

PAGA SETTLEMENT AGREEMENT
AND RELEASE OF CLAIMS

This Settlement Agreement and Release of Claims ("Agreement") is made and entered into by and between San Diego Gas & Electric Company ("SDG&E"), Sempra Energy, and Sempra on the one hand (collectively "Defendants"), and Angela Bonner Marsh ("Marsh") on the other, with reference to the following facts and intentions:

A. SDG&E employed Marsh from 2000 to May 27, 2015;

B. Marsh asserts that by letter dated May 16, 2016, she notified the Labor and Workforce Development Agency ("LWDA") regarding her claims for penalties under the Private Attorneys General Act (Labor Code § 2699) for asserted violations of Labor Code §§ 203, 204, 226, 226.7, 232.5, 510, 512, 558, 1102.5, 1174 and 1198, as required by the statute.

C. On June 27, 2016 Marsh filed a lawsuit against Defendants in San Diego County Superior Court, Case No. 37-2016-00021658-CU-WT-CTL, entitled *Angela Bonner Marsh v. San Diego Gas & Electric Company, et al.*, and subsequently filed a first amended complaint against Defendants alleging claims for 1) disability discrimination under California's Fair Employment and Housing Act (FEHA), 2) disability retaliation under FEHA, 3) failure to accommodate under FEHA, 4) failure to engage in the interactive process under FEHA, 5) disability harassment under FEHA, 6) failure to prevent discrimination, retaliation or harassment under FEHA, 7) retaliation under Labor Code § 1102.5 (whistleblower statute), 8) penalties under PAGA /Labor Code § 2699 (PAGA Claim) and 9) wrongful termination in violation of public policy based on her FEHA claims.

C. Pursuant to Defendants' motion to compel arbitration of the claims in Paragraph B above, the San Diego Superior Court entered its April 21, 2017 order retaining jurisdiction over the PAGA Claim and compelling all of the remaining claims to arbitration (Arbitration Claims);

D. Pursuant to the court's April 21, 2017 order, the parties jointly demanded arbitration of the Arbitration Claims with the American Arbitration Association, Case No. 01-17-0004-5460 on August 1, 2017 (the Arbitration Claims and PAGA Claim are collectively referred to as the "Action");

E. Marsh's PAGA Claim asserts claims on behalf of herself and aggrieved employees for penalties under PAGA arising from her alleged Labor Code § 1102.5 claim which is one of the Arbitration Claims, and asserts alleged violations of Labor Code §§ 203, 204, 226, 226.7, 232.5, 510, 512, 558, 1174 and 1198 as part of her PAGA Claim. Marsh herein seeks to settle her individual PAGA Claim only, and not those of other aggrieved employees.

F. The Arbitration Claims were the subject of active litigation since August 1, 2017. The parties engaged in substantial discovery and investigation, including written discovery and depositions. This discovery addressed, among other things, Marsh's whistleblower allegations under Labor Code section 1102.5 as well as the nature of her job and job duties, including hours

and work schedules, and that she was on a leave of absence from work from August 2014 to May 2015, which issues are also relevant to the PAGA Claim.

G. Defendants deny each and every one of the allegations made in the Action and have alleged affirmative defenses to each such allegation;

H. The parties wish to finally settle and resolve all grievances, disputes, controversies, claims, actions, and potential actions between them to avoid further litigation and the expenses and costs incident thereto;

I. The parties have already entered into a Confidential Settlement Agreement in full satisfaction of the Arbitration Claims (“Arbitration Settlement Agreement”) which is contingent and conditioned upon the Court approving this present Agreement regarding the PAGA Claim; and

J. Because Marsh alleges claims under PAGA, the parties acknowledge that this Agreement must be approved by the San Diego Superior Court. Accordingly, the parties enter into this Agreement on a conditional basis subject to the terms and conditions below.

NOW, THEREFORE, the parties agree as follows:

1. Payment. In consideration for Marsh entering into and abiding by this Agreement, and as full satisfaction of her individual PAGA Claim against Defendants, SDG&E agrees to pay to Marsh and her attorneys the total sum of Five Thousand dollars (\$5,000.00) (“Total Settlement Amount”) as allocated below. Payment of the Total Settlement Amount shall be made within fifteen (15) business days of the San Diego Superior Court approving this Agreement, and provided that defense counsel have received the following from Marsh’s counsel: (1) this Agreement fully executed by Marsh and her counsel; (2) completed W-9 forms for both Marsh and her counsel; and (3) a fully-executed Request for Dismissal of the entire Action with prejudice which will be filed with the San Diego Superior Court once the settlement checks clear. The settlement checks in paragraphs 1.1 and 1.2 shall be delivered to Marsh’s counsel at Brian Pastore, Esq., Pastore Law, 214 Main Street, Suite 401, El Segundo, California 90245. The Total Settlement Amount will be allocated and paid as follows:

1.1 Six Hundred and Twenty-Five Dollars and 00/100 (\$625.00) of the Total Settlement Amount will be paid by SDG&E to Marsh in full settlement of the PAGA Claim, and an IRS Form 1099 will be issued in connection with this payment.

