

SETTLEMENT AND RELEASE AGREEMENT

This PAGA Settlement Agreement is made by and between plaintiffs Blake Ahlers (“Ahlers”) and James Hunter (“Hunter”) (collectively “Plaintiffs”) and defendant Rideout Memorial Hospital (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. The Parties are currently involved in the following proceedings in which the Plaintiffs assert PAGA claims for civil penalties based on alleged wage and hour violations against Defendant, entitled:

1.1.1 *Blake Ahlers v. Rideout Memorial Hospital*, Superior Court of the State of California, County of Yuba, Case No. CVCV22-00115;

1.1.2 *Blake Ahlers v. Rideout Memorial Hospital*, Judicate West Case No. A296390;

1.1.3 *James Hunter v. Rideout Memorial Hospital*, Superior Court of the State of California, County of Yuba, Case No. CVCV22-00647, and *James Hunter v. Rideout Memorial Hospital*, Superior Court of the State of California, County of Yuba, Case No. CVCV22-00858, which have been consolidated under the earlier filed Case No. CVCV22-00647.

1.1.4 The foregoing proceedings brought by Ahlers and Hunter are collectively herein referred to as the “Actions.”

1.2. “Administrator” means APEX Class Action Administration, the neutral entity the Parties have mutually agreed 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 Employee” or “Settlement Group” means all individuals employed by Defendant as non-exempt employees in California during the PAGA Period. The Settlement Group will not include any person who previously settled or released any of the claims covered by this Settlement, or any person who previously was paid or received awards through civil or administrative actions for the claims covered by this Settlement. Aggrieved Employees are not eligible to exclude themselves from, or to opt out of, the Released PAGA Claims (defined below).

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

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. “Court” means the Superior Court of California, County of Yuba.

1.8. “Defense Counsel” means Seyfarth Shaw LLP.

- 1.9. “Effective Date” means the date by when all of the following have occurred: (a) Ahlers’ individual claims in arbitration have been dismissed; (b) Hunter’s class action claims have been dismissed without prejudice, pursuant to California Rules of Court, Rule 3.770; (c) approval of the PAGA Settlement is granted by the Superior Court for the State of California for the County of Yuba; and (d) the Court’s Judgment approving the PAGA Settlement becomes Final. The Judgment is final as of the latest of the following occurrences: (i) if there is an appeal of the Court’s Judgment, the date the Judgment is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari to the United States Supreme Court or California Supreme Court; (ii) if a petition for writ of certiorari is filed, the date of denial of the petition for writ of certiorari, or the date the Judgment is affirmed pursuant to such petition; or (iii) if no appeal is filed, the expiration date of the time for filing or noticing any appeal of the Judgment.
- 1.10. “Gross Settlement Amount” means \$920,000, the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.11. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the enhancement awards to Plaintiffs, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees and the LWDA. 75% of the Net Settlement Amount shall be paid to the LWDA as the LWDA PAGA Payment and 25% of this amount shall be paid to the Aggrieved Employees as the Individual PAGA Payment. The Individual PAGA Payments to the Aggrieved Employees shall be characterized as 100% penalties.
- 1.16. “PAGA Counsel” means Castle Law: California Employment Counsel, PC, and James Hawkins APLC, counsel for the Aggrieved Employees.
- 1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and actual litigation expenses, respectively, incurred to prosecute the Actions, which will be paid from the Gross Settlement Amount.
- 1.18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.19. “PAGA Period” means the period from December 8, 2020 until November 1, 2024 or the date the Court grants approval of the settlement, whichever is sooner, unless otherwise modified subject to Paragraph 8.
- 1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

