

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement” or “Settlement”) is made by and between Plaintiff Irene Gil (“Plaintiff”) and Defendant High Desert Medical Corporation, a Medical Group (d/b/a High Desert Medical Group) (incorrectly named as High Desert Medical Corporation and High Desert Medical Group) (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendants captioned *Irene Gil v. High Desert Medical Corporation, et al.*, Case No. 22AVCV00040, initiated on January 13, 2022 and pending in the Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employees” means all current and former non-exempt and/or hourly-paid employees who worked for Defendants in the State of California at any time during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendants’ possession, including each Aggrieved Employee’s: (1) full name, (2) last-known mailing address, (3) last known telephone number, (4) Social Security number, (5) start and end dates of active employment as a non-exempt employee of Defendants in the State of California, (6) total number of PAGA Pay Periods, and (7) any other information required by the Administrator in order to effectuate the terms of the Settlement.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.7. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.8. “Court” means the Superior Court of California, County of Los Angeles.
- 1.9. “Defendants” means named High Desert Medical Corporation, a Medical Group (d/b/a

High Desert Medical Group) (incorrectly named as High Desert Medical Corporation and High Desert Medical Group).

- 1.10. “Defense Counsel” means Daryl S. Landy, Anahi Cruz, and Regina Agopian of Morgan Lewis & Bockius LLP.
- 1.11. “Effective Date” is the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the day the Court enters Judgment.
- 1.12. “General Release Payment” means the payment to Plaintiff, separate from and in addition to her Individual PAGA Payment, and subject to approval by the Court, for her participation in representing the State of California and the Aggrieved Employees in the Action and in exchange for agreeing to a general release of claims against Defendants as set forth in Paragraph 5.1, below.
- 1.13. “Gross Settlement Amount” means Four Hundred Forty-Five Thousand Dollars and Zero Cents (\$445,000.00) which is the total amount Defendants will cause to be paid under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, General Release Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.14. “Individual PAGA Payment” means an Aggrieved Employee’s pro rata share of 25% of the Net Settlement Amount, calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.15. “Judgment” means the judgment entered by the Court based upon the approval of the Settlement.
- 1.16. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled under Labor Code section 2699, subd. (i).
- 1.17. “LWDA PAGA Payment” means 75% of the Net Settlement Amount.
- 1.18. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: General Release Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.19. “PAGA Counsel” means Arby Aiwarzian and Joanna Ghosh, of Lawyers *for* Justice, PC, and all the lawyers of this firm acting on behalf of Plaintiff and the Aggrieved Employees, and Jill J. Parker and S. Emi Minne of Parker & Minne, LLP, the attorneys representing Plaintiff in the Action.
- 1.20. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable

attorneys' fees and expenses, respectively, incurred to prosecute the Action.

- 1.21. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.22. "PAGA Period" means the period from November 9, 2020 through December 31, 2024.
- 1.23. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.24. "PAGA Notice" means Plaintiff's November 9, 2021 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.25. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the Aggrieved Employees and 75% to the LWDA in settlement of PAGA claims.
- 1.26. "Plaintiff" means Irene Gil, the named plaintiff in the Action.
- 1.27. "Released PAGA Claims" means the claims being released by Plaintiff and the Aggrieved Employees as described in Paragraph 5.2 below.
- 1.28. "Released Parties" means: Defendant High Desert Medical Corporation, a Medical Group (d/b/a High Desert Medical Group) and its past, present and/or future, direct and/or indirect, officers, directors, owners, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.
- 1.29. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.30. "Settlement Notice" means the letter to be mailed by the Administrator to each Aggrieved Employee along with Individual PAGA Payment checks in substantially the form that is attached hereto as Exhibit A. The Administrator shall be responsible for providing a copy of the Settlement Notice in both English and Spanish.

