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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF LOS ANGELES
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15 **THE PEOPLE OF THE STATE OF CALIFORNIA,**

16 Plaintiff,

17 v.

18 **SEDERA, INC., ET AL.**

19 Defendants.
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Case No. 25STCV07315

**STIPULATION FOR ENTRY
OF FINAL JUDGMENT AND
PERMANENT INJUNCTION**

**EXHIBIT A [PROPOSED]
FINAL JUDGMENT**

21 Plaintiff, the People of the State of California (“Plaintiff” or “People”), appearing through
22 its attorney, Rob Bonta, Attorney General of the State of California, by Supervising Deputy
23 Attorney General Kathleen Boergers and Deputy Attorneys General Ari Dybnis, Anna Molander,
24 and Stephanie Yu, and Defendants Sedera, Inc. (“Sedera, Inc.”) and Sedera Medical Cost Sharing
25 Community, LLC (“SMCSC”) (collectively, “Sedera” or “Defendants”), appearing through their
26 attorney, (collectively, the “Parties”) stipulate as follows:

- 27 1. The Final Judgment and Permanent Injunction ("Judgment"), a copy of which is
28

1 attached as Exhibit A, may be entered in this matter, and said entry of judgment may be ordered
2 by a Judge of the Superior Court. The Parties hereby stipulate and agree that the Judgment
3 includes an injunction under Business and Professions Code section 17203.

4 2. Concurrently with the filing of this Stipulation, the People have filed their
5 Complaint in the matter alleging that Defendants committed violations of Business and
6 Professions Code section 17200, among other statutes. By entering into this Stipulation,
7 Defendants do not admit any facts or legal claims alleged in the Complaint, and are settling this
8 matter for the sake of resolution. Nothing in this Stipulation or this Judgment shall constitute
9 evidence of or an admission by Defendants regarding any issue of law or fact alleged by the
10 People.

11 3. This Court has jurisdiction over the subject matter of this action and the
12 Defendants; venue is proper in this County; and this Court has jurisdiction to enter this Judgment.

13 4. The terms of this Judgment shall be governed by the laws of the State of
14 California.

15 5. The Parties waive their right to move to set aside the Judgment through any
16 collateral attack, and further waive their right to appeal from the Judgment. Nothing herein shall
17 waive any right to appeal from any decision in connection with a future effort to enforce the
18 Judgment.

19 6. The People may submit the Judgment to any judge or commissioner of the Court
20 for approval and signature, including during the Court's ex parte calendar or on any other ex parte
21 basis. Defendants waive their right to any personal notice of any such ex parte submission of the
22 Judgment to the Court.

23 7. The Parties are represented by counsel and have agreed on a basis for settlement of
24 the matters alleged in the People's Complaint. The Parties agree to entry of the Judgment without
25 the need for trial, discovery in this action, or adjudication of any issue of law or fact. Each party
26 and signatory to this stipulation represents that it freely and voluntarily enters into this judgment
27 without any degree of duress or compulsion. Defendants acknowledge that they are able to abide
28 by the provisions of the Judgment. Defendants further acknowledge that a violation of the

1 Judgment may result in additional relief under Business & Professions Code section 17207.

2 8. The Parties agree and acknowledge that the Judgment does not constitute an
3 approval by the Attorney General of any of Defendants' business practices. Further, none of the
4 Defendants, nor anyone acting on any of their behalf, shall state or imply, or cause to be stated or
5 implied, that the California Attorney General or any other governmental unit of California has
6 approved, sanctioned, or authorized any practice, act, advertisement or conduct by Defendants.

7 9. Defendants will accept service of any Notice of Entry of Judgment entered in this
8 action by email and agree that email delivery of the Notice of Entry of Judgment upon any
9 Defendant will be deemed personal service upon that Defendant for all purposes.

10 10. Undersigned counsel for the People represents and warrants that he or she is fully
11 authorized to execute this Judgment on behalf of the People. Undersigned counsel for the
12 Defendants represents and warrants that he or she is fully authorized to execute this Judgment on
13 behalf of each of the Defendants that they represent.

14 11. This Judgment shall take effect immediately upon the entry thereof.

15 12. This Stipulation may be executed in counterparts, and the Parties agree that a
16 facsimile or scanned signature shall have the same force and effect as an original signature.

