

## **SETTLEMENT AGREEMENT AND RELEASE OF PAGA CLAIMS**

This Settlement Agreement and Release of Private Attorneys General Act (“PAGA”) Claims is made by and between Juan Calderon (“Plaintiff”), on behalf of himself, as a representative for the California Labor & Workforce Development Agency (“LWDA”), and the PAGA Employees, and Defendant KPC Global Medical Centers, Inc. (“Defendant”). Plaintiff and Defendant are collectively referred to herein as the “Parties” and may be individually referred to as a “Party.”

### **A. Definitions**

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. “Action” or “Lawsuit” means the matter styled *Calderon v. KPC Global Medical Centers, Inc., et al.*, Case No. MCC2001482, currently pending in the Superior Court of the State of California, County of Riverside.
2. “Agreement” or “Settlement Agreement” means this Settlement Agreement and Release of PAGA Claims, including any attached exhibits.
3. “Attorney’s Fees and Costs” means the amount of money for which Plaintiff’s Counsel shall make application to the Court, and the amount shall not exceed one-third of the Settlement Amount with respect to attorney’s fees (\$250,000.00), and actual costs not to exceed \$20,000, which shall be paid out of the Gross Settlement Amount.
4. “Court” means the Superior Court of the State of California, County of Riverside.
5. “Effective Date” means the date that the Court enters the Final Order.
6. “Eligible Pay Period” means any pay period worked by a PAGA Employee.
7. “Final Order” means the Court’s order approving this Settlement, which order shall have the force and effect of a judgment under California Rule of Court 3.769.
8. “Gross Settlement Amount” means the maximum settlement amount that Defendant will pay in connection with this Settlement, which is Seven Hundred Fifty Thousand Dollars and No Cents (\$750,000.00). No part of the Gross Settlement Amount shall revert to Defendant.
9. “LWDA Settlement Proceeds” means the seventy-five percent (75%) of the Net Settlement Amount that shall be paid to the LWDA.
10. “Net Settlement Amount” is the amount that remains after deducting Plaintiff’s Counsel’s Attorney’s Fees and Costs, the Settlement Administrator Costs, and Plaintiff’s Service Award and Individual Settlement from the Gross Settlement Amount.
11. “Notice” means the notice that will be sent to the PAGA Employees with payment after the Final Order is entered by the Court and the Effective Date occurs. A copy of the Notice is attached hereto as Exhibit A and is subject to Court approval.

12. “PAGA Employee” or “Aggrieved Employee” shall mean any person who is or was employed by Defendant in California as a non-exempt employee at any time from May 31, 2019 through the date the Court approves this Settlement, or July 15, 2022, whichever occurs first.

13. “PAGA Representative Claims” means Plaintiff’s PAGA claims under California Labor Code §§ 2698, *et seq.* based on alleged predicate violations of Labor Code §§ 98.6, 200, 201, 202, 203, 204, 210, 216, 221, 222, 223, 224, 225.5, 226, 226.2, 226.3, 226.6, 226.7, 245-248.5, 256, 432.5, 450, 510, 512, 558, 558.1, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 1199, 2699, 2751, 2810.5, and 2802, and/or any applicable Wage Order(s), including those alleged in the Action.

14. “PAGA Settlement” or “Settlement” means the settlement of the Action as memorialized in this Agreement.

15. “PAGA Release Period” means May 31, 2019 through the date the Court approves this Settlement, or July 15, 2022, whichever occurs first.

16. “Plaintiff’s Counsel” means Crosner Legal, P.C.

17. “Released Parties” collectively means Defendant and Defendant’s past, present and future parents, subsidiaries and affiliates, predecessors, successors, assigns, partners, managers, agents, attorneys, and employees.

18. “Settlement Administrator” means ILYM Group, Inc.

## **B. Recitals**

19. Whereas, on or about March 3, 2020, Plaintiff sent a PAGA Notice to the LWDA, with a copy to Defendant, alleging, among other things, Defendant failed to reimburse Plaintiff and PAGA employees for business expenses, failed to compensate Plaintiff and the PAGA Employees for all hours worked, failed to pay all wages due, including overtime wages, failed to authorize and provide compliant meal periods and rest periods, and as a result failed to issue accurate and complete wage statements and pay all final wages, along with other derivative Labor Code violations. On August 5, 2020, Plaintiff filed the Action in the Riverside County Superior Court, which incorporated Plaintiff’s PAGA Notice to the LWDA by reference and alleged a single cause of action under PAGA. After Defendant removed the Action to federal court, Plaintiff filed a First Amended Complaint on or about October 23, 2020, and the matter later was remanded back to the Riverside County Superior Court on or about March 9, 2021. On or about March 7, 2022, Plaintiff sent an Amended PAGA Notice to the LWDA, with a copy to Defendant, which Amended PAGA Notice clarified the allegations in the initial PAGA Notice.