- 1.21. "PAGA Notices" means Ahlers' December 8, 2021 letter to Defendant and the LWDA and Hunter's July 20, 2022 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$141,085.82) and 75% to the LWDA (\$423,257.48) in settlement of PAGA claims.
- 1.23. "Plaintiffs" mean Blake Ahlers and James Hunter, the named plaintiffs in the Actions.
- 1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25. "Released PAGA Claims" means the claims being released by the Plaintiffs and PAGA Counsel and as described in Paragraph 5 below.
- 1.26. "Released Parties" means: Defendant and each of its past and present parents, subsidiaries, affiliates, members, owners (whether direct or indirect), board members, officers, directors, employees, partners, managers, contractors, agents, consultants, representatives, administrators, fiduciaries, attorneys, insurers, benefit plans, successors, transferees, predecessors, assigns, and any individual or entity which could be jointly liable with any of the foregoing.
- 1.27. "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.
- 1.28. "Defendant" means Rideout Memorial Hospital.

2. RECITALS.

2.1. Ahlers' Actions:

- 2.1.1 On February 14, 2022, Ahlers commenced a class action and PAGA lawsuit entitled *Blake Ahlers v. Rideout Memorial Hospital*, Superior Court of the State of California, County of Yuba, Case No. CVCV22-00115, alleging causes of action against Defendant for: (1) Violation of the California Unfair Competition Law; (2) Failure to Provide Accurate Wage Statements; (3) Failure to Pay Overtime Wages; (4) Waiting Time Penalties; (5) Failure to Pay Accrued Unused Vacation Time; (6) Civil Penalties Pursuant to the PAGA. Pursuant to Labor Code section 2699.3, subd.(a), Ahlers gave written notice on December 8, 2021 to Defendant and the LWDA by sending the PAGA Notice.
- 2.1.2 On September 7, 2022, Ahlers filed a First Amended Complaint (the "Operative Complaint") dismissing his class action allegations pursuant to a signed arbitration agreement. On that same date, the court action was stayed pending arbitration of Ahlers' individual claims and individual PAGA claim.
- 2.1.3 On August 4, 2022, Ahlers initiated arbitration of his individual claims for unpaid wages and the individual component of his PAGA claim, entitled *Blake Ahlers v. Rideout Memorial Hospital*, Judicate West Case No. A296390. On January 10, 2023, Ahlers filed an amended demand for arbitration, including his individual PAGA claim (the "Operative Demand").
- 2.1.4 Defendant denies all of Ahlers' allegations, denies any failure to comply with the laws identified therein and denies any and all liability for the claims alleged.

2.2. **Hunter's Actions:**

- 2.2.1 On July 20, 2022, Hunter commenced a class action complaint entitled *James Hunter v. Rideout Memorial Hospital*, Superior Court of the State of California, County of Yuba, Case No. CVCV22-00647, alleging causes of action against Defendant for: (1) Failure to Pay Wages Including Overtime; (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Provide Accurate Wage Statements; (5) Failure to Reimburse Necessary Business Expenses; (6) Violation of Business & Professions Code § 17200, *et seq.*
- 2.2.2. On September 27, 2022, Hunter commenced a separate PAGA-only action entitled *James Hunter v. Rideout Memorial Hospital*, Superior Court of the State of California, County of Yuba, Case No. CVCV22-00858, seeking civil penalties pursuant to the PAGA, based on the same alleged underlying Labor Code violations. Pursuant to Labor Code section 2699.3, subd.(a), Hunter gave written notice on July 20, 2022 to Defendant and the LWDA by sending the PAGA Notice.
- 2.2.3 The *Hunter* class action and *Hunter* PAGA action, Case Nos. CVCV22-00647 and CVCV22-00858, were consolidated by the court under the earlier Case No. CVCV22-00647.
- 2.2.4 Defendant denies all of Hunter's allegations and denies any failure to comply with the laws identified therein and denies any and all liability for the claims alleged.
- 2.3. On August 22, 2024, the Parties jointly participated in an all-day mediation with the Hon. Amy D. Hogue (retired), an experienced mediator in PAGA actions. The mediation concluded without a settlement. However, following the mediation, the Parties continued to work with the mediator and agreed to settle the Actions on August 29, 2024.
- 2.4. Prior to mediation, Ahlers and Defendant engaged in limited written discovery in arbitration. The Parties also engaged in informal discovery prior to mediation.
- 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.
- 2.6. In order to effectuate the settlement, the Parties agree to stipulate to the filing of an amended complaint in the Ahlers action, adding James Hunter as a named plaintiff in the Ahlers action. Hunter will dismiss the class claims in the Hunter action without prejudice and submit a declaration under C.R.C. 3.770 to support such dismissal of the class claims without prejudice.

