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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

JULIE FILAMORE-ANGEL, as an aggrieved
employee pursuant to the Private Attorneys
General Act (“PAGA”), on behalf of the State of
California and other aggrieved employees,

Plaintiff,

vs.

VICTOR VALLEY HOSPITAL
ACQUISITION, INC., a California corporation;
KPC HEALTHCARE, INC., a Nevada
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No. CIVDS2014298

PAGA SETTLEMENT AGREEMENT

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of San Bernardino (“Court”), Plaintiff Julie Filamore-Angel (“Plaintiff”) and Defendants Victor Valley Hospital Acquisition, Inc. and KPC Healthcare, Inc. (“Defendants”) (collectively with Plaintiff, the “Parties”) hereby agree to the following binding settlement (“Settlement” or “Settlement Agreement”) of the action entitled *Julie Filamore-Angel v. Victor Valley Hospital Acquisition, Inc.*, No. CIVDS2014298 (San Bernardino County Superior Court) (the “Action”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Julie Filamore-Angel v. Victor Valley Hospital Acquisition, Inc.*, No. CIVDS2014298 (San Bernardino County Superior Court).
2. “Aggrieved Employees” means all persons who were employed by Defendant in hourly, non-exempt positions in the State of California during the period from April 8, 2019 through either March 7, 2021 or the date of entry of the Order and Judgment, whichever is earlier.
3. “Court” means the Superior Court for the State of California, County of San Bernardino.
4. “LWDA” means the California Labor and Workforce Development Agency.
5. “Gross Settlement Amount” means the Gross Settlement Amount of Five Hundred Thousand Dollars (\$500,000) to be paid by Defendants in full satisfaction of all Settled Claims arising from the Action, which includes all payments to Aggrieved Employees, Plaintiff, Plaintiff’s Counsel, the LWDA, and the Settlement Administrator.
6. “PAGA Penalties Fund” means the Gross Settlement Amount less the Attorneys’ Fees and Costs, Service Award, and Settlement Administrator Costs.
7. “Plaintiff’s Counsel” means Capstone Law APC.
8. “Service Award” means the amount to be paid to Plaintiff as payment for her service on behalf of the LWDA and Aggrieved Employees and for a general release of all claims arising out of her employment with Defendants.
9. “Settled Claims” means any and all claims for PAGA civil penalties under the California

1 Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or that could have been
2 alleged to have been violated in the Action with respect to Aggrieved Employees based on the facts
3 alleged in the Action, as well as the PAGA notices submitted by Plaintiff, during the Settlement Period.

4 10. "Settlement Period" means April 8, 2019 through either March 7, 2021 or the date of
5 entry of the Order and Judgment, whichever is earlier.

6 **TERMS**

7 11. Gross Settlement Amount. In consideration for Plaintiff's promises and representations
8 described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met,
9 Defendants will pay Five Hundred Thousand Dollars (\$500,000) ("Gross Settlement Amount") to settle
10 the Action, which represents the total amount payable in this Settlement by Defendants, and includes all
11 attorneys' fees, litigation costs and expenses, Service Awards, Settlement Administration Costs, and
12 payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No
13 portion of the Gross Settlement Amount will be retained by, or revert to, Defendants.

14 12. Escalator Clause. Defendants will have the option to proportionally increase the Gross
15 Settlement Amount if the number of pay periods worked by Aggrieved Employees during the Settlement
16 Period is greater than 28,000. If Defendants fail to increase the Gross Settlement Fund proportionately,
17 Plaintiff shall have the right to terminate this Agreement and the Parties will be restored to their positions
18 prior to the Settlement and the Settlement shall be null and void. The formula for calculating the
19 proportional increase is as follows: Proportionally Increased Gross Settlement Amount = Total Number
20 of Pay Periods Worked During the Settlement Period ÷ 28,000 × \$500,000.

21 13. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees
22 and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor
23 Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the
24 Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the
25 PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be
26 paid to all Aggrieved Employees according to the following formula:

27 13(a) Defendants will calculate: (i) the total number of pay periods worked by
28 each Aggrieved Employee during the Settlement Period, and (ii) the total

number of pay periods worked by all Aggrieved Employees during the Settlement Period.

13(b) To determine each Aggrieved Employee's payment from the PAGA Penalties Fund, Defendants will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the Settlement Period].