20. Whereas, the Action asserts the PAGA Representative Claims for civil penalties and an award of reasonable attorney’s fees and costs under PAGA;

21. Whereas, Defendant denies all of the allegations in the Lawsuit, including all PAGA Representative Claims, and further denies it committed any misconduct, statutory or regulatory violation, wrongdoing, or other actionable conduct of any kind;

22. Whereas, the Parties have conducted a thorough investigation into the facts of the Action, including informal written discovery and production of documents. After

attending a mediation with an experienced wage and hour mediator, Louis Marlin, Esq., the Parties believe the Settlement is fair, reasonable, and adequate. The Parties understand, acknowledge, and agree this Agreement constitutes a compromise of Plaintiff's and the PAGA Employees' PAGA claims, and it is the desire and intention of the Parties to effect a final and complete resolution of the PAGA claims Plaintiff and the PAGA Employees have against the Released Parties any persons or companies affiliated with the Released Parties. The Parties further acknowledge this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability by Defendant;

23. Whereas, under PAGA, the State may assess and collect civil penalties from employers for violations of certain provisions of the Labor Code. Under PAGA if an "aggrieved employee" "give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated," and the State thereafter decides not to investigate, as is the case here, or does investigate and determines a citation against the employer should not issue, the employee may, "as an alternative" to enforcement by the State, act as a proxy or agent of the State's labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties "on behalf of himself or herself and other current or former employees," and "civil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees;" and

24. Whereas, Labor Code § 2699(1)(2) provides "[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part."

Wherefore, in consideration of the promises and agreements contained herein, the Parties agree, and covenant as follows:

### **C. Terms of Settlement**

25. Subject to the Court's approval of the Settlement pursuant to Labor Code § 2699(1)(2), which counsel and the Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Action.

26. Upon the Court entering the Final Order and the Effective Date occurring, Defendant shall pay a non-reversionary Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars and No Cents (\$750,000.00) as follows:

a. Three Hundred Seventy-Five Thousand Dollars and No Cents (\$375,000.00) within sixty (60) calendar days of the Effective Date (the "First Installment Payment");

b. Three Hundred Seventy-Five Thousand Dollars and No Cents (\$375,000.00) on or before June 1, 2023 (the "Second Installment Payment").

27. The Gross Settlement Amount will be distributed in the following manner:

- a. **Settlement Administrator Costs**: The costs associated with settlement administration (e.g., preparing and mailing payments to LWDA and PAGA Employees, tax documentation, etc.) shall be paid from the Gross Settlement Amount and shall not exceed Twenty Five Thousand Dollars and No Cents (\$25,000.00). Subject to Court approval, the Parties agree to use ILYM Group, Inc. as the Settlement Administrator.

