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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

LORRAINE SHELDON, as an aggrieved
employee pursuant to the Private Attorneys
General Act ("PAGA"),

Plaintiff,

vs.

EAST VALLEY GLENDORA HOSPITAL,
L.P., a California limited partnership; and DOES
1 through 10, inclusive,

Defendants.

Case No. BC612058

PAGA SETTLEMENT AGREEMENT

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1 Consideration, and providing necessary reports and declarations, as requested by the Parties or the Court.

2 7. "Settlement Consideration" means the maximum settlement amount of Five Hundred
3 Thousand Dollars (\$500,000) to be paid by Defendant in full satisfaction of all Settled Claims, which
4 includes all payments to PAGA Employees, Attorneys' Fees and Costs, the Service Award, the payment
5 to the California Labor and Workforce Development Agency ("LWDA"), and Settlement
6 Administration Costs.

7 **PERSONS COVERED BY THE SETTLEMENT**

8 8. PAGA Employees: This Settlement covers: All non-exempt, hourly-paid employees
9 who worked for East Valley Glendora Hospital, L.P. from February 28, 2015 to the date of approval of
10 the settlement and received at least one wage statement ("PAGA Employees").

11 9. Settlement Period: The Settlement covers the periods from February 28, 2015 to the
12 date of approval of the settlement. ("Settlement Period").

13 10. Pay Periods during Settlement Period: PAGA Employees worked during a combined
14 total of approximately 20,000 during the Settlement Period.

15 **SETTLEMENT CONSIDERATION**

16 11. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to PAGA Employees
17 and the California Labor and Workforce Development Agency ("LWDA") in full satisfaction of all
18 claims for PAGA civil penalties for violations of Labor Code section 226 with respect to PAGA
19 Employees. Pursuant to PAGA, Seventy-Five Percent (75%) (or approximately One Hundred Ninety
20 Five Thousand Dollars (\$195,000)), of the PAGA Penalties Fund will be paid to the LWDA, and the
21 remaining Twenty-Five Percent (25%) (or approximately Sixty Five Thousand Dollars (\$65,000)), will
22 be paid to all PAGA Employees according to the following formula:

23 11(a) Defendant will calculate: (i) the total number of pay periods worked by
24 each PAGA Employee during the Settlement Period, and (ii) the total
25 number of pay periods worked by all PAGA Employees during the
26 Settlement Period.

27 11(b) To determine each PAGA Employee's payment from the PAGA Penalties
28 Fund, Defendant will use the following formula: Settlement Payment =

25% of PAGA Penalties Fund ($\approx \$65,000$) $\times$ [Pay Periods Worked by Individual PAGA Employee During the Settlement Period $\div$ Total Pay Periods Worked by All PAGA Employees during the Settlement Period].

12. Attorneys' Fees and Costs. In full satisfaction of all claims Plaintiff may have for attorneys' fees, litigation costs, and expenses arising out of the Action, the Parties agree that Defendant will pay Plaintiff's Counsel a total of Two Hundred Twenty Five Thousand Dollars (\$225,000) in attorneys' fees and litigation costs and expenses ("Attorneys' Fees and Costs"). Any portion of the Attorneys' Fees and Costs not awarded to Plaintiff's Counsel will be distributed to aggrieved employees

13. PAGA Release by Plaintiff as Proxy for the State of California, the LWDA, and as Representatives of the PAGA Employees: Upon the Effective Date, Plaintiff in her capacity as proxy for the State of California, the LWDA, and as a private attorney general acting on behalf of herself and the PAGA Employees, shall fully release and forever discharge any and all claims by her and the PAGA Employees arising from February 28, 2015 to the date of approval of the settlement for all claims under PAGA for Labor Code section 226 violations that were asserted or could reasonably have been asserted based on the facts alleged in the Action that Plaintiff and PAGA Employees received wage statements that were incomplete and/or inaccurate. This PAGA Release shall bar these released claims by or on behalf of Plaintiff and all PAGA Employees regardless of whether Plaintiff and/or a PAGA Employee negotiates his/her settlement checks sent pursuant to this Settlement.

