prevent the board of county commissioners from holding executive sessions to consider the appointment, employment or dismissal of a public officer or employee or to hear complaints or charges brought against such officer or employee by another public officer, person or employee unless such officer or employee requests a public hearing. A board of county commissioners also may exclude from any such public or private meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the board of county commissioners.

4. A violation of any of the provisions of this section or the wrongful exclusion of any person or persons from any meeting for which provision is made in this section is a misdemeanor.

SEC. 7. Chapter 268 of NRS is hereby amended by adding thereto a new section which shall read as follows:

1. In enacting this section, the legislature finds and declares that the city councils or other governing bodies of incorporated cities in this state, whether incorporated under the provisions of chapters 266 or 267 of NRS or under the provisions of a special act, exist to aid in the conduct of the people's business. It is the intent of this section that their actions be taken openly and that their deliberations be conducted openly.

2. Except as otherwise provided in subsection 3, all meetings of city councils or other governing bodies of incorporated cities in this state shall be open and public, and all persons shall be permitted to attend any meeting of the city council or other governing body.

3. Nothing contained in this section shall be construed to prevent the city council or other governing body from holding executive sessions to consider the appointment, employment or dismissal of a public officer or employee or to hear complaints or charges brought against such officer or employee by another public officer, person or employee unless such officer or employee requests a public hearing. A city council or other governing body also may exclude from any such public or private meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the city council or other governing body.

000480

Assembly Bill No. 437—Assemblymen Murphy, Dini, Vergiels, Westall, Barengo, Kosinski, Price, Gomes, Mann, Horn, Craddock, Demers, Mello, Kissam, Banner, Robinson, Goodman, Polish, Bremner, Sena, Serpa, Harmon, Wagner and Coulter

## CHAPTER 527

AN ACT relating to meetings of public bodies; establishing additional requirements for open meetings; providing exceptions; providing penalties; and providing other matters properly relating thereto.

[Approved May 14, 1977]

*The People of the State of Nevada, represented in Senate and Assembly,  
do enact as follows:*

SECTION 1. Chapter 241 of NRS is hereby amended by adding thereto the provisions set forth as sections 1.3 and 1.5 of this act.  
SEC. 1.3. *As used in this chapter:*

### ↓1977 Statutes of Nevada, Page 1099 (CHAPTER 527, AB 437)↓

1. "Meeting" means the gathering of members of a public body at which a quorum is present to deliberate toward a decision or to make a decision on any matter over which the public body has supervision, control, jurisdiction or advisory power.

2. Except as otherwise provided in this subsection, "public body" means any administrative, advisory, executive or legislative body of the state or a local government which expends or disburses or is supported in whole or in part by tax revenue or which advises or makes recommendations to any entity which expends or disburses or is supported in whole or in part by tax revenue, including but not limited to any board, commission, committee, subcommittee or other subsidiary thereof. "Public body" does not include the legislature of the State of Nevada.

3. "Quorum" means a simple majority of the constituent membership of a public body or another proportion established by law.

SEC. 1.5. 1. Each public body shall keep written minutes of each of its meetings, including:

(a) The date, time and place of the meeting.

(b) Those members of the body who were present and those who were absent.

(c) The substance of all matters proposed, discussed or decided and, at the request of any member, a record of each member's vote on any matter decided by vote.

(d) Any other information which any member of the body requests to be included or reflected in the minutes.

2. Minutes of public meetings are public records and shall be made available for inspection by the public within a reasonable time after the adjournment of the meeting at which taken. Minutes of meetings closed pursuant to NRS 241.030 become public records when the body determines that the matters discussed no longer require confidentiality and the person whose character, conduct, competence or health was discussed has consented to their disclosure. That person is entitled to a copy of the minutes upon request whether or not they become public records.

3. All or part of any meeting of a public body may be recorded on audio tape or any other means of sound reproduction if it is a public meeting so long as this in no way interferes with the conduct of the meeting.

SEC. 2. NRS 241.010 is hereby amended to read as follows:

241.010 In enacting this chapter, the legislature finds and declares that all public [agencies, commissions, bureaus, departments, public corporations, municipal corporations and quasi-municipal corporations and political subdivisions] bodies exist to aid in the conduct of the people's business. It is the intent of the law that their actions be taken openly and that their deliberations be conducted openly.