14. Attorneys' Fees and Costs. In full satisfaction of all claims Plaintiff may have for attorneys' fees, and all out-of-pocket costs incurred and to be incurred by Plaintiff's Counsel in the Action (including out-of-pocket costs not otherwise provided by CCP 1033.5), the Parties agree that Defendant will pay Plaintiff's Counsel a total of Two Hundred Thousand Dollars (\$200,000) in attorneys' fees and Ten Thousand Dollars (\$10,000) in litigation costs and expenses ("Attorneys' Fees and Costs"). Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be added to the PAGA Penalties Fund.

15. Service Award. For a general release of all claims Plaintiff may have against Defendants arising out of her employment, and for her service on behalf of the LWDA and Aggrieved Employees, Defendants agree to pay Plaintiff the sum of Ten Thousand Dollars (\$10,000) ("Service Award"). Upon receipt of the Service Award, Plaintiff will be deemed to have fully released and discharged Defendants from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against Defendants arising out of, or relating to, Plaintiff's employment with Defendants or termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the Settlement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiff will be deemed to have waived all rights and benefits afforded by California Civil Code Section

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.

16. Settlement Administration Costs. The Parties will retain Simpluris as the third-party settlement administrator (“Settlement Administrator”). The Settlement Administrator will be responsible for establishing a qualified settlement fund (“QSF”) and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff’s Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there are approximately One Thousand One Hundred (1,100) Aggrieved Employees, Settlement Administration Costs are estimated at Seven Thousand Five Hundred Dollars (\$7,500).

17. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the Court issue an order and judgment approving and incorporating by reference the terms and conditions of the Settlement Agreement (the “Order and Judgment”).

18. List of Aggrieved Employees. Within thirty (30) calendar days after entry of the Order and Judgment, Defendants will provide the Settlement Administrator a complete list of all Aggrieved Employees (“Aggrieved Employee List”). The Aggrieved Employee List will be formatted in Microsoft Office Excel and will include each Aggrieved Employees’ full name; most recent mailing address and telephone number; Social Security number; the respective number of pay periods during which each Aggrieved Employee worked during the Settlement Period; and any other relevant information needed to calculate settlement payments.

19. Funding of the Settlement. Within sixty (60) calendar days after entry of the Order and Judgment (“Partial Funding Date”), Defendant will deposit half of the Gross Settlement Amount into an interest-bearing account at a federally insured banking institution to be established by the Settlement Administrator. Within one year after the Partial Funding Date, Defendant will deposit the remaining half

1 of the Gross Settlement Amount into the interest-bearing account (“Full Funding Date”). Within (14)
2 calendar days of the Full Funding Date, the Settlement Administrator will issue payments (including all
3 accrued interest) to: (a) Aggrieved Employees; (b) the Labor and Workforce Development Agency; (c)
4 Plaintiff; (d) Plaintiff’s Counsel; and (e) itself. The Settlement Administrator, and not Defendants, will
5 issue the appropriate tax forms for all payments issued under this Settlement.

6 20. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
7 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an
8 explanatory letter substantially in the form attached as Exhibit A. Prior to mailing, the Settlement
9 Administrator will perform a search based on the National Change of Address Database for information
10 to update and correct for any known or identifiable address changes. Any checks returned as non-
11 deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S.
12 Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement
13 Administrator will promptly attempt to determine the correct address using a skip-trace, or other search
14 using the name, address or Social Security number of the Aggrieved Employee involved, and will then
15 perform a single re-mailing. Checks will remain negotiable for 180 days. Those funds represented by un-
16 cashed checks which remain outstanding 180 days after the mailing of the Settlement checks by the
17 Settlement Administrator will be tendered to Crime Survivors, a California-based organization that
18 works in partnership with the San Bernardino County Sheriff’s Department and that is dedicated to
19 providing necessities to children who have been victims of crime and their families who have also been
20 victimized/traumatized. All settlement payments to Aggrieved Employees will be treated as
21 miscellaneous income for which a 1099 will be issued.

22 21. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all Aggrieved
23 Employees will be forever barred from pursuing against Defendants any and all Settled Claims during
24 the Settlement Period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released
25 any individual wage and hour claims by virtue of this Settlement.