1.2 Six Hundred and Twenty-Five Dollars and 00/100 (\$625.00) of the Total Settlement Amount will be paid by SDG&E to Marsh’s attorneys as attorneys’ fees incurred in the PAGA Claim, and an IRS Form 1099 will be issued in connection with this payment.

1.3 Seventy-five percent 75% of the Total Settlement Amount in the sum of Three Thousand Seven Hundred and Fifty Dollars and 00/100 (\$3,750.00) will be paid by SDG&E to the LWDA, and sent by mail to Department of Industrial Relations, Accounting Unit, 455 Golden Gate Avenue, 10th Floor, San Francisco, CA 94102, along with a copy of the order or judgment awarding the penalties or other documentation identifying the court case and parties to which the payment applies. Defendants will provide the LWDA with a copy of this Agreement

on the same day as the hearing on the parties' Joint Ex Parte Application for an Order Approving Settlement of the PAGA Claim in the San Diego Superior Court.

2. Reasonableness and Allocation of Settlement. The parties believe that this is a fair, reasonable and adequate settlement of Marsh's individual PAGA Claim, and have arrived at this settlement through arms-length negotiations, taking into account all relevant factors, present and potential. The parties recognize and agree that the value of the claims in the PAGA Claim is difficult to determine with any certainty, and are subject to differing calculations. The parties hereby agree that the formula for allocating the Total Settlement Payment is reasonable and that the payments provided herein are designed to provide fair settlement with respect to Marsh's individual PAGA Claim.

3. Approval of Settlement. The parties, by Joint Ex Parte Application for an Order Approving Settlement of the PAGA Claim and the Declaration of Marsh's counsel in support thereof, shall apply for approval of this Agreement by the San Diego Superior Court in accordance with Labor Code section 2699(1) for purposes of effectuating this Agreement, which event is also necessary for the Arbitration Settlement Agreement to be effective. If, for any reason, the Court declines to approve this Agreement, the parties agree to use their best efforts to address the issues raised by the Court and renew their request for court approval. If for any reason, the Court does not ultimately approve this Agreement, this Agreement and the Arbitration Settlement Agreement shall both be null and void, and shall not be referred to or utilized for any purpose. In that event, SDG&E and Defendants shall have no obligation to make any payment under this Agreement or the Arbitration Settlement Agreement. Defendants also do not waive but rather expressly reserve all rights to challenge all of Marsh's claims and allegations on all procedural and factual grounds, and to assert all applicable defenses if this Agreement is not approved by the Court.

4. Tax Treatment. The amounts paid to Marsh and her attorneys in Paragraph 1 shall be reported as income on IRS Form(s) 1099. Marsh and her attorneys agree to indemnify Defendants and hold Defendants harmless from any liability, including, but not limited to, penalties imposed by the IRS or other government agency, resulting from the characterization and reporting of payments made pursuant to this Agreement.

CIRCULAR 230 DISCLAIMER. EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) MARSH (A) HAS RELIED EXCLUSIVELY UPON HER OWN, INDEPENDENT LEGAL AND TAX ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY,

AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON HER; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY MARSH OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

5. Release and Discharge of Claims.

In consideration for Defendants entering into this Agreement, Marsh, on behalf of herself and her heirs and assigns, irrevocably and unconditionally releases and discharges Defendants, their affiliated companies, employees (including Terri Gelbart), officers and directors, and their agents, representatives, and employees from any and all claims, liabilities, obligations, promises, causes of actions, actions, suits, or demands of whatsoever kind or character, known or unknown, suspected to exist or not suspected to exist, anticipated or not anticipated, that Marsh has with respect to her employment and separation from SDG&E ("Claims"). Such Claims include, but are not limited to the following: any of Marsh's claims arising from or related to PAGA and the California Labor Code, retaliation for complaints of discrimination, failure to provide a workplace free of discrimination and retaliation, wrongful termination, whistleblower retaliation, employment discrimination or harassment of any kind or nature; any of Marsh's claims arising from or related to any violation of SDG&E's policies, procedures, or regulations; any of Marsh's claims arising from or related to any actual or implied agreement, contract, promise, written, or oral statement of any kind whatsoever or the alleged breach thereof; any of Marsh's claims arising from or related to alleged defamation, whether oral or written and however published; any of Marsh's claims arising from or related to alleged violation of the California Labor Code, the Fair Labor Standards Act, the California Fair Employment and Housing Act, Title 7 of the Civil Rights Act of 1964 as Amended, the United States and/or California Constitutions, and the Americans With Disabilities Act; any of Marsh's claims arising from or related to any State and Federal tort or common law claims; and any of Marsh's claims arising from or related to any other statutes or laws. The parties acknowledge that Marsh may have claims which may not, by law, be released or waived by this Agreement and specifically agree that this Agreement is not intended as a release or waiver of such claims.