- b. **Attorney's Fees and Costs:** The Parties agree that, subject to the Court's review and approval, Plaintiff's Counsel will be paid 33.33% of the Gross Settlement Amount (\$250,000.00) as reasonable attorney's fees, plus actual litigation costs not to exceed \$20,000.00, incurred in connection with work performed to litigate the Action and obtain Court approval of the Settlement, which amounts will be paid from the Gross Settlement Amount.
- c. **Plaintiff's Service Award:** The Parties agree that, subject to the Court's review and approval, Plaintiff will receive a \$5,000 Service Award for his services in bringing the PAGA action on behalf of the PAGA Employees, which amount will be paid from the Gross Settlement Amount.
- d. **Plaintiff's Individual Settlement:** In full settlement of his individual wage and hour claims, and in exchange for a full general release of claims, Plaintiff shall be paid the sum of Thirteen Thousand Dollars and No Cents (\$13,000.00), which amount will be paid from the Gross Settlement Amount.
- e. **Net Settlement Amount:** After deducting Attorney's Fees and Costs, Settlement Administration Costs, and Plaintiff's Service Award and Individual Settlement from the Gross Settlement Amount, the remainder forms the Net Settlement Amount, which totals approximately \$434,000.00 if the amounts set forth above are approved by the Court. The Net Settlement Amount shall be all inclusive, encompassing all payments to the LWDA and PAGA Employees.
- f. **Net Settlement Amount Allocation:** Seventy Five Percent (75%) of the Net Settlement Amount, approximately \$325,000.00, shall be paid to the LWDA as the LWDA Settlement Proceeds. The remaining Twenty Five Percent (25%) of the NSA, approximately \$108,500.00, shall be paid to the PAGA Employees on a pro rata basis (the "PAGA Employee Fund"). Each PAGA Employee's pro rata share of the PAGA Employee Fund shall be determined based on the number of Eligible Pay Periods that he or she worked for Defendant and shall be calculated as follows:
  - i. The PAGA Employee Fund will be divided by the total number of Eligible Pay Periods worked by all PAGA Employees and the resulting figure will be referred to as the "Multiplier."
  - ii. Each PAGA Employee's pro rata share of the PAGA Employee Fund will be determined by multiplying the Eligible Pay Periods each PAGA Employee worked by the Multiplier. That amount shall be referred to as the PAGA Employee's "Individual Settlement Payment."
- g. **Timing of Distributions:** There will be two distributions, one after each Installment Payment. Each distribution to the PAGA Employees, LWDA, Plaintiff and Plaintiff's Counsel shall be made on a pro rata basis within fifteen (15) calendar days after the Settlement Administrator receives each Installment Payment. The Settlement Administrator shall pay itself the Settlement Administrator Costs immediately upon receipt of the First Installment Payment.
- h. **Taxes and Reporting:** Each PAGA Employee's Individual Settlement Payment will be treated as non-wage income and reported by the Settlement Administrator

on IRS Form 1099 to the respective PAGA Employee and applicable governmental authorities. The Settlement Administrator shall issue an IRS Form 1099 to Plaintiff's Counsel for the Attorney's Fees and Costs, and to Plaintiff for the Service Award. Plaintiff's Individual Settlement shall be allocated 1/3 to wages, for which the Settlement Administrator will issue Plaintiff an IRS Form W-2, and 2/3 to penalties, interest, and other non-wage compensation, for which the Settlement Administrator will issue Plaintiff an IRS Form 1099.

#### **D. Release of PAGA Claims**

28. Upon the Effective Date, Plaintiff, as the representative for the State of California, and the PAGA Employees will forever completely release and discharge the Released Parties of any and all PAGA Representative Claims for civil penalties that were alleged in the Action or that could have been alleged in the Action based on the factual allegations in the operative complaint, Plaintiff's PAGA Notice, or Plaintiff's Amended PAGA Notice, including but not limited to claims that Defendant (a) failed to pay or underpaid wages for all time worked, resulting in failure to pay regular, minimum, and/or overtime wages; (b) failed to provide all requisite meal periods and paid rest periods, or compensation in lieu thereof; (c) failed to timely pay wages due during or at separation of employment; (d) failed to provide and maintain accurate itemized wage statements ("Released Claims"); and (e) failed to reimburse for necessary business-related expenses and costs. The time period governing these Released Claims shall be the PAGA Release Period.

29. Under *Arias v. Superior Court* (2009) 46 Cal.4th 969, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding," which the Final Order shall so reflect. The Final Order shall not bind nor release the PAGA Employees of any individual wage claims (or other individual claims). Per *Arias*, however, the Final Order shall be binding on the PAGA Employees as to the Released Claims, including the PAGA Representative Claims. A statement to this effect shall be included in the Notice sent to the PAGA Employees.

#### **E. Release by Plaintiff**

30. Plaintiff does for himself and for his respective spouses, heirs, successors, beneficiaries, devisees, legatees, executors, administrators, trustees, conservators, guardians, personal representatives, and assigns forever and completely release and discharge the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, and expenses (including back wages, statutory penalties, civil penalties, liquidated damages, exemplary damages, interest, attorneys' fees, and costs) of any nature whatsoever, from the beginning of time to the date he executes this Agreement, whether known or unknown, suspected or unsuspected, including but not limited to all claims arising out of, based upon, or relating to Plaintiff's employment with Defendant or the remuneration for or termination of such employment.