2. RECITALS.

- 2.1. On January 13, 2022, Plaintiff commenced this Action by filing a Complaint alleging one cause of action under the California Labor Code Private Attorneys General Act of 2004 against Defendants for: (1) Failure to Pay Overtime Wages (Cal. Lab. Code §§ 510 and 1198); (2) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7 and 512(a)); (3) Failure to Provide Rest Periods (Cal. Lab. Code § 226.7); (4) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 1194, 1197, and 1197.1); (5) Failure to Timely Pay Wages Upon Termination (Cal. Lab. Code §§ 201, 202, 203); (6) Failure to Timely Pay Wages During Employment (Cal. Lab. Code § 204); (7) Failure to

Provide Complete and Accurate Wage Statements (Cal. Lab. Code § 226(a)); (8) Failure to Keep Complete and Accurate Payroll Records (Cal. Lab. Code § 1174(d)); and (9) Failure to Reimburse Necessary Business-Related Expenses and Costs (Cal. Lab. Code §§ 2800 and 2802). The Complaint is the operative complaint in the Action (the “Operative Complaint.”) Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On October 11, 2024, the Parties participated in an all-day mediation presided over by Tagore Subramaniam, Esq., which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through formal and informal discovery, a random sampling of Class Members’ time and pay records, as well as information and documents concerning the claims set forth in the Action, including but not limited to, Defendant’s employee handbooks and relevant wage and hour policies, information regarding the number of Aggrieved Employees, and the number of pay periods worked.
- 2.5. The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendants will cause Four Hundred Forty-Five Thousand Dollars and Zero Cents (\$445,000.00) and no more to be paid as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:
 - 3.2.1. To Plaintiff: A General Release Payment to Plaintiff of not more than Fifteen Thousand Dollars and Zero Cents (\$15,000.00). The General Release Payment is in addition to whatever monetary settlement Plaintiff is entitled to recover from the Net Settlement Amount as an Aggrieved Employee. Any amount of the General Release Payment not approved by the Court shall become part of the Net Settlement Amount.
 - 3.2.2. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 35% of

the Gross Settlement Amount, which is currently estimated to be \$155,750.00 and PAGA Counsel Litigation Expenses Payment of not more than \$25,000.00. Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other plaintiff's counsel arising from any claim to any portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

- 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed Ten Thousand Dollars and Zero Cents (\$10,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.4. To the LWDA and Aggrieved Employees: The Net Settlement Amount, which is the Gross Settlement Amount less the General Release Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment, is the amount of PAGA Penalties to be paid to the LWDA and to the Aggrieved Employees, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.
 - 3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
 - 3.2.4.2. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Aggrieved Employee Pay Periods. Based on a review of their records to date,

Defendants estimate there are 592 Aggrieved Employees who worked a total of 30,430 PAGA Pay Periods.

- 4.2. Aggrieved Employee Data. Within 30 days after the Court's order granting approval of the Settlement, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.
- 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 45 days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within 10 days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the General Release Payment, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.
 - 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them, along with the Settlement Notice, to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The

Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, if requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Upon the Effective Date and the date that Defendants fully fund the entire Gross Settlement Amount, Plaintiff and the Aggrieved Employees will release claims against all Released Parties as follows:

5.1 Plaintiff's General Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and/or PAGA Notice or ascertained during the Action; and (b) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with her employment with Defendants, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date Plaintiff executes this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Fair Labor Standards Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, the Equal Pay Act, the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Fair Credit Reporting Act, the National Labor Relations Act, the California Labor Code (including PAGA) and applicable Wage Order(s), the Unfair Competition Law, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum,

regular, and overtime wages, failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to reimburse necessary business-related expenses and costs, in violation of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802 and Industrial Welfare Commission Wage Orders, including inter alia Wage Orders 4-2001 and 5-2001; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs.

Plaintiff releases her individual PAGA claims and her right to pursue non-individual representative PAGA claims including her right to represent the State in claiming civil penalties for Labor Code violations she claims she experienced or that any other employee, or worker temporarily assigned to work for Defendants, claims to have experienced. Plaintiff recognizes that this Agreement releases Plaintiff's right to serve as a representative of the State in bringing a claim on behalf of the State, and that it precludes her from bringing any claim for civil penalties on behalf of the State arising out of or related to her temporary assignment with Defendants.