SEC. 3. NRS 241.020 is hereby amended to read as follows:

241.020 1. Except as otherwise [provided in NRS 241.030] specifically provided by statute, all meetings of public [agencies, commissions, bureaus, departments, public corporations, municipal corporations and quasi-municipal corporations and political subdivisions] bodies shall be open and public, and all persons shall be permitted to attend any meeting of these bodies.

2. Except in an emergency, written notice of all meetings shall be given at least 3 working days before the meeting.

### ↓1977 Statutes of Nevada, Page 1100 (CHAPTER 527, AB 437)↓

given at least 3 working days before the meeting. The notice shall include the time, place, location and agenda of the meeting.

3. Minimum public notice is:

(a) A copy of the notice posted at the principal office of the public body, or if there is no principal office, at the building in which the meeting is to be held and at least three other separate, prominent places within the jurisdiction of the public body; and

(b) Mailing a copy of the notice to any person who has requested notice of the meetings of the body in the same manner in which notice is required to be mailed to a member of the body. A request for notice lapses 6 months after it is made. The public body shall inform the requester of this fact by enclosure with or notation upon the first notice sent.

4. As used in this section, "emergency" means an unforeseen circumstance which requires immediate action and includes, but is not limited to:

(a) Disasters caused by fire, flood, earthquake or other natural causes; or

(b) Any impairment of the health and safety of the public.

SEC. 4. NRS 241.030 is hereby amended to read as follows:

241.030 1. Nothing contained in this chapter [shall be construed to prevent the legislative body of] prevents a public [agency, commission, bureau, department, public corporation, municipal corporation, quasi-municipal corporation or political subdivision from holding executive sessions to consider the appointment, employment or dismissal of a public officer or employee or to hear complaints or charges brought against such officer or employee by another public officer, person or employee unless such officer or employee requests a public hearing. The legislative body also may exclude from any such public or private meeting, during the examination of a witness, any or all other witnesses in the matter being investigated by the legislative body.] body from holding a closed meeting to consider the character, alleged misconduct, professional competence, or physical or mental health of a person.

2. A public body may close a meeting upon a motion which specifies the nature of the business to be considered.

000481

## 3. This chapter does not:

- (a) Apply to judicial proceedings, except those at which consideration of rules or deliberation upon the issuance of administrative orders are conducted.
  - (b) Prevent the removal of any person who willfully disrupts a meeting to the extent that its orderly conduct is made impractical.
  - (c) Prevent the exclusion of witnesses from a public or private meeting during the examination of another witness.
  - (d) Require that any meeting be closed to the public.
  - (e) Permit a closed meeting for the discussion of the appointment of any person to public office or as a member of a public body.
4. The exception provided by this section, and electronic communication, shall not be used to circumvent the spirit or letter of this chapter in order to discuss or act upon a matter over which the public body has supervision, control, jurisdiction or advisory powers.

SEC. 5. NRS 241.040 is hereby amended to read as follows:

241.040 [A violation of any of the provisions of this chapter or the wrongful exclusion of any person or persons from any meeting for which provision is made in this chapter is a misdemeanor.]

↓1977 Statutes of Nevada, Page 1101 (CHAPTER 527, AB 437)↓

wrongful exclusion of any person or persons from any meeting for which provision is made in this chapter is a misdemeanor.] 1. Each member of a public body who attends a meeting of that public body where action is taken in violation of any provision of this chapter, with knowledge of the fact that the meeting is in violation thereof, is guilty of a misdemeanor.

- 2. Wrongful exclusion of any person or persons from a meeting is a misdemeanor.
- 3. A member of a public body who attends a meeting of that public body at which action is taken in violation of this chapter is not the accomplice of any other member so attending.
- 4. The attorney general shall investigate and prosecute any violation of this chapter.
- 5. Any person denied a right conferred by this chapter may commence a suit in the district court of the district in which the public body ordinarily holds its meetings or in which the plaintiff resides. A suit may seek to require compliance with or prevent violations of this chapter or to determine the applicability of this chapter to discussions or decisions of the public body.
- 6. The court may order payment of reasonable attorney's fees and court costs to a successful plaintiff in a suit brought under this section.
- 7. The board of regents of the University of Nevada shall establish for the student governments within the University of Nevada System requirements equivalent to those of this chapter, and shall provide for their enforcement.