31. Without limiting the generality of the foregoing, Plaintiff expressly releases all claims or rights against Released Parties arising out of or relating to alleged violations of any contracts, express or implied (including but not limited to any contract of employment); any contract or covenant of good faith and fair dealing (express or implied); any tort, including any

claim for improper or unauthorized wage deductions, failure to pay the applicable wage, unpaid wages, unpaid vacation benefits, penalties, liquidated damages, other damages, overtime, and alleged “off the clock” work under federal and state law, including California Labor Code Sections 204 and 558, waiting time penalties pursuant to California Labor Section 203, damages or penalties pursuant to California Labor Code Section 226, meal period and rest break payments pursuant to California Labor Code Sections 226.7 and 512, failure to provide itemized wage statements pursuant to California Labor Code Section 226, statutory or civil penalties pursuant to California Labor Code Sections 210, failure to reimburse for necessary business-related expenses and costs pursuant to California Labor Code Section 2802, unfair competition and unfair business practices pursuant to Business and Professions Code Section 17200, *et seq.*, interest and costs pursuant to California Civil Code Section 3287 and California Labor Code Section 218.6, statutory or common law rights to attorneys’ fees and costs, including those pursuant to California Labor Code Section 1194, *et seq.*; claims under the Private Attorneys General Act of 2004, Labor Code section 2699, *et seq.*, and the alleged violation or breach of any other state or federal statute, rule and or regulation; including all applicable Industrial Welfare Commission Wage Orders, and all similar causes of action, including but not limited to, any claim for restitution, equitable relief, interest, penalties, costs or attorneys’ fees in connection with any of the foregoing, negligent infliction of emotional distress, intentional infliction of emotional distress, and defamation; any “wrongful discharge,” “constructive discharge,” and “retaliation” claims; any claims relating to any breach of public policy; any legal restrictions on Defendant’s right to discharge employees; and any federal, state, or other governmental statute, regulation, or ordinance, including, without limitation: (1) Title VII of the Civil Rights Act of 1964 (race, color, religion, sex, and national origin discrimination or harassment, including retaliation for reporting discrimination or harassment); (2) 42 U.S.C. § 1981 (discrimination); (3) Equal Pay Act, 29 U.S.C. § 209(d) (1) (equal pay); (4) Americans with Disabilities Act, 42 U.S.C. § 12100, *et seq.* (disability discrimination); (5) Family and Medical Leave Act, 29 U.S.C. § 2601, *et seq.* (family/medical leave); (6) California Fair Employment and Housing Act, Cal. Government Code § 12900, *et seq.* (discrimination or harassment in employment and/or housing, including discrimination or harassment based on race, religious creed, color, national origin, ancestry, disability, marital status, sex (including pregnancy), or age, including retaliation for reporting discrimination or harassment); (7) California Family Rights Act, Cal. Government Code § 12945.1, *et seq.* (family/medical leave); (8) California Labor Code, including Section 1720, *et seq.*, or any Industrial Welfare Commission Wage Order; (9) Executive Order 11246 (race, color, religion, sex, and national origin discrimination or harassment); (10) Executive Order 11141 (age discrimination); (11) Sections 503 and 504 of the Rehabilitation Act of 1973 (handicap discrimination); (12) the Fair Labor Standards Act; and (13) Employee Retirement Income Security Act, 29 U.S.C. § 1000, *et seq.* employee benefits).

32. Plaintiff expressly waives and relinquishes all rights and benefits afforded by Section 1542 of the Civil Code of the State of California and does so understanding and acknowledging the significance of the waiver of Section 1542. Section 1542 of the Civil Code of the State of California states:

**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.**

Notwithstanding the provisions of Section 1542, and for the purpose of implementing a full and complete release and discharge of all parties, Plaintiff and Plaintiff's Counsel expressly acknowledge this Settlement Agreement is intended to include in its effect, without limitation, all claims that Plaintiff knows of, as well as all claims that they do not know or suspect to, exist in his favor against Defendant, or any of them, for the time period from the beginning of time to the date of the Final Order, and that this Settlement Agreement contemplates the extinguishment of any such claims.

33. Plaintiff's general release shall become effective on the Effective Date.

**F. Settlement Approval and Implementation Procedures.**

34. Plaintiff's Counsel shall prepare a motion for approval of the settlement pursuant to California Labor Code § 2699(1)(2), advocating the Settlement is fair, adequate, and reasonable, and Defendant shall not oppose such a motion. Defendant's Counsel will provide Plaintiff's Counsel with, and allow Plaintiff's Counsel to submit to the Court, adequate information related to the released claims to obtain approval of the Settlement.