Plaintiff's General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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.

5.2 Release by Aggrieved Employees: All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and

all claims under the California Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698 et seq., for the recovery of civil penalties, attorneys' fees, and costs, which Plaintiff and/or the Aggrieved Employees had, or may claim to have, against Released Parties, that were alleged in the Operative Complaint or Plaintiff's November 9, 2021 PAGA Notice, or which reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint or the November 9, 2021 PAGA Notice, including, but not limited to, the following claims for alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.

- 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and submit for filing all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including: (i) a proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel attesting to their timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.
- 6.2 Duty to Cooperate. Defendants agree that they will not oppose Plaintiff's motion for approval of the Settlement as long as it is in conformity with the Settlement Agreement, nor shall they seek to delay the hearing on this motion for more than thirty (30) days from the date selected by Plaintiff. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement

Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. **AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.** At mediation, Defendants estimated that there were 30,361 Pay Periods during the PAGA Period. Based on this estimate, the Parties have agreed that if the qualifying Pay Periods worked by the PAGA Members during the PAGA Period ultimately increase by more than 10% (i.e., by more than 3,036 Pay Periods), Defendants shall have the option to either: (1) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Pay Periods worked by the PAGA Members above 10% (for example, if the number of Pay Periods increases by 11% to 33,701 Pay Periods, the Gross Settlement Amount will increase by 1%), or (2) shorten the PAGA Period to a date before which the Pay Periods threshold is exceeded. Based on their records, Defendants now estimate that, as of the date of this Settlement Agreement, there are 592 Aggrieved Employees who worked 30,430 Pay Periods during the PAGA Period and therefore do not anticipate that this escalator clause will be triggered. However, whether or not the escalator clause has been triggered will be determined by the Parties' in consultation with the Administrator after its receipt of the Aggrieved Employee Data.

9. **CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

- 9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of

appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

- 10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendants' defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party including the Memorandum of Understanding of Settlement executed between the Parties.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, and submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,

transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court. After this Agreement has been submitted to the Court in connection with seeking approval of the Settlement, it may not be changed, altered, or modified, except in a writing signed by the counsel for the Parties, subject to approval by the Court. Notwithstanding the forgoing, the Parties agree that any dates contained or contemplated in this Agreement may be modified by agreement of counsel for the Parties in writing without approval by the Court if the Parties agree and cause exists for such modification.
- 10.8 Severability: If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Agreement which can be given their intended effect without the invalid provisions or applications, and to this end the provisions of this Agreement are declared to be severable.
- 10.9 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.10 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.11 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.12 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. Neither Plaintiff nor PAGA Counsel will publicize this settlement by name (i.e., identifying Defendants by name) whether through a press release, posting on counsels' website, social media or any other public means. Nothing in this provision is intended to prevent Plaintiff from discussing this settlement with her spouse, attorneys, or tax advisors. Nothing in this provision is intended to prevent PAGA Counsel from citing the

settlement in this case as evidence supporting their competence as counsel in wage/hour matters in public court filings.

- 10.13 **Non-Disparagement:** Plaintiff agrees that she shall not make any disparaging statements or comments about Defendants and/or its operations, processes, procedures, business, technologies, market position, employment policies and practices, employees (past and present), officers, directors, managers, operations, and/or products or services, either as statements of fact or opinion. Nothing in this Agreement is intended to prevent or prohibit Plaintiff from: (i) providing information regarding her former assignment to work at Defendants, as may be required by law or legal process; (ii) cooperating, participating or assisting in any government entity investigation or proceeding; (iii) engaging in protected activity under the National Labor Relations Act; or (iv) from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that she has reason to believe is unlawful under California law.
- 10.14 **Use and Return of Aggrieved Employee Data.** Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendant make a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data. Notwithstanding this provision, PAGA Counsel is entitled to retain an archival copy of all pleadings, motion papers, deposition transcripts, hearing transcripts, legal memoranda, correspondence, expert reports, attorney work product, and consultant and expert work product, even if such materials contain Aggrieved Employee Data.
- 10.15 **Neutral Employment Reference.** Defendants agree that they will adopt a neutral reporting policy regarding any future employment references related to Plaintiff. In the event that any potential or future employers of Plaintiff request a reference regarding Defendant's employment of Plaintiff, Defendants shall only provide Plaintiff's dates of employment and job titles during employment. Defendants shall not refer to the Action or this Settlement.
- 10.16 **Headings.** The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.17 **Calendar Days.** Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be

on the first business day thereafter.