000454



Subpoenas:

1. Larry Huddleson, Homeowner's Board for Rainbow Bend and Canyon General Improvement District Board for Rainbow Bend, address is 306 Ave De La Couleurs, Sparks, Nevada 89434, 775-301-0306;

Would be able to testify that there were no postings at the Canyon General Improvements District since March, 2020, because the office was closed per the governor's order. Would be able to identify the Canyon General Improvement District location, which is housed in the same location as the Senior Center. Would be able to testify that the Senior Center has also been closed to the public since March, 2020, because of the governor's order.

Would be able to identify photographs of the Canyon General Improvement District office, which is also where the Senior Center is located within the same building.

2. Scott Martin, Chief of Security for Rainbow Bend Community, 7445 Estates Road, Reno, Nevada 89506, 775-745-6272.

Would be able to testify that he never received any request for posting or did any posting at the Rainbow Bend Clubhouse, which has been closed since March, 2020, pursuant to the governor's stay at home order.

Will be able to identify photographs of the area of Rainbow Bend, Lockwood Correctional Corporation, Rainbow Bend Clubhouse, and surrounding areas.

3. Phillip Hilton, resident of Rainbow Bend, ran for Commissioner against Lance Gilman, resides at 382 Rue De La Rouge, Sparks, Nevada 89434, 775-745-6272.

Will be able to testify regarding the lack of Notice provided at the Clubhouse, Senior Center, and Canyon General Improvement District, because of the governor's stay at home order since March, 2020.

000484

FILED

2020 NOV 32 AM 9:37

STOREY COUNTY CLERK  
BY *[Signature]*  
DEPUTY



*Wilson  
Copy*

1 CODE NO.  
2 MARY LOU WILSON  
3 Attorney at Law, Bar Number 3329  
4 2064 Regent Street  
5 Reno, Nevada 89509  
6 775-771-8620  
7 Attorney for Petitioner



8 IN THE FIRST JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA,  
9  
10 IN AND FOR CARSON CITY

11 MARY LOU SWEENEY-WILSON, ET. AL.,  
12 HOMEOWNERS OF RAINBOW BEND COMMUNITY,  
13 AND STOREY COUNTY RESIDENTS,  
14 Petitioners,

15 vs.

16 STOREY COUNTY COMMISSIONERS,  
17  
18 Respondents.

CR 20 OC 00067 E

Dept. 1

19 NOTICE OF WITNESSES AND EXHIBITS FOR HEARING

20 COMES NOW PETITIONER, and hereby provides Notice of Witnesses and Exhibits for  
21 hearing in the above-entitled action.

22 On November 16, 2020, this Court filed an Order Setting Hearing in the above-entitled action.  
23 Petitioner files a Motion to Continue the date of December 18, 2020 because of holiday travel to  
24 Florida.

25 In anticipation of the hearing, Petitioner has determined that three witnesses need to be called  
to discuss the lack of Notice to the areas of Rainbow Bend and Lowwood Community  
Corporation and photographs of the areas where Notice would have been located had not the  
Governor's Order to stay at home not been in place.

1 Will be able to testify that he had also checked at the Lockwood Fire Station, located at  
2 Lockwood Community Corporation and was unable to see any postings.

3 Will be able to testify that he had also checked at the Virginia City Courthouse, Virginia  
4 City Post Office, and Mark Twain area and never saw any postings until recently.

5 Will testify that he had campaigned within Storey County because of the run for  
6 commissioner against Lance Gilman and would advise Petitioner that there were no  
7 postings in the areas of Storey County for Planning Commission meetings or  
8 Commissioner's meetings until recently.

9 Will be able to identify all photographs of the areas.

10  
11 Photographs:

12 Exhibit 1, Gully between residences of Rainbow Bend, Lockwood, Nevada;

13 Exhibit 2, Bridge over to Lockwood Community Corporation;

14 Exhibit 3, Trailer homes at Lockwood Community Corporation;

15 Exhibit 4, Lockwood Community Senior Center, 800 Peri Ranch Road, also houses the  
16 Canyon General Improvement District;

17 Exhibit 5, Looking into the window of the Senior Center, which has been closed since March,  
18 2020;

19 Exhibit 6, Canyon General Improvement District Agenda for the Board of Trustees,  
20 November 17, 2020, but building part of the senior center, which is closed to the public since  
21 March, 2020;

22 Exhibit 7, Canyon General Improvement District window looking through screen at the  
23 Storey County Board of County Commissioners Meeting November 16, 2020. Agenda, which  
24

5  
000485

1 has only recently been posted and has not had any postings since March, 2020, because of the  
2 governor's stay at home order;