17 Dated: 3/6/2025
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Respectfully Submitted,

19 ROB BONTA
Attorney General of California

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21 BY: ARI DYBNIS
22 Deputy Attorney General
23 *Attorney for Plaintiff*
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Dated: 03/03/2025



MEGHAN STOPPEL
*Attorney for Defendant
Sedera, Inc.*

Dated: 03/05/2025




Jonathan Green (Mar 5, 2025 14:01 CST)

On behalf of Defendant Sedera, Inc.

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Dated: 3/5/2025


GABRIEL COLWELL
Attorney for Defendant
Sedera Medical Cost Sharing Community,
LLC

Dated: 3/5/2025

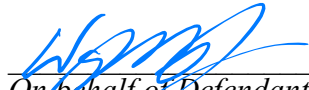

On behalf of Defendant
Sedera Medical Cost Sharing
Community, LLC

EXHIBIT A

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

THE PEOPLE OF THE STATE OF CALIFORNIA,

Plaintiffs,

v.

**SEDERA, INC. AND SEDERA MEDICAL COST
SHARING COMMUNITY, LLC**

Defendants.

Case No. 25STCV07315

**[PROPOSED] FINAL
JUDGMENT AND
PERMANENT INJUNCTION**

1 Plaintiff, the People of the State of California (“Plaintiff” or “People”), has filed a
2 Complaint for permanent injunction and other relief in this matter, alleging that Defendants
3 Sedera, Inc. (“Sedera, Inc.”) and Sedera Medical Cost Sharing Community, LLC (“SMCSC”)
4 (collectively, “Defendants”) violated California Business and Professions Code section 17200 et
5 seq. and 17500 et seq. Plaintiff, by its counsel, and Defendants, appearing through counsel, have
6 agreed to the entry of this Final Judgment (“Judgment”) by the Court without the taking of proof
7 and without trial or adjudication of any fact or law, without this Judgment constituting evidence
8 of or an admission by Defendants regarding any issue of law or fact alleged in the Complaint, and
9 with all parties having waived their right to appeal. The Court having considered the matter and
10 good cause appearing states as follows:
11

12 **IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:**

13
14 **I. PARTIES AND JURISDICTION**

15 1. This Court has jurisdiction over the subject matter of the People’s Complaint filed
16 in this action and over Defendants, and is the proper venue for this action.

17 **II. DEFINITIONS**

18 2. For the purposes of this judgment:

19 a. “Defendants” mean defendants Sedera, Inc. and Sedera Medical Cost
20 Sharing Community, LLC, collectively.

21 b. “Member” means a current or former enrollee in a Sedera Membership
22 that resided in California during the period of their membership.

23 c. “Plaintiff” or “People” means Plaintiff the People of the State of
24 California.

25 d. “Sedera Membership” means any membership sold, advertised, marketed,
26 or operated at any time, under the “Sedera” brand name.
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1 **III. COMPLIANCE PROVISIONS**

2 3. Pursuant to California Business and Professions Code sections 17203 and 17535,
3 the Defendants (including any assignees and successors) and, to the extent acting on behalf of
4 Defendants (or any successor or assignee), any officers, directors, shareholders, employees,
5 representatives (other than legal counsel), affiliates, parents, subsidiaries, operating companies, or
6 other affiliated entities that are working under contract to provide any type of services to
7 Defendants subsequent to their entering into this agreement, are hereby permanently enjoined and
8 restrained from engaging, directly or indirectly, in the following acts or practices:

9 a. Engaging, presently or at any time in the future, in any marketing or
10 advertising of any Sedera Membership, in California or aimed at any California resident.

11 b. Engaging, presently or at any time in the future, in the sale, enrollment,
12 subscription, or operation, commercial or otherwise, of any Sedera Membership, in California or
13 aimed at any California resident.

14 c. Intentionally directing, referring, or soliciting current or former California
15 Member to, or for, any product, service, person or entity. Notwithstanding this prohibition,
16 Defendants are not prohibited from directly providing services to any former Sedera Member who
17 independently requests such services from Defendants.

18 d. Transferring any assets, liability, membership, or operations of Sedera
19 Memberships, following entry of this Judgment, without conditioning the transfer upon an
20 agreement that the receiving/successor entity or entities will refrain from conducting any
21 marketing, advertising, sales, or operation of any Sedera Membership, in California or directed at
22 any person in California.