- 10.18 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Jill J. Parker
jill@parkerminne.com
S. Emi Minne
emi@parkerminne.com
Parker & Minne, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017

Arby Aiwarzian
arby@calljustice.com
Joanna Ghosh
joanna@calljustice.com
Lawyers *for* Justice, PC
450 North Brand Blvd., Suite 900
Glendale, California 91203

To Defendants:

Daryl S. Landy
daryl.landy@morganlewis.com
Anahi Cruz
anahi.cruz@morganlewis.com
Regina Agopian
regina.agopian@morganlewis.com
MORGAN, LEWIS & BOCKIUS LLP
300 South Grand Avenue, 22nd Floor
Los Angeles, California 90071-3132

- 10.19 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (e.g., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 10.20 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP

section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

IT IS SO AGREED:

Date: 03/04/2025


Irene Gil (Mar 4, 2025 15:01 PST)

Irene Gil, Plaintiff

Date: March 13, 2025

Signed by:


Rafael Gonzalez, M.Ed., M.S.

High Desert Medical Corporation, a Medical Group, Defendant

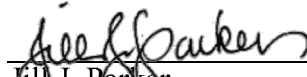
Name: Rafael Gonzalez, M.Ed., M.S.

Position: Administrator

APPROVED AS TO FORM:

Date: March 5, 2025

PARKER & MINNE, LLP

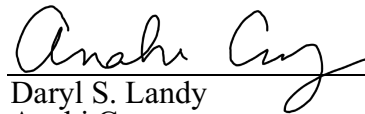


Jill J. Parker

Attorneys for Plaintiff Irene Gil

Date: March 13, 2025

MORGAN, LEWIS & BOCKIUS LLP



Daryl S. Landy

Anahi Cruz

Regina Agopian

Attorneys for Defendants High Desert Medical Corporation, a Medical Group (d/b/a High Desert Medical Group)

EXHIBIT A

NOTICE OF REPRESENTATIVE PAGA ACTION SETTLEMENT

Gil v. High Desert Medical Corporation, et al.

Los Angeles Superior Court Case No. 22AVCV00040

***The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.***

You are eligible to receive money from a lawsuit brought pursuant to the Labor Code Private Attorneys General Act of 2004, California Labor Code §§ 2698, et seq. ("PAGA") (the "Action") against High Desert Medical Corporation, a Medical Group (d/b/a High Desert Medical Group) (incorrectly named as High Desert Medical Corporation and High Desert Medical Group) ("Defendants") for alleged wage and hour violations. The Action was filed by a former employee, Irene Gil ("Plaintiff") and seeks payment of civil penalties under PAGA for all current and former non-exempt and/or hourly-paid employees who worked for Defendants in the State of California at any time during the PAGA Period (November 9, 2020 to December 31, 2024) ("Aggrieved Employees").