3 Exhibit 8, Rainbow Bend Clubhouse, closed since March, 2020;

4 Exhibit 9, Rainbow Bend Clubhouse Notice of Closure until further Notice, except to drop off  
5 payment within the double door area of ten feet by ten feet through a mail slot;

6 Exhibit 10, Rainbow Bend Clubhouse Notice that all Social Club Events Remain Cancelled  
7 until further Notice from our Governor, due to the CDC Warning to Keep Social Distances as of  
8 March 10, 2020;

9 Exhibit 11, Rainbow Bend Clubhouse Remains Closed For Now, Awaiting Clear Direction  
10 from CAMCO and Attorney, Information on Re-Opening will be Posted Soon.

11 These witnesses and photographs are provided in anticipation of the hearing regarding  
12 Motions to Dismiss based upon lack of standing, Oppositions to Motions to Dismiss, and Replies  
13 to Oppositions to Motions to Dismiss.

14 Should the Court wish to have broader discussion of the merits of the commissioner's vote or  
15 substantive argument regarding Stericycle, Petitioner will provide a broader scope of witnesses  
16 and exhibits upon request.

17 DATED this 2<sup>nd</sup> day of December, 2020.

18  
19 *Mary Lou Wilson*  
20 MARY LOU WILSON  
21 Attorney At Law, Bar #3329  
22 2064 Regent Street,  
23 Reno, Nevada 89509  
24 Attorney for Petitioner  
25 (775) 771-8620

AFFIRMATION PURSUANT TO NRS 239B.030

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

DATED this 2<sup>nd</sup> day of December, 2020

*Mary Lou Wilson*  
MARY LOU WILSON  
Attorney At Law, Bar #3329  
2064 Regent Street  
Reno, Nevada 89509  
Attorney for Petitioner  
775-771-8620

1 CERTIFICATE OF SERVICE

2 I, Mary Lou Wilson, hereby affirm that on the 2<sup>nd</sup> day of December, 2020, I mailed the  
3 aforementioned document and sent a hard copy to the following parties at the following  
4 addresses through the U.S. Mail:

5 The Storey County Clerk of the Court  
6 26 S. B Street  
7 Drawer D  
8 Virginia City, Nevada 89440

9 Mr. Keith Loomis  
10 Chief Deputy Storey County District Attorney's Office  
11 201 S C St.  
12 Virginia City, Nevada 89440

13 Commissioners Jay Carmona  
14 and Marshall McBride  
15 P.O. Box 176  
16 26 South B Street  
17 Virginia City, Nevada 89440

18 McDonald/Carano Law Firm  
19 For Stericycle Biohazardous Medical Waste Disposal  
20 100 Liberty Street  
21 10<sup>th</sup> Floor, Suite 1000  
22 Reno, Nevada 89501

23 Office of the Attorney General  
24 100 North Carson Street  
25 Carson City, Nevada 89701-4717

000488

1 Exhibits in Support of Notice of Witnesses and Photographs

2 Exhibit 1, Gully between residences of Rainbow Bend, Lockwood, Nevada;

3 Exhibit 2, Bridge over to Lockwood Community Corporation;

4 Exhibit 3, Trailer homes at Lockwood Community Corporation;

5 Exhibit 4, Lockwood Community Senior Center, 800 Peri Ranch Road, also houses the  
6 Canyon General Improvement District;

7 Exhibit 5, Looking into the window of the Senior Center, which has been closed since March,  
8 2020;

9 Exhibit 6, Canyon General Improvement District Agenda for the Board of Trustees,  
10 November 17, 2020, but building part of the senior center, which is closed to the public since  
11 March, 2020;

12 Exhibit 7, Canyon General Improvement District window looking through screen at the  
13 Storey County Board of County Commissioners Meeting November 16, 2020, Agenda, which  
14 has only recently been posted and has not had any postings since March, 2020, because of the  
15 governor's stay at home order;

16 Exhibit 8, Rainbow Bend Clubhouse, closed since March, 2020;

17 Exhibit 9, Rainbow Bend Clubhouse Notice of Closure until further Notice, except to drop off  
18 payment within the double door area of ten feet by ten feet through a mail slot;