35. Thirty (30) calendar days after the Effective Date, Defendant will send to the Settlement Administrator a list of all PAGA Employees including each PAGA Employee's: (1) full name; (2) last known address; (3) social security number; and (4) the number of Eligible Pay Periods he or she worked in the relevant time period (the "PAGA Employees List"). This information shall be treated as and remain confidential and shall be used solely to manage the notice and payment process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendant, the individual in question, or by order of the Court.

36. Defendant shall pay to the Settlement Administrator the non-reversionary Gross Settlement Amount of Seven Hundred Fifty Thousand Dollars and Zero Cents (\$750,000.00) per the payment schedule set forth in Paragraph 26 above. The Gross Settlement Amount shall be paid into a Qualified Settlement Fund to be established by the Settlement Administrator within ten (10) business days of the Effective Date.

37. The Settlement Administrator will perform all settlement administration duties, including (i) performing a National Change of Address ("NCOA") search and/or skip trace to update the addresses of the PAGA Employees, including performing such searches on any Notices and payments returned as undeliverable, (ii) issuing the Notice and payments to the PAGA Employees, (iii) issuing any required IRS forms and related tax reporting to the IRS and applicable state authorities, and (iv) issuing payment to the LWDA, Plaintiff, and Plaintiff's Counsel.

38. PAGA Employees shall have 120 calendar days after mailing of each disbursement to cash their settlement checks. If any PAGA Employee's check(s) is not cashed within that period, the check will be voided, and a stop-payment will be issued. Subject to Court approval, any funds in the Settlement Administrator's account as a result of a failure to timely cash a settlement check shall be transmitted to Crime Survivors, a California-based organization that works in partnership with the San Bernardino County Sheriff's Department and that is dedicated to providing necessities to children who have been victims of crime and their families who have also been victimized/traumatized.

39. Upon the Court's entry of the Final Order, Plaintiff will: (i) be bound by the terms and conditions of this Agreement, and the releases set forth herein; (ii) be deemed to

have waived all objections and oppositions to the fairness, reasonableness, and adequacy of the settlement and the Court's Final Order; and (iii) be entitled to receive a share of the Net Settlement Amount along with all other PAGA Employees, as set forth herein.

**G. Miscellaneous Provisions.**

40. **Voiding the Agreement:** The Settlement Agreement shall be voidable and unenforceable as to all Parties herein at the option of either Party if (a) the Court should for any reason fail to approve this Settlement in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered void. In that event, then neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect, and all parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in the Settlement to facilitate approval.

41. **Waiver:** The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

42. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

43. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiff's Counsel shall, with the assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the Court's approval of the settlement, and the Final Order.

44. **No Prior Assignments:** The Parties hereto represent, covenant, and warrant that they have not, directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Settlement Agreement.

45. **No Admission:** Defendant denies any and all liability to Plaintiff and/or the PAGA Employees in this Lawsuit, as to any and all causes of action that were asserted or that might have been asserted in this Action. Nonetheless, Defendant wishes to settle and compromise the matters at issue in the Complaint to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendant also has taken into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses that it has asserted or could assert against Plaintiff, has determined that it is desirable and beneficial that Plaintiff's claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

46. **Binding Settlement:** Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

47. **Enforcement Actions:** This Agreement is binding and enforceable under California Code of Civil Procedure section 664.6. Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any action or proceeding in this case under C.C.P. 664.6 or otherwise or separate legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and costs incurred in connection with any enforcement actions.

48. **Notices:** Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed:

To Plaintiff:

Zachary Crosner  
Crosner Legal, P.C.  
9440 Santa Monica Blvd., Ste. 301  
Beverly Hills, CA 90210

To Defendant:

David E. Amaya  
Jason A. Fischbein  
Brittany M. Wunderlich  
Fisher & Phillips LLP  
4747 Executive Drive, Suite 1000  
San Diego, CA 92121

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

50. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

51. **Modification**: This Settlement Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

52. **Choice of Law**: This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

53. **Integration Clause**: This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

54. **Binding on Assigns**: This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

55. **Counterparts**: This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Settlement Agreement and Release as of the date(s) set forth below.

**SIGNATURES ON THE FOLLOWING PAGE**

Dated: 03 / 29 / 2022

By:   
Juan Calderon

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
KPC Global Medical Centers, Inc.