14. Service Award and General Release by Plaintiff. For her service on behalf of the State of California and PAGA Employees, and for a general release of all claims Plaintiff may have against Defendant arising out of her employment, Defendant agrees to pay Plaintiff the sum of Ten Thousand Dollars (\$10,000) ("Service Award"). In consideration of the Service Award to Plaintiff, Plaintiff, for herself, her representatives, heirs, assigns, and/or any other person or entity asserting any interest through her, unconditionally, irrevocably, and absolutely releases and discharges Defendants, including East Valley Glendora Hospital and Prime Healthcare Services, Inc., and their respective parent and subsidiary corporations, divisions and affiliated corporations, insurers, partnerships, or other affiliates, past and present, as well as its shareholders, owners, employees, officers, directors, agents, servants, insurers, re-insurers, attorneys, contractors, successors, and assigns, past or present (collectively, "Released Parties"),

1 from all claims related in any way to all transactions or occurrences involving them from the beginning
2 of time to the date of this Agreement, to the fullest extent permitted by law, including, but not limited to,
3 Plaintiff's employment with Defendant, her separation of employment from Defendant, and all other
4 losses, liabilities, claims, charges, demands and causes of action, known or unknown, suspected or
5 unsuspected, arising directly or indirectly out of or in any way connected with Plaintiff's employment
6 with Defendant. Plaintiff understands and agrees that this Agreement releases any and all rights that she
7 has to pursue any claim of any Labor Code violation including, but not limited to, any claim under the
8 California Private Attorney General Act. This release is intended to have the broadest possible
9 application and includes, but is not limited to, any tort, contract, common law, constitutional or other
10 statutory claims, including, but not limited to, alleged violations of the California Labor Code, the
11 California Business and Professions Code, the California Fair Employment and Housing Act, the
12 California Government Code, the California Family Rights Act, the California Confidentiality of
13 Medical Information Act, the California Labor Code Private Attorney General Act, the Fair Labor
14 Standards Act, Title VII of the Civil Rights Act of 1964, as amended, the Employee Retirement Income
15 Security Act of 1974, the Americans with Disabilities Act, the Equal Pay Act, and the Family Medical
16 Leave Act, as well as all wage claims, wrongful termination claims, discrimination claims, harassment
17 claims, public policy claims, retaliation claims, statutory claims, emotional distress claims, defamation
18 claims, and any and all other claims arising under any federal, state, or other governmental statute, law,
19 regulation or ordinance, and all claims for attorneys' fees, costs and expenses. Plaintiff expressly waives
20 her right to recovery of any type, including damages or reinstatement, in any administrative or court
21 action, whether state or federal, and whether brought by Plaintiff or on Plaintiff's behalf, related in any
22 way to the Released Parties. Plaintiff represents and acknowledges that she has asserted no claim against
23 Defendant or any of the Released Parties under the Age Discrimination in Employment Act ("ADEA"),
24 29 U.S.C. §§ 621 et seq., and she further admits and acknowledges that she is unaware of any facts
25 establishing or suggesting that her age in any way affected any terms and conditions of her employment
26 with Defendant, and that any such claim is now time-barred. This release specifically includes any and
27 all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and
28 attorneys' fees and costs (except provided by the Settlement) relating to or in any way connected with

1 the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically
2 or particularly described herein. Specifically, Plaintiff will be deemed to have waived all rights and
3 benefits afforded by California Civil Code Section 1542, which provides:

4 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
5 **CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR**
6 **AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR**
7 **HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH**
8 **THE DEBTOR.**

9 Notwithstanding the foregoing, nothing in this Agreement bars any claims that, by statute, may not be
10 waived. Moreover, nothing in this Agreement restricts or prohibits Plaintiff from initiating
11 communications directly with, responding to any inquiries from, providing testimony before, providing
12 information to, reporting possible violations of law or regulation to, accepting a whistleblower award
13 from, or assisting with an investigation by, a federal government agency or entity, including the U.S.
14 Equal Employment Opportunity Commission ("EEOC"), the Department of Labor ("DOL"), the
15 National Labor Relations Board ("NLRB"), the Department of Justice ("DOJ"), the Securities and
16 Exchange Commission ("SEC"), and any federal agency Inspector General (collectively, the
17 "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of
18 state or federal law or regulation.

