
EXHIBIT 1

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22 ADVENTIST HEALTH CLEARLAKE HOSPITAL, INC.

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF LAKE

ANDREA PRIOR, on behalf of herself and
all aggrieved employees,

Plaintiff,

v.

ADVENTIST HEALTH CLEARLAKE
HOSPITAL, INC.; and DOES 1 through 10,
inclusive,

Defendants.

CASE NO.: CV-423216

**LABOR CODE PRIVATE ATTORNEYS
GENERAL ACT SETTLEMENT
AGREEMENT**

Complaint Filed: October 21, 2022
Trial Date: TBD

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ADVENTIST HEALTH CLEARLAKE HOSPITAL, INC.

1 This Labor Code Private Attorneys General Act (Labor Code §§ 2698, *et seq.*) Settlement
2 Agreement (“Settlement Agreement”) is made by and between ANDREA PRIOR (“Plaintiff”),
3 on her own behalf and on behalf of all members of the PAGA Group (as defined below) and the
4 State of California, on the one hand, and ADVENTIST HEALTH CLEARLAKE HOSPITAL,
5 INC. (“Defendant”) on the other hand (collectively the “Parties”), in the lawsuit entitled *Prior v.*
6 *Adventist Health Clearlake Hospital, Inc.*, filed in Lake County Superior Court, Case No. CV-
7 42316. This Settlement Agreement resolves all claims under the California Labor Code Private
8 Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698, *et seq.*, based on or arising out
9 of alleged violations of the Labor Code, including all claims that were or could have been alleged
10 based on the factual allegations and identified Labor Code sections in the LWDA Letter and/or
11 the operative pleading for the Litigation (defined below).

12 **I. DEFINITIONS**

13 **A. Administrative Costs.** The term “Administrative Costs” as used herein means
14 all administrative costs of settlement, including cost of notice to the PAGA Group,
15 administration, and any fees and costs incurred or charged by the Settlement Administrator in
16 connection with the execution of its duties under this Settlement Agreement.

17 **B. Agreement or Settlement Agreement.** The terms “Agreement” or “Settlement
18 Agreement” are used synonymously herein to mean this Labor Code Private Attorneys General
19 Act (Labor Code §§ 2698, *et seq.*) Settlement Agreement.

20 **C. Court.** The term “Court” as used herein means the Superior Court of the State
21 of California for the County of Lake.

22 **D. Defendant.** The term “Defendant” as used herein means Adventist Health
23 Clearlake Hospital, Inc.

24 **E. Defendant’s Counsel.** The term “Defendant’s Counsel” as used herein means
25 Seyfarth Shaw LLP.

26 **F. Effective Date.** This Agreement shall become effective when all of the following
27 events have occurred (“Effective Date”): (i) the long-form Settlement Agreement has been
28 executed by Plaintiff, Defendant, Plaintiff’s Counsel, and Defendant’s Counsel; (ii) Notice of

1 the Settlement has been sent to the LWDA; (iii) the Court has given approval to the Settlement;
2 (iv) the Court has entered the Court's Final Order and Judgment; and (v) the later of the following
3 events: (a) when the period for filing any appeal, writ, or other appellate proceeding opposing
4 approval of the settlement and judgment has elapsed without any appeal, writ, or other appellate
5 proceeding having been filed; (b) when any appeal, writ or other appellate proceeding opposing
6 the settlement has been dismissed finally and conclusively with no right to pursue further
7 remedies or relief; or (c) when any appeal, writ or other appellate proceeding has upheld the
8 Court's Final Order and Judgment with no right to pursue further remedies or relief. If the Court
9 declines to approve the Settlement, the Parties will work in good faith to address the Court's
10 concerns. If, after the Parties have exhausted all good faith efforts to obtain approval of the
11 Settlement Agreement, the Court declines to approve the settlement, the entire Settlement
12 Agreement is deemed void and unenforceable as if no settlement of any claim was ever reached.

13 **G. Individual Settlement Payment.** The term "Individual Settlement Payment" as
14 used herein means the pro rata payment that each member of the PAGA Group will receive as
15 his or her share of the Net Settlement Amount. The portion of the Net Settlement Amount to be
16 distributed to the PAGA Group (*i.e.*, 25% of the Net Settlement Amount) shall be divided by the
17 total number of full pay periods which the PAGA Group worked for Defendant during the PAGA
18 Release Period, with partial pay periods rounded up to the next whole number and as determined
19 by Defendant's records. This amount shall be known as the "Pay Period Value." Each member
20 of the PAGA Group shall be paid an amount equal to the number of individual pay periods he or
21 she worked for Defendant during the PAGA Release Period multiplied by the Pay Period Value.
22 Defendant represents that, based on a reasonable investigation of its records, the total number of
23 full pay periods worked by individuals in the PAGA Group, including Plaintiff, does not exceed
24 50,637. If the actual number of pay periods worked by individuals in the PAGA Group between
25 August 16, 2021 and April 9, 2024, inclusive, exceeds this estimate by more than 5% (*i.e.*, the
26 total number of pay periods exceeds 52,169), then Defendant may elect to either (1) end the
27 PAGA Release Period on the date that the number of pay periods worked by individuals in the
28 PAGA Group reaches 52,169, or (2) increase the Settlement Amount on a proportional basis

1 (i.e., if there was a 5% increase in the number of pay periods over 52,169, Defendant will
2 increase the Settlement Amount by 5%).