Its: \_\_\_\_\_

APPROVED AS TO FORM AND CONTENT:

**CROSNER LEGAL, P.C.**

Dated: 03/17/22

By:   
Zachary M. Crosner, Attorneys for Plaintiff  
Juan Calderon

**FISHER & PHILLIPS LLP**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
David E. Amaya, Attorneys for Defendant  
KPC Global Medical Centers, Inc.

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Juan Calderon

Dated: March 22, 2022

By:  \_\_\_\_\_  
KPC Global Medical Centers, Inc.  
Its: Richard Wang, CFO

APPROVED AS TO FORM AND CONTENT:

**CROSNER LEGAL, P.C.**

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Zachary M. Crosner, Attorneys for Plaintiff  
Juan Calderon

**FISHER & PHILLIPS LLP**

Dated: March 30, 2022

By:  \_\_\_\_\_  
David E. Amaya, Attorneys for Defendant  
KPC Global Medical Centers, Inc.

# EXHIBIT A

«DATE»

«FIRST\_NAME» «LAST\_NAME»  
«ADDRESS 1»  
«ADDRESS 2»

**Re: Payment from *Calderon v. KPC Global Medical Centers, Inc.***

Dear «FIRST\_NAME» «LAST\_NAME»

By order of the Riverside County Superior Court, enclosed is your payment from the settlement in the lawsuit entitled *Juan Calderon v. KPC Global Medical Centers, Inc., et al.*, Riverside County Superior Court Case No. MCC2001482 (the “Lawsuit”).

The Lawsuit was filed against Physicians for Healthy Hospitals, Inc., which is now known as KPC Global Medical Centers, Inc. (referred to as “KPC”) under the California Private Attorneys General Act of 2004, Cal. Labor Code §§ 2698, *et seq.* (abbreviated “PAGA”). The claim was brought on behalf of the State of California and all non-exempt employees of KPC employed in California from May 31, 2019 to [REDACTED], 2022. You have been identified as one of the employees on whose behalf the case was brought.

The plaintiff claimed KPC owed penalties under PAGA for violating certain provisions of the California Labor Code related to alleged unpaid wages, missed meal and rest breaks, and other Labor Code violations. KPC denies it did anything wrong or that it owes any penalties, but nonetheless has agreed to resolve the claims raised in the Lawsuit without further court action.

The Riverside Superior Court approved the Settlement on [REDACTED], 2022. Under California law, when a settlement results in payment of PAGA penalties, 75 percent of the PAGA penalties are paid to the State of California, and the remaining 25 percent of the PAGA penalties are paid directly to the affected employees who worked during the applicable time period.

You are receiving this payment as your share of the Settlement, and you will receive a second payment in or before June 2023. You have 120 days to cash the settlement check(s). You will receive an IRS 1099 form for the check(s) attributable to your share of the PAGA penalties. You will need to talk to an accountant or other tax professional about any income tax issues related to this payment(s). KPC will not retaliate or take any other negative action against any employee who cashes his or her settlement check(s).

In exchange for these payments, the settlement releases only claims for civil penalties alleged in the Lawsuit under PAGA for the period of May 31, 2019, through [REDACTED], 2022. The settlement does not release any individual claims for wages or other kinds of damages or penalties belonging to any employee.

You can learn more about the lawsuit on the Court’s website at [www.riverside.courts.ca.gov](http://www.riverside.courts.ca.gov) by entering the case number MCC2001482. You may also contact the attorneys listed below with any questions:

|                                                                                                                                                                                                        |                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Counsel for<br/>Plaintiff/Aggrieved<br/>Employees:</p> <p>Zachary M. Crosner<br/>Crosner Legal PC<br/>9440 Santa Monica Blvd.,<br/>Ste. 301<br/>Beverly Hills, CA 90210<br/>Tel: (310) 496-5818</p> | <p>Counsel for KPC:</p> <p>David E. Amaya<br/>Jason A. Fischbein<br/>Brittany M. Wunderlich<br/>Fisher &amp; Phillips LLP<br/>4747 Executive Drive, Suite<br/>1000<br/>San Diego, CA 92121<br/>(858) 597-9600</p> |
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PLEASE DO NOT CONTACT THE COURT OR THE JUDGE WITH ANY QUESTIONS  
ABOUT THE LAWSUIT OR THE SETTLEMENT