19 15. No Right To Object Or Opt-Out. Since this is not a settlement of a class action, no
20 PAGA Employees can object to the Settlement after the Court's approval order is made, or opt-out from
21 being included in the Settlement at any time before or after the approval order is made.

22 16. Confidentiality. Plaintiff and her Counsel agree not to disclose the terms of this
23 Settlement Agreement except in court papers or if required by legal process. Plaintiff and her Counsel
24 shall not issue a press release, hold a press conference, publish information about the Settlement
25 Agreement on any website, or otherwise publicize the Settlement. Plaintiff and her Counsel agree not to
26 respond to any press inquiries except to refer reporters to the papers filed with the Court.

27 17. Non-Disparagement: Plaintiff agrees that she shall not make any disparaging statements
28 or comments about Defendant and/or its operations, business, technologies, market position,

1 employment policies and practices, employees (past and present), operations, and/or products or
2 services, either as statements of fact or opinion.

3 18. Settlement Administration Costs. The Parties will retain a third-party settlement
4 administrator ("Settlement Administrator"). The Settlement Administrator will be responsible for
5 establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms to
6 PAGA Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement Administration Costs
7 will be paid from the Settlement Consideration. Based on the estimate that there are approximately five
8 hundred and fifty (550) PAGA Employees, Settlement Administration Costs are estimated at Five
9 Thousand Dollars (\$5,000).

10 19. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties
11 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
12 Court issue an order and judgment approving and incorporating by reference the terms and conditions of
13 the Settlement Agreement (the "Order and Judgment").

14 20. List of PAGA Employees. Within seven (7) calendar days after the Effective Date,
15 Defendant will provide the Settlement Administrator a complete list of all PAGA Employees ("PAGA
16 Employee List"). The PAGA Employee List will be formatted in Microsoft Office Excel and will
17 include each PAGA Employees full name; most recent mailing address and telephone number; Social
18 Security number; the respective number of pay periods during which each PAGA Employee worked
19 during the Settlement Period; and any other relevant information needed to calculate settlement
20 payments.

21 21. Funding of the Settlement. Within thirty (30) calendar days after the Effective Date,
22 Defendant will deposit the Settlement Consideration into the QSF to be established by the Settlement
23 Administrator. Within fourteen (14) calendar days of the funding of the Settlement, the Settlement
24 Administrator will issue payments to: (a) PAGA Employees; (b) the Labor and Workforce
25 Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel; and (e) itself. The Settlement Administrator,
26 and not Defendant, will issue the appropriate tax forms for all payments issued under this Settlement.

27 22. Settlement Payments to PAGA Employees. The Settlement Administrator will issue
28 each PAGA Employee one check for his or her share of the PAGA Penalties Fund along with an

1 explanatory letter which will be mutually approved by the parties. Prior to mailing, the Settlement
2 Administrator will perform a search based on the National Change of Address Database for information
3 to update and correct for any known or identifiable address changes. Any checks returned as non-
4 deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S.
5 Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement
6 Administrator will promptly attempt to determine the correct address using a skip-trace, or other search
7 using the name, address or Social Security number of the PAGA Employee involved, and will then
8 perform a single re-mailing. Checks will remain negotiable for 180 days. Those funds represented by un-
9 cashed checks which remain outstanding 180 days after the mailing of the Settlement checks by the
10 Settlement Administrator will be tendered to the California Department of Industrial Relations Unpaid
11 Wage Fund (*see* Cal. Lab. Code § 96.6). All settlement payments to PAGA Employees will be treated
12 as miscellaneous income for which a 1099 will be issued.