23 e. Engaging in any acts or practices that violate California Business and
24 Professions Code sections 17200 or 17500.

25 4. Notwithstanding the requirements of Paragraph 3, subpart (b), efforts that
26 Defendants take to wind down existing Sedera Memberships in California, including the receipt,
27 review and processing of California Member requests for payment of any eligible medical need
28 incurred prior to or within thirty (30) days of Defendants delivering notice pursuant to section

1 III.5.b of this Judgment, does not violate the terms of this agreement as long as such efforts are
2 substantially complete within 150 days of entry of this Judgment. If the nature of any individual
3 medical need case is such that it cannot be reasonably closed during the timeframe set forth
4 herein, due to matters outside the reasonable control of Defendants, such delay shall not be
5 considered a violation of this Paragraph.

6 5. Pursuant to California Business and Professions Code sections 17203 and 17535,
7 the Defendants (including any assignees and successors) and, to the extent acting on behalf of
8 Defendants (or any successor or assignee), any officers, directors, shareholders, employees,
9 representatives (other than legal counsel), affiliates, parents, subsidiaries, operating companies, or
10 other affiliated entities that are working under contract to provide any type of services to
11 Defendants subsequent to their entering into this agreement, are hereby ordered to:

12 a. Permanently and irrevocably delete all California Member lists in their
13 possession, custody or control, immediately after completing the requirements of Section
14 IV(8)(a)(ii) below.

15 b. Provide electronic notice within thirty (30) days of the entry of Judgment
16 to all current Sedera Members in California indicating that their memberships will terminate.
17 Defendants shall provide notice by U.S. postal service in the event Defendants are unable to
18 deliver electronic notice to any Member or the Member explicitly opted to receive
19 communications from Defendants via U.S. postal service. The form and substance of the notice
20 must be provided to the People within fourteen (14) days of the entry of Judgment.

21 **IV. CONSUMER RESTITUTION**

22 6. Pursuant to California Business and Professions Code section 17203 and 17535,
23 Defendants shall pay \$800,000.00 in restitution (“Restitution Funds”) to Members in the forms
24 and amount set forth in Paragraphs 7 through 9 below to be paid in two equal installments of
25 \$400,000. This payment shall include all funds currently held by Defendants on behalf of Sedera
26 Members in California. Under no circumstances shall these funds, or any portion thereof, revert to
27 Defendants.
28

1 7. Not later than thirty (30) days from the date of entry of the Judgment, or as
2 otherwise agreed upon by the Parties in the event of unforeseen events which make adherence to
3 this deadline impractical or impossible, Defendants shall send their initial installment payment of
4 Restitution Funds in the amount of \$400,000.00, pursuant to instructions provided by the People.
5 The second, equal installment shall be paid within 180 days from the date of entry of the
6 Judgment.

7 8. The People shall have sole discretion to distribute the Restitution Funds in a
8 manner that furthers the interests of consumers and consumer protection. This distribution may
9 take any (or all) of the following forms:

10 a. Direct Payments to Members: The Restitution Funds, or any portion
11 thereof, may be used by the People as a source of payment to Members. Payments to any such
12 consumer may be made pursuant to a formula or upon any other reasonable method of
13 calculation, the discretion of the People, and shall be distributed in a manner and form determined
14 by the people.

15 i. Claims Administrator: The People may employ the services of a
16 third-party claims administrator (“Restitution Administrator”) to facilitate the distribution of the
17 Restitution Funds, or any portion thereof, to Members. The Restitution Administrator shall be
18 fully empowered to take reasonable steps to ensure that payments from the Restitution Funds are
19 made in the manner and form directed by the People. Any fees charged by the Restitution
20 Administrator shall be deducted from the Restitution Funds.

21 ii. List of Members: In furtherance of the distribution of the
22 Restitution Funds, Defendants shall within twenty (20) business days from the date of entry of the
23 Judgment, or as otherwise agreed upon by the Parties in the event of unforeseen events which
24 make adherence to this deadline impractical or impossible, transmit to the People and the
25 Restitution Administrator an unredacted list of the name, address, last known email address (if
26 any), and last known telephone number (if any), of all Members. This list shall be in a
27 spreadsheet searchable-type format and shall include the total amount paid by or on behalf of
28 each such person for that person’s Sedera Membership, the amount of share requests paid out for

1 each such person, and the exact dates of their membership. Defendants shall cooperate with all
2 reasonable requests from the People and Restitution Administrator to resolve any ambiguity,
3 uncertainty or other issues that arise as to the list.