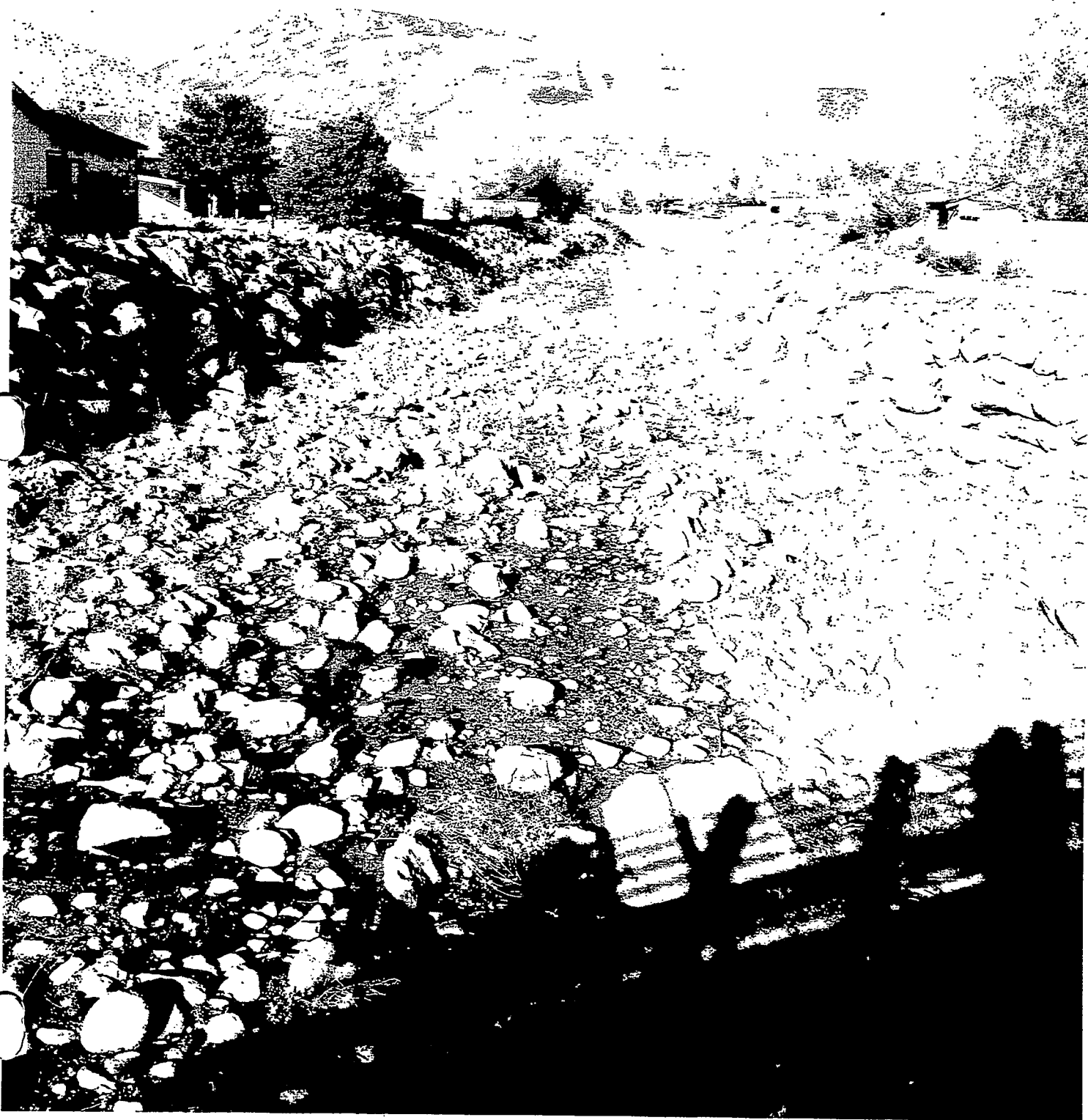
19 Exhibit 10, Rainbow Bend Clubhouse Notice that all Social Club Events Remain Cancelled  
20 until further Notice from our Governor, due to the CDC Warning to Keep Social Distances as of  
21 March 10, 2020;

22 Exhibit 11, Rainbow Bend Clubhouse Remains Closed For Now, Awaiting Clear Direction  
23 from CAMCO and Attorney, Information on Re-Opening will be Posted Soon.  
24  
25