3. **MONETARY TERMS.**

- 3.1. **Gross Settlement Amount.** Except as otherwise provided by Paragraph 9 below, Defendant promises to pay the sum of Nine Hundred Twenty Thousand Dollars And Zero Cents (\$920,000.00) as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the requirements and deadlines stated in Paragraphs 4.3 and 6.1 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 Defendant.
- 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 Final Approval:

- 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33⅓ % which is currently estimated to be \$306,666.70 and PAGA Counsel Litigation Expenses Payment (subject to proof) of not more than \$35,000.00. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs 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 Plaintiffs' 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 Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$13,990.00 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 \$13,990.00, the Administrator will retain the remainder in the Net Settlement Amount.
- 3.2.3. To the Plaintiffs: Individual enhancement awards to Plaintiffs Blake Ahlers and James Hunter of \$5,000.00 each, to be paid out of the Gross Settlement Amount, subject to approval by the Court. The enhancement award is in addition to Plaintiffs' Individual PAGA Payment. An IRS Form 1099-MISC shall issue to each Plaintiff for the enhancement award.
- 3.2.4 To the LWDA and Aggrieved Employees: After Court approved deductions under 3.2.1 through 3.2.3, PAGA Penalties are estimated in the amount of Five Hundred Sixty Four Thousand Three Hundred and Forty Three Dollars and Thirty Cents (\$564,343.30) to be paid from the Net Settlement Amount, with 75%, Four Hundred Twenty Three Thousand Two Hundred Fifty Seven Dollars and Forty Eight Cents (\$423,257.48) allocated to the LWDA PAGA Payment and 25%, One Hundred Forty One Thousand Eighty Five Dollars and Eighty Two Cents (\$141,085.82) allocated to the Individual PAGA Payments.
- 3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$141,085.82) 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. The settlement amounts to PAGA Settlement Employees will be allocated as 100% penalties and not subject to any payroll tax withholding. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. Defendant's pay period data will be presumed to be correct, unless a particular Aggrieved Employee proves otherwise to the Settlement Administrator by credible written evidence. All pay period disputes will be resolved and decided by the Settlement Administrator, and the Settlement Administrator's decision on all pay period disputes will be final and non-appealable.

- 3.2.3.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. 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 its records to date, Defendant estimates there are 2,623 Aggrieved Employees who worked a total of 115,930 PAGA Pay Periods between December 8, 2020 and March 21, 2024.
- 4.2. Aggrieved Employee Data. Within thirty (30) days after the Court issues an Order approving the Settlement, Defendant 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, will not provide the Aggrieved Employee Data to PAGA Counsel at any time or in any form, will use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and will 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. To the extent PAGA Counsel possesses or comes to possess the PAGA Members' contact information and/or Social Security numbers, PAGA Counsel shall return all such information (including copies, data, or information derived therefrom) within seven (7) calendar days from the final approval effective date of the Settlement, shall not retain copies of such information, and shall not maintain or use such information for any purpose. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers 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 Defendant 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. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than twenty-one (21) days after the Effective Date.
- 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, and the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.
- 4.4.1. The Administrator shall distribute each Individual PAGA Payment along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in substantially the form attached hereto as "Exhibit A," in the following manner:
- 4.4.2. The Administrator will issue checks for the Individual PAGA Payments and send them 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.
- 4.4.3. 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, requested by the Aggrieved Employee prior to the void date.