4 b. Additional Administrative Costs: At the discretion of the People, and in
5 addition to any reasonable costs associated with the use of a Restitution Administrator, the
6 Restitution Funds may also be used to pay for costs associated with the direction, review, or
7 analysis the People may provide in facilitating the administration of the Restitution Funds in an
8 amount not to exceed fifty thousand dollars (\$50,000.00).

9 c. Other Purposes: The Restitution Funds may be used for any other purpose
10 approved the Court. The People may seek such approval on an *ex parte* basis, without notice to
11 Defendants.

12 9. Following the People's efforts to distribute the Restitution Funds, the People may,
13 at its discretion, transfer any remaining Restitution Funds amounts, including unclaimed,
14 undeliverable, or uncashed Members payments, to the State Controller's Office in accordance
15 with California's Unclaimed Property Law, so that it may be claimed by the appropriate
16 consumer.

17 10. The parties acknowledge and agree that Defendants' payment pursuant to
18 Paragraph 6 is made in settlement of the People's allegations that California consumers were
19 harmed by Defendants' alleged failure to comply with California Business and Professions Code
20 section 17200 et seq. and 17500 et seq. For purposes of any filing(s) submitted to the Internal
21 Revenue Service in relation to this payment, the parties agree that Sedera, Inc. shall be designated
22 as the payer of the amount set forth in Paragraph 6.

23 **V. PAYMENT FOR CIVIL PENALTIES**

24 11. Defendants are hereby ordered, pursuant to California Business & Professions
25 Code sections 17206 and 17536, to pay civil penalties, joint and severally, in the total amount of
26 \$560,000 (five hundred and sixty thousand dollars) as follows:
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1 **VII. GENERAL PROVISIONS**

2 15. This Judgment may be enforced only by the Parties hereto. Nothing in this
3 Judgment shall provide any rights or permit any person or entity not a party hereto to enforce any
4 provision of this Judgment.

5 16. The People may, at their sole discretion, agree in writing to provide Defendants
6 with additional time to perform any act required by this Judgment.

7 17. The Judgment may be modified by a stipulation of the Parties as approved by the
8 Court, or by court proceedings resulting in a modified judgment of the Court.

9 18. Any failure by any party to this Judgment to insist upon the strict performance by
10 any other party of any of the provisions of this Judgment shall not be deemed a waiver of any of
11 the provisions of this Judgment, and such party, notwithstanding such failure, shall have the right
12 thereafter to insist upon the specific performance of any and all of the provisions of this
13 Judgment.

14 19. Jurisdiction is retained for the purpose of enabling any party to this Judgment to
15 apply to the Court at any time for such further orders and directions as may be necessary and
16 appropriate for the construction or carrying out of the Judgment, for the modification of any of
17 the provisions thereof, for the enforcement of compliance herewith, or for the punishment of
18 violations hereof.

19 20. Defendants shall cooperate fully with the California Attorney General's Office in
20 any investigation concerning compliance with this Judgment.

21 21. Nothing in this Judgment shall abrogate the confidentiality of any materials or
22 information obtained by the Attorney General during its investigation of Defendants, except as
23 provided by law.

24 22. All notices under this Judgment shall be provided to the following via email and
25 Overnight mail:

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a. For the People:
Ari Dybnis, Deputy Attorney General
Office of the Attorney General
300 S. Spring Street, Suite 1702
Los Angeles, CA 90013
Ari.Dybnis@doj.ca.gov

b. For Defendant Sedera, Inc.:
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Denver, CO 80202
Meghan.stoppel@foley.com

c. For Defendant SMCSC:
Gabriel Colwell
SQUIRE PATTON BOGGS LLP
555 S. Flower Street, 31st Floor
Los Angeles, California 90071
Gabriel.Colwell@squirepb.com

Any Party may update its designee or address by sending written notice of any such change to the other Party.

23. The clerk is ordered to enter this Judgment forthwith.

IT IS SO ORDERED, this _____ day of _____, 2025.

JUDGE OF THE SUPERIOR COURT