13 23. Settled Claims. Upon entry of the Order and Judgment, Plaintiff and all PAGA
14 Employees will be forever barred from pursuing against Defendant any and all claims for PAGA civil
15 penalties for violation of Labor Code section 226 (“Settled Claims”). PAGA Employees, other than
16 Plaintiff, will not be deemed to have released any individual wage and hour claims by virtue of this
17 Settlement. No other PAGA claims other than those for wage statement violations under Labor Code
18 section 226 shall be released as a result of this agreement.

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

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

1 26. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
2 the Settlement as provided herein; (ii) the Settlement does not become final for any other reason, (iii) the
3 Settlement Agreement is construed in such a fashion that Defendant is required to pay more than the
4 Settlement Consideration; or (iv) the LWDA or any other state or government agency seeks to intervene
5 in the action and/or commence an enforcement action, then Defendant will have the option to withdraw
6 from this Settlement Agreement, and any documents generated to bring it into effect, will be null and
7 void, and the Parties will be returned to their original respective positions.

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

12 28. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
13 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
14 on the Parties.

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

18 30. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
19 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
20 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
21 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
22 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
23 other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to
24 reach agreement on the form or content of any document needed to implement the Settlement, or on any
25 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
26 may seek the assistance of the Court to resolve such disagreement.

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

1 32. California Law Governs. All terms of this Settlement Agreement will be governed by
2 and interpreted according to the laws of the State of California.

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

7 34. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
8 Settlement Agreement is a fair, adequate, and reasonable settlement of the Labor Code section 226
9 claims in this Action and have arrived at this Settlement after arm's-length negotiations by experienced
10 counsel. The Parties further acknowledge that they are each represented by competent counsel and that
11 they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of
12 this Settlement.

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

16 36. Invalidity of Any Provision. Before declaring any provision of this Settlement
17 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
18 possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement
19 valid and enforceable.

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

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

26 39. Enforcement Action. Before one or more of the Parties institutes any legal action or
27 other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to
28 declare rights and/or obligations under this Settlement, the Parties agree to refer their disputes to

mediator Jeff Ross.

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

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

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

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

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

1 of the Court entered into in connection therewith.

2
3 **READ CAREFULLY BEFORE SIGNING**

4
5 **PLAINTIFF**

6 Dated: May 4, 2019

7 Lorraine Sheldon
8 Lorraine Sheldon

9 **DEFENDANT EAST VALLEY GLENDORA
10 HOSPITAL**

11 Dated: _____

12 _____
13 Name of Authorized Signatory

14
15 **APPROVED AS TO FORM**

16 **CAPSTONE LAW APC**

17
18 Dated: May 7, 2019

19 Raul Perez
20 Raul Perez

21 **MORGAN, LEWIS & BOCKIUS LLP**

22 Dated: _____

23 _____
24 John D. Hayashi

1 of the Court entered into in connection therewith.

2
3 **READ CAREFULLY BEFORE SIGNING**

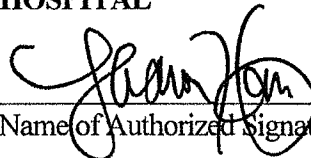
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5 **PLAINTIFF**

6 Dated: _____

7 Lorraine Sheldon

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9 **DEFENDANT EAST VALLEY GLENDORA
HOSPITAL**

10 Dated: 5/6/19

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Name of Authorized Signatory

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15 **APPROVED AS TO FORM**

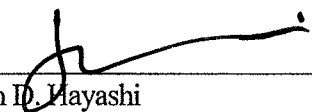
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19 Raul Perez

20 **MORGAN, LEWIS & BOCKIUS LLP**

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22 Dated: 5/6/2019

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John D. Hayashi