EXHIBIT 1

EXHIBIT 1

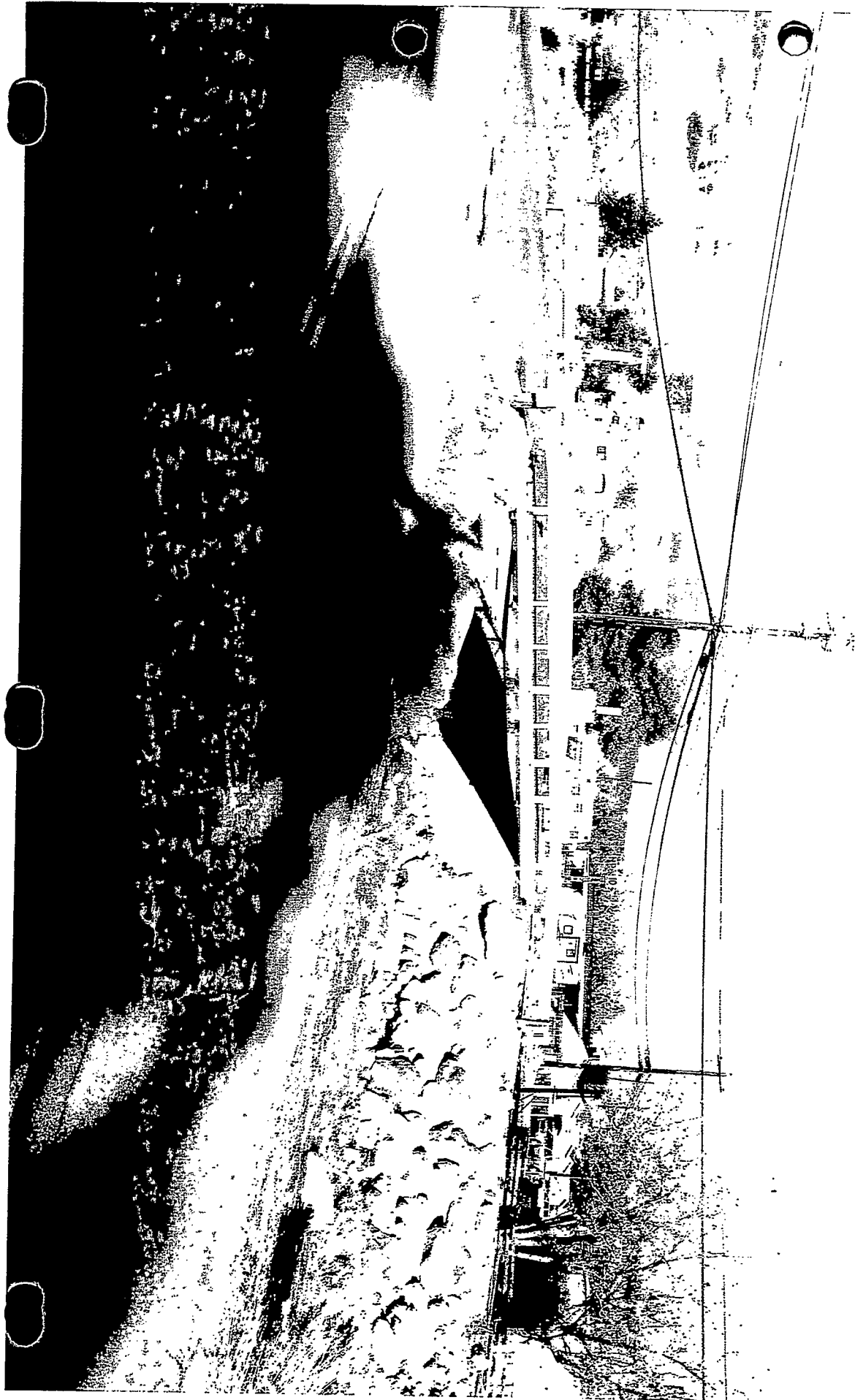




000491

EXHIBIT 2

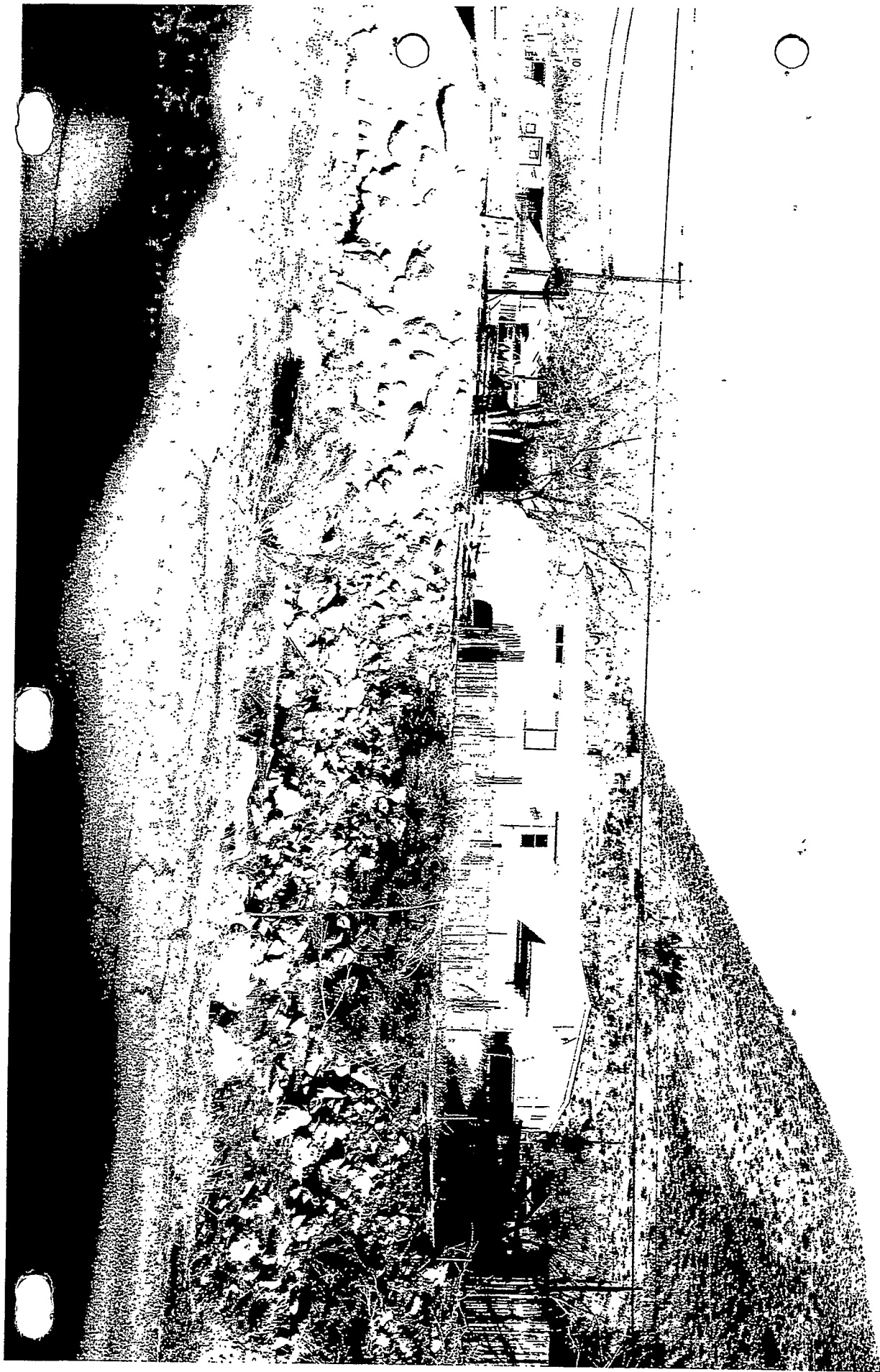
EXHIBIT 2



000493

# EXHIBIT 3

# EXHIBIT 3



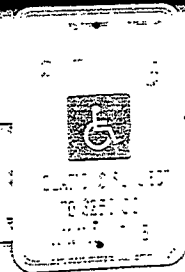
000495

EXHIBIT 4

EXHIBIT 4

# **LOCKWOOD COMMUNITY/SENIOR CENTER**

800 Peri Ranch Road

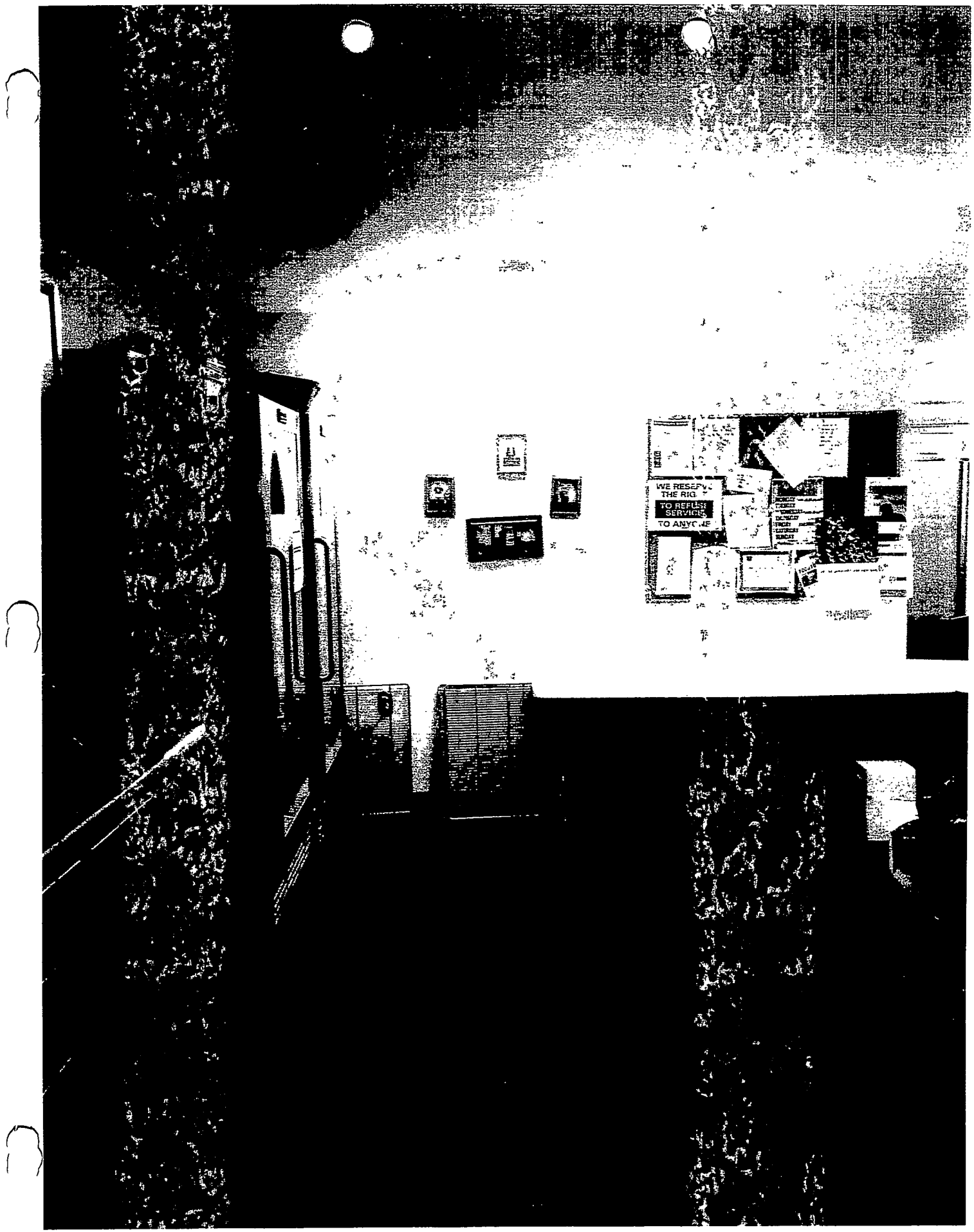


000497

EXHIBIT 5

EXHIBIT 5





WE RESERVE THE RIGHT TO REFUSE SERVICE TO ANYONE

1. NAME \_\_\_\_\_

2. ADDRESS \_\_\_\_\_

3. CITY \_\_\_\_\_

4. STATE \_\_\_\_\_

5. ZIP \_\_\_\_\_

6. PHONE \_\_\_\_\_

7. EMAIL \_\_\_\_\_

8. OCCUPATION \_\_\_\_\_

9. INTERESTS \_\_\_\_\_

10. COMMENTS \_\_\_\_\_

EXHIBIT 6

EXHIBIT 6

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

Tracie Lindeman  
Clerk of the Nevada Supreme Court  
201 South Carson Street  
Carson City, Nevada 89701

The Honorable Judge James Todd Russell  
The First Judicial District Court  
Department 1  
885 East Musser Street  
Carson City, Nevada 89701

Stericycle Inc.  
c/o Michael Pagni  
Chelsea Latino  
McDonald/Carano  
100 W. Liberty St.  
10<sup>th</sup> Floor  
Reno, Nevada 89501