6. Responding to Subpoenas. Marsh agrees that she will not voluntarily participate in, be a witness in, be a party to, or otherwise voluntarily involve herself in any claims, potential claim or litigation against Respondents. Marsh further agrees that she will not voluntarily assist or encourage in any manner whatsoever any person, party, or litigant, in any claim, potential claim or action, against Respondents. This will not prevent Marsh from responding to a legally issued subpoena.

7. General Release. Marsh understands that, except as limited above to exclude those claims which by law may not be released or waived by this Agreement, this Agreement

extends to all claims of every nature and kind, known or unknown, suspected or unsuspected, past, present, or future, arising from or attributable to the above-referenced matters and disputes. Marsh hereby expressly waives any and all rights granted under section 1542 of the California Civil Code, or any other analogous Federal or State law or regulation. Section 1542 of the California Civil Code reads as follows:

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 MIGHT HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Marsh acknowledges that after executing this Agreement, she or her agents may discover claims or facts in addition to or different from those that they now know with respect to the subject matter of this Agreement, but it is her intention to release all such claims, to the maximum extent allowed by applicable law.

8. Attorneys' Fees and Costs. Except for the amount paid to Marsh's attorneys as part of the settlement payment identified in paragraph 1.2, each Party shall bear its own attorneys' fees and costs related to the PAGA Claim and Arbitration Claims and negotiation and preparation of this Agreement. In the event any action is required to interpret or enforce the terms of this Agreement, each party shall bear their own attorneys' fees and costs.

9. General Interpretation. The terms of this Agreement have been agreed to by the parties and their counsel, and the language used in this Agreement shall be deemed to be the language chosen to express the parties' mutual intent. This Agreement shall be construed without regard to any presumption or rule requiring construction against Defendants, who caused this Agreement to be drafted, or in favor of the party receiving a particular benefit under this agreement.

10. Severability. If any individual term or condition of this Agreement is found to be unenforceable, that term or condition shall be deemed stricken and the other terms and conditions shall remain in full force and effect.

11. Voluntary Agreement. Marsh acknowledges that she has read and understands this Agreement, that she has had the opportunity to consult with counsel regarding this Agreement, whether such consultation taken place, and that she has entered into this Agreement voluntarily and without coercion.

12. Entire Agreement. Other than the Arbitration Settlement Agreement, this Agreement sets forth the entire agreement between the parties regarding the termination of Marsh's employment, and supersedes any and all prior agreements or understandings, written or oral, between Defendants and Marsh pertaining to Marsh's employment with SDG&E and the separation of those relationships. No other obligations or agreements, or modifications of this Agreement shall be binding unless in writing and signed by both parties hereto. Marsh acknowledges that she is not relying on any other agreement or oral representations not fully expressed in this Agreement.

13. This Agreement may be signed in counterparts by the Parties, and if so executed, each counterpart shall have the full force and effect of an original. With respect to the execution of this Agreement, a facsimile copy of a signatory's signature shall suffice and be treated as an original signature. Marsh's counsel agrees to provide to defense counsel the originals of Marsh's and Marsh's counsel's signatures on this document for purposes of assembling a fully-executed version containing original signatures.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date stated below.

DATED: July ___, 2018

ANGELA BONNER MARSH

SAN DIEGO GAS & ELECTRIC COMPANY

DATED: July ___, 2018

By: James Boland, Senior Director – HR,
Labor & Safety Relations

SEMPRA ENERGY

DATED: July ___, 2018

By: Janette Piankoff, Director-Corporate HR,
Diversity & Inclusion

SEMPRA

DATED: July ___, 2018

By: Rachel Miller, Senior Counsel
Representative for Sempra

We have reviewed this Settlement Agreement and Release of Claims with respect to form:

Dated: July __, 2018	PASTORE LAW
	By: _____ BRIAN PASTORE Attorneys for Plaintiff ANGELA BONNER MARSH

Dated: July __, 2018	WILSON TURNER KOSMO LLP
	By: _____ MICHAEL S. KALT MARTINA M. NAGLE Attorneys for Defendants SAN DIEGO GAS & ELECTRIC COMPANY, SEMPRA ENERGY, SEMPRA AND TERRI GELBART