4.4.4. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds to the State of California State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee. However, the PAGA Settlement Members whose checks were undeliverable will still have released the Released Claims. The Parties agree that this results in no unpaid residue under California Civil Procedure Code section 384, as the entire PAGA settlement payment will be paid out to the LWDA and Aggrieved Employees. Therefore, Defendant will not be required to pay any interest on said amount.

4.4.5. The payment of Individual PAGA Payments shall not obligate Defendant 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. RELEASED CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiffs and the Aggrieved Employees will release against all Released Parties the following:

All claims that were alleged, or reasonably could have been alleged, based on the facts stated in the Actions and the PAGA Notices, for any alleged PAGA violations pursuant to California Labor Code sections 200-203, 210, 218, 221, 223.7, 226, 226.3, 226.7, 227.3, 246, 246.5, 256, 510, 511, 512, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2698, *et seq.*, and the applicable wage orders of the California Industrial Welfare Commission based on the facts alleged in the PAGA Actions. The Settlement shall release and bar all Released PAGA Claims by or on behalf of Plaintiffs and all Aggrieved Employees for the PAGA Release Period, regardless of whether Plaintiffs and/or an Aggrieved Employee negotiates (cashes) their/his/her settlement checks sent pursuant to this Settlement. Aggrieved Employees cannot and do not have the right to opt out of the Settlement Group and/or release of their PAGA claims against the Released Parties. This release does not release individual claims of the Aggrieved Employees other than the PAGA Claims as asserted in the Actions.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. To effectuate the terms of the Settlement, the Parties agree all formal discovery in the Actions shall be stayed pending Court approval of the Settlement. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including: (i) a joint stipulation to the filing of an amended complaint in the Ahlers action, adding James Hunter as a named plaintiff in that action, (ii) preparing and filing the amended complaint in the Ahlers action, (iii) all documents necessary for seeking court approval for a dismissal of Hunter's class claims without prejudice, pursuant to California Rules of Court, Rule 3.770; (iii) a draft proposed Order Granting Approval of PAGA Settlement; (iv) 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 Plaintiffs, PAGA Counsel or Defense Counsel; (vi) 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)); (vii) a settlement notice to be sent to the Aggrieved Employees that will be mutually agreed upon by the Parties and presented for approval to the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, Plaintiffs 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 further agrees to cease all affirmative communication (oral and written) with any Class Members and PAGA Members other than Plaintiffs, other except through Court-approved notices; this provision does not prevent PAGA Counsel from communicating with PAGA Members who may contact PAGA Counsel.

6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, 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 resolve the disagreement. The Parties will also engage the mediator, Amy D. Hogue, to resolve any disputes that may arise in connection with the settlement. 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, and will also engage the mediator, Amy D. Hogue, as needed.

6.4. The parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about this case and/or the fact, amount or terms of the settlement. Any communication about the settlement to PAGA Settlement Employees prior to the court-approved mailing will be limited to a statement that a settlement has been reached and the details will be communicated in a forthcoming Court-approved notice.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected APEX Class Action Administration to serve as the Administrator and verified that, as a condition of appointment, APEX Class Action Administration agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. 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**. This settlement is based on data provided by Defendant showing that there were approximately 2,263 members in the Settlement Group who worked approximately 115,930 Pay Periods between December 8, 2020 and March 21, 2024.

The Parties agree that if the number of pay periods exceeds 115,930 by more than 10% (e.g., to greater than 127,523 pay periods), Defendant at its sole discretion shall either: (1) increase the Maximum Settlement amount by the proportional amount for the percentage of workweeks above ten (10) percent (i.e., by the percentage of pay periods above 127,523 pay periods); or (2) end the PAGA Period at the point in time where pay periods equal 127,523 pay periods. If Defendant elects the first option, and it is determined that the total number of pay periods worked by the Aggrieved Employees during the PAGA period is determined to be 11% higher than 115,930, the Gross Settlement Amount will be increased by 1%.

9. **CONTINUING JURISDICTION OF THE COURT**. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, 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, 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 Defendant that any of the allegations in the Actions or PAGA Notices have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Actions 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, Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendant's defenses. The Settlement, this Agreement and 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.

- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, 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, 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 mediator, Amy D. Hogue, 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 Plaintiffs, PAGA Counsel, Defendant 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.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 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.
- 10.10 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.
- 10.11 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.
- 10.12 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.

10.13 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.

10.14 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 Plaintiffs:

James Hawkins, APLC- c/o Gregory Mauro, 9880 Research Dr., Suite 200, Irvine, CA 92618;
greg@jameshawkinsaplc.com;

Castle Law, APC- c/o/ Kent L. Bradbury, 29999 Douglas Blvd., Suite 180, Roseville, CA 95661.

Kent Bradbury <kb@castleemploymentlaw.com>

To Defendant: Attn: Daniel Whang, c/o Seyfarth Shaw LLP, 2029 Century Park East, Suite 3500, Los Angeles, CA 90067-3021; Email: dwhang@seyfarth.com

10.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. 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.

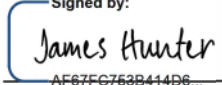
DATED: November , 2024

BLAKE AHLERS

By: _____

DATED: November ²¹, 2024

JAMES HUNTER

Signed by:
By:  _____
AF67FC762B414D6...

DATED: November , 2024

RIDEOUT MEMORIAL HOSPITAL

11/26/2024

By:  _____

Name: Chris Champlin

Title: President

10.13 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.

10.14 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 Plaintiffs:

James Hawkins, APLC- c/o Gregory Mauro, 9880 Research Dr., Suite 200, Irvine, CA 92618;
greg@jameshawkinsaplc.com;

Castle Law, APC- c/o/ Kent L. Bradbury, 29999 Douglas Blvd., Suite 180, Roseville, CA 95661.

Kent Bradbury <kb@castleemploymentlaw.com>

To Defendant: Attn: Daniel Whang, c/o Seyfarth Shaw LLP, 2029 Century Park East, Suite 3500, Los Angeles, CA 90067-3021; Email: dwhang@seyfarth.com

10.15 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. 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.

DATED: 11/21/24

BLAKE AHLERS

By: *Blake Ahlers*
Blake Ahlers (Nov 21, 2024 11:30 PST)

DATED: November , 2024

JAMES HUNTER

By: _____

DATED: November , 2024

RIDEOUT MEMORIAL HOSPITAL

By:- - - - -

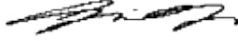
Name: _____

Title: _____

AGREED AS TO FORM:

DATED: November 30, 2024

SEYFARTH SHAW LLP

By: 

Daniel Whang
Gina Gi
Attorneys for Defendant
RIDEOUT MEMORIAL HOSPITAL

DATED: November , 2024

Respectfully submitted,

CASTLE LAW: CALIFORNIA EMPLOYMENT
COUNSEL, PC

By: _____
Timothy B. Del Castillo
Kent L. Bradbury
Attorneys for Plaintiff BLAKE AHLERS

DATED: November 21, 2024

Respectfully submitted,

JAMES HAWKINS APLC

By: 

James R. Hawkins
Gregory Mauro
Attorneys for Plaintiff JAMES HUNTER

AGREED AS TO FORM:

DATED: November , 2024

SEYFARTH SHAW LLP

By: _____
Daniel Whang
Gina Gi
Attorneys for Defendant
RIDEOUT MEMORIAL HOSPITAL

DATED: November 20, 2024

Respectfully submitted,

CASTLE LAW: CALIFORNIA EMPLOYMENT
COUNSEL, PC

By:  _____
Timothy B. Del Castillo
Kent L. Bradbury
Attorneys for Plaintiff BLAKE AHLERS

DATED: November , 2024

Respectfully submitted,

JAMES HAWKINS APLC

By: _____
James R. Hawkins
Gregory Mauro
Attorneys for Plaintiff JAMES HUNTER

Exhibit A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

Re: Settlement Payment for:
Blake Ahlers v. Rideout Memorial Hospital, Yuba County Superior Court, Case No. CVCV22-00115; *James Hunter v. Rideout Memorial Hospital*, Yuba County Superior Court Case No. CVCV23-00647

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> (“Individual Settlement Share”). This check is your payment from the settlement in the lawsuits entitled *Blake Ahlers v. Rideout Memorial Hospital*, Yuba County Superior Court, Case No. CVCV22-00115 and *James Hunter v. Rideout Memorial Hospital*, Yuba County Superior Court Case No. CVCV23-00647 (the “Actions”).