26 22. No Right to Exclusion or Objections by Representative Action Members. Because this
27 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
28 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no

1 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved
2 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,
3 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties
4 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

5 23. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced
6 herein will not be utilized to calculate any additional benefits under any benefit plans to which any
7 Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans,
8 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit
9 plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
10 contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

11 24. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
12 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
13 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
14 action or right herein released and discharged.

15 25. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
16 the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then
17 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
18 and the Parties will be returned to their original respective positions.

19 26. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
20 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
21 of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters
22 as may be appropriate under court rules or as set forth in this Settlement.

23 27. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
24 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
25 on the Parties.

26 28. Amendment or Modification. This Settlement Agreement may be amended or modified
27 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
28 Parties.

1 29. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
5 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
6 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
7 reach agreement on the form or content of any document needed to implement the Settlement, or on any
8 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
9 may seek the assistance of the Court to resolve such disagreement.

10 30. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
11 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

12 31. California Law Governs. All terms of this Settlement Agreement will be governed by
13 and interpreted according to the laws of the State of California.

14 32. Execution and Counterparts. This Settlement Agreement is subject only to the execution
15 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
16 executed counterparts and each of them, including electronic signatures (e.g., Docusign), facsimiles, and
17 scanned copies of the signature pages, will be deemed to be one and the same instrument.

18 33. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
19 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
20 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
21 they are each represented by competent counsel and that they have had an opportunity to consult with
22 their counsel regarding the fairness and reasonableness of this Settlement.

23 34. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
24 Plaintiff may appeal any reduction to the Attorneys' Fees and Costs below the amount they request from
25 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

26 35. Invalidity of Any Provision. Before declaring any provision of this Settlement
27 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
28 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement

valid and enforceable.

36. Captions. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

37. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

38. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

39. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

40. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

41. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

42. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply

under federal or state law.

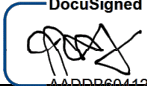
43. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

44. Plaintiff's Counsel shall not hold any press conferences, issue any press releases, seek any publicity, or publish any announcements on any website with respect to this matter at any time. Upon settlement approval, the Parties and their Counsel may issue, if at all, only a mutually agreeable joint press release, though neither party is required to agree to any press release of any kind. Unless otherwise agreed by the Parties and their Counsel, any oral or written disclosure of information related to the Settlement shall be restricted to the material discussed in this Settlement Agreement and approval papers filed with the Court and LWDA.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 2/24/2021

DocuSigned by:

 AADDB60412EC4DA...

Julie Filamore-Angel

DEFENDANTS

Dated: _____

 Name of Authorized Signatory for
 Victor Valley Hospital Acquisition, Inc. and KPC

1 under federal or state law.

2 43. Denial of Liability. The Parties expressly recognize that the making of this agreement
3 does not in any way constitute an admission or concession of wrongdoing on the part of Defendant.
4 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
5 discussions or communications, nor any materials prepared, exchanged, issued or used during the
6 pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
7 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
8 investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law,
9 statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
10 Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
11 purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
12 of the Court entered into in connection therewith.

13 44. Plaintiff's Counsel shall not hold any press conferences, issue any press releases, seek
14 any publicity, or publish any announcements on any website with respect to this matter at any time.
15 Upon settlement approval, the Parties and their Counsel may issue, if at all, only a mutually agreeable
16 joint press release, though neither party is required to agree to any press release of any kind. Unless
17 otherwise agreed by the Parties and their Counsel, any oral or written disclosure of information related to
18 the Settlement shall be restricted to the material discussed in this Settlement Agreement and approval
19 papers filed with the Court and LWDA.

20 **READ CAREFULLY BEFORE SIGNING**

21 **PLAINTIFF**

22
23 Dated: _____

Julie Filamore-Angel

24
25 **DEFENDANTS**

26 Dated: 02-23-2021

John R. Collins
Name of Authorized Signatory for
Victor Valley Hospital Acquisition, Inc. and KPC
Healthcare, Inc.

Healthcare, Inc.

APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: February 24, 2021


Raul Perez

FISHER & PHILLIPS LLP

Dated: _____

David Amaya

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APPROVED AS TO FORM

CAPSTONE LAW APC

Dated: _____

Raul Perez

FISHER & PHILLIPS LLP

Dated: February 24, 2021



David Amaya