SUMMARY OF THE SETTLEMENT

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination, wages due during employment, and reimbursable expenses and failing to provide meal periods, rest breaks, accurate itemized wage statements, and maintain required payroll records for hourly-paid and/or non-exempt employees in California. Based on these claims, Plaintiff seeks civil penalties under PAGA. Plaintiff is represented by attorneys in the Action ("PAGA Counsel"):

Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

Jill J. Parker, Esq.
S. Emi Minne, Esq.
PARKER & MINNE, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement

agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that the Court has approved. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- a. Defendants have paid \$445,000.00 as the Gross Settlement Amount (“Gross Settlement”). Defendants deposited the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator is using the Gross Settlement to pay the Individual PAGA Payments, General Release Payment to Plaintiff, PAGA Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). The Court entered Judgment on [insert date].
- b. Court Approved Deductions from Gross Settlement. The Court has approved the following deductions from the Gross Settlement:
 - A. \$155,750.00 (35% of the Gross Settlement) to PAGA Counsel for attorneys’ fees and \$[insert amount of approved costs, not to exceed \$25,000.00] for their litigation expenses. To date, PAGA Counsel have worked and incurred expenses on the Action without payment.
 - B. \$15,000.00 as a General Release Payment to Plaintiff for filing the Action, working with PAGA Counsel and representing the Aggrieved Employees and the State of California, and for agreeing to a general release of all claims against Defendants. A General Release Payment will be the only money Plaintiff will receive other than Plaintiff’s Individual PAGA Payment.
 - C. [Insert amount of approved administration costs, not to exceed \$10,000.00] to the Administrator for services administering the Settlement.
- c. Net Settlement Distributed to LWDA and to Aggrieved Employees. After making the above deductions in the amounts approved by the Court, the rest of the Gross Settlement (the “Net Settlement”) amounts to \$[insert Net Settlement Amount]. The Administrator will distribute the Net Settlement Amount to the LWDA and the Aggrieved Employees as follows: 75% to the LWDA and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.
- d. Designation of Individual PAGA Payments as Penalties. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payment is taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- e. Need to Promptly Cash Payment Checks. The front of every check issued for Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California

Controller's Unclaimed Property Fund in your name.

If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

- f. You cannot opt-out of the Settlement. All Aggrieved Employees are required to give up their right to assert PAGA claims against Defendants based on the PAGA Period facts alleged in the Action.
- g. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the "Administrator") to send this Notice and to calculate and make payments. The Administrator will also mail and re-mail Settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is as follows:

Name of Settlement Administrator Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

- h. Aggrieved Employees' PAGA Release. Upon the Effective Date and the date when Defendants fully funded the entire Gross Settlement Amount, all Aggrieved Employees are barred from asserting PAGA claims against Defendants that were asserted in this Action and which arose during the PAGA Period. This means that all Aggrieved Employees cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or their related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees' Release is as follows:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from any and all claims under the California Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698 et seq., for the recovery of civil penalties, attorneys' fees, and costs, which Plaintiff and/or the Aggrieved Employees had, or may claim to have, against Released Parties, arising out of the violations alleged in the Operative Complaint or Plaintiff's November 9, 2021 PAGA Notice, or which reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint or the November 9, 2021 PAGA Notice, including, but not limited to, the following claims for alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001.

The "Released Parties" are Defendants High Desert Medical Corporation, a Medical Group (d/b/a High Desert Medical Group) and each of its past, present and/or future, direct and/or indirect, officers, directors, owners, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

4. HOW DID THE ADMINISTRATOR CALCULATE MY PAYMENT?

The Administrator calculated Individual PAGA Payments by (a) dividing 25% of the Net Settlement Amount (i.e., \$[insert 25% of the Net Settlement Amount]) by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.

According to Defendants' records, during the period **from November 9, 2020 to December 31, 2024 (i.e., the PAGA Period)** you worked for Defendants as an hourly-paid or non-exempt employee in California for approximately [] Pay Periods.

Under the terms of the Settlement, your Individual PAGA Payment is \$ [].

5. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at []. You can also telephone or send an email to PAGA Counsel or the Administrator using the contact information listed herein. You can also consult the Superior Court website by going to <http://www.lacourt.org/casesummary/ui/index.aspx> and entering the Case Number for the Action, Case No. 22AVCV00040. You can also make an appointment to personally review court documents in the Clerk's Office at the Michael D. Antonovich Antelope Valley Courthouse by calling (616) 483-5500 or making an online appointment by visiting the following website: <https://mycourtservices.lacourt.org/Appointment/Schedule>.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

6. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.