The Actions were filed on February 14, 2022 by Blake Ahlers and on July 20, 2022 by James Hunter (collectively “Plaintiffs”) against their former employer Rideout Memorial Hospital, and filed on behalf of the State of California, with respect to themselves and other allegedly aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to filing the lawsuit, on December 8, 2021, and on July 20, 2022, Plaintiffs submitted a letter to the California Labor and Workforce Development Agency (“LWDA”), pursuant to PAGA, to provide notice of their intent to seek civil penalties under PAGA for Defendant’s alleged violations of California Labor Code sections 200-203, 210, 218, 221, 223.7, 226, 226.3, 226.7, 227.3, 246, 246.5, 256, 510, 511, 512, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, and the applicable wage orders of the California Industrial Welfare Commission (the “PAGA Notices”).

Defendant denies all of Plaintiffs’ allegations and denies any wrongdoing of any kind associated with Plaintiffs’ allegations.

A settlement was reached between Plaintiffs and Defendant Rideout Memorial Hospital (“Defendant”).

On <<Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California Labor and Workforce Development Agency and a portion to be paid to all persons employed by Defendant or Releasees as non-exempt employees in the State of California at any time during the PAGA Period (“PAGA Settlement Members”). The period December 8, 2020, through the date of approval of the PAGA settlement is the “PAGA Period”.

You are receiving a portion of the settlement (the enclosed Individual Settlement Share) because you have been identified as a PAGA Settlement Member. Your Individual Settlement Share is based on the total number of pay periods that you worked for any of the Defendant in California during the PAGA Period. The Individual Settlement Share is 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of entry of order by the Court approving the Settlement>>, the Released Parties were fully released and forever discharged from any and all Released Claims.

“Released Parties” means Defendant and its past, present, and future subsidiaries, parents, affiliates, predecessors, insurers, agents, employees, successors, assigns, officers, officials, directors, attorneys, personal representatives, executors, and shareholders, including their respective pension, profit sharing, savings, health, and other employee benefits plans of any nature, the successors of such plans, and those plans’ respective current or former trustees and administrators, agents employees, and fiduciaries.

“Released Claims” means any and all claims pertaining to Plaintiff or the PAGA Settlement Members arising during the PAGA Period for civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”) as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the Operative Complaint or the PAGA Notice, or both, including but not limited to, 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 upon termination, failure to provide compliant and accurate wage statements, failure to maintain complete and accurate payroll records, failure to reimburse necessary business-related expenses and costs, and for violations of Labor Code sections 200-203, 210, 218, 221, 223.7, 226, 226.3, 226.7, 227.3, 246, 246.5, 256, 510, 511, 512, 558, 1174, 1174.5, 1175, 1194, 1194.2, 1197, 1197.1, 1198, 2802, and 2698, *et seq.*, and Industrial Welfare Commission Wage Orders, including *inter alia*, the applicable wage orders of the California Industrial Welfare Commission based on the facts alleged in the PAGA Actions.

The enclosed check is valid for 90 calendar days from the original date of issuance and mailing, and if it is not cashed, deposited, or otherwise negotiated within the 90-day timeframe, it will be canceled, and the funds associated with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your name; please contact the State Controller's Office Unclaimed Property Division for more information; please note that deadlines may apply for you to seek or otherwise retrieve funds.

Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel to ask questions about the settlement or to ask tax-related questions. If you have any such questions, you may contact [PAGA Settlement Administrator] at [toll-free phone number].