3 **H. Litigation.** The term “Litigation” as used herein means the action entitled *Prior*
4 *v. Adventist Health Clearlake Hospital, Inc.*, filed in Lake County Superior Court, Case No. CV-
5 42316.

6 **I. LWDA Payment.** The term “LWDA Payment” as used herein means the
7 seventy-five percent (75%) of the Net Settlement Amount payable to the California Labor and
8 Workforce Development Agency (“LWDA”).

9 **J. Net Settlement Amount.** The term “Net Settlement Amount” as used herein
10 means the Settlement Amount minus any award of attorneys’ fees and litigation costs to
11 Plaintiff’s Counsel, Administrative Costs, and Plaintiff’s enhancement award. Pursuant to the
12 statutory requirements of PAGA, seventy-five percent (75%) of the Net Settlement Amount will
13 be paid to the LWDA and twenty-five percent (25%) of the Net Settlement Amount will be paid
14 to the PAGA Group based on the distribution formula set forth in this Agreement.

15 **K. PAGA Group.** The PAGA Group is defined as: All persons within the State of
16 California who are or were employed by Defendant in the State of California as hourly or non-
17 exempt employees at any time within the PAGA Release Period. Defendant represents that,
18 based on a reasonable investigation of its records, the total number of individuals in the PAGA
19 Group, including Plaintiff, does not exceed 1,210.

20 **L. PAGA Release Period.** Except as provided herein, the term “PAGA Release
21 Period” shall refer to the period from and including August 16, 2021 through April 9, 2024,
22 inclusive. If the actual pay periods for the period from and including August 16, 2021 through
23 April 9, 2024, inclusive, exceeds 52,169 and Defendant elects, under Section II.G, to end the
24 PAGA Release Period on the date that the number of pay periods worked by individuals in the
25 PAGA Group reaches 52,169, the end date of the PAGA Release Period will be commensurate
26 with that earlier date.

27 **M. Plaintiff.** The term “Plaintiff” as used herein means Andrea Prior.

28 **N. Plaintiff’s Counsel.** The term “Plaintiff’s Counsel” as used herein means Keller

1 Grover LLP.

2 **O. Settlement Administrator.** The term “Settlement Administrator” as used herein
3 means Simpluris, Inc., which will be responsible for the administration of the settlement
4 embodied in this Agreement and all related matters.

5 **P. Settlement Amount.** Except as provided herein, the term “Settlement Amount”
6 means a fund in the sum of \$500,000.00 which shall be paid by Defendant. The Settlement
7 Amount shall cover, resolve, and fully satisfy the Administrative Costs and all amounts owed to
8 Plaintiff, the PAGA Group, the LWDA, and Plaintiff’s Counsel, including all amounts allocated
9 to attorneys’ fees and litigation costs. Except in the event the actual pay periods for the PAGA
10 Release Period exceed 52,169 and Defendant elects to increase the Settlement Amount as
11 specified in Section II.G., Defendant shall not be required to pay more than the Settlement
12 Amount.

13 **II. BACKGROUND**

14 A. On October 21, 2022, Plaintiff filed her Complaint in Lake County Superior Court
15 against Defendant for penalties pursuant to Labor Code § 2699(f) for alleged violations and
16 penalties under Labor Code §§ 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 1194, 1194.2,
17 1197, 1197.1, 1198, 1199, and 2802. After engaging in written discovery, counsel for the Parties
18 met and conferred with respect to the potential settlement of the Litigation. Pursuant to these
19 discussions, the Parties agreed to exchange additional informal discovery and engage in private
20 mediation. The Parties subsequently exchanged additional informal discovery, including
21 information and documentation concerning the claims set forth in the Litigation and information
22 regarding the number of PAGA Group members and the total pay periods worked by the PAGA
23 Group during the PAGA Release Period.

24 B. Plaintiff, Defendant, and their respective counsel have engaged in good faith,
25 arms-length negotiations. On April 9, 2024, the Parties participated in a mediation with Deborah
26 Crandall Saxe, Esq., which resulted in reaching a resolution of this matter. The Parties have now
27 entered into a more detailed, formalized Settlement Agreement for submission to the Court for
28 approval.

1 C. Plaintiff's counsel has conducted an investigation of the law and facts relating to
2 the claims asserted in the Litigation and has concluded, taking into account the sharply contested
3 issues involved, the expense and time necessary to pursue the Litigation through trial and any
4 appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse
5 outcome, the uncertainties of complex litigation, and the substantial benefits to be received by
6 the Plaintiff, the State of California, and the members of the PAGA Group pursuant to this
7 Agreement, and that a settlement with Defendant on the terms and conditions set forth herein is
8 fair, reasonable, adequate, and in the best interests of the State of California and the PAGA
9 Group. Plaintiff, on her own behalf and as a representative pursuant to PAGA, has agreed to
10 settle the Litigation with Defendant on the terms set forth herein.

11 D. Defendant has concluded that, because of the substantial expense of defending
12 against the Litigation, the length of time necessary to resolve the issues presented herein, the
13 inconvenience involved, and the concomitant disruption to its business operations, it is in its best
14 interests to accept the terms of this Agreement. Defendant denies each of the allegations and
15 claims asserted against it in the Litigation. However, Defendant nevertheless desires to settle
16 the Litigation for the purpose of avoiding the burden, expense, and uncertainty of continuing
17 litigation, and for the purpose of putting to rest the controversies engendered by the Litigation.

18 E. This Agreement is intended to and does effectuate the full, final, and complete
19 resolution of all allegations and claims under the California Labor Code Private Attorneys
20 General Act of 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, based on or arising out of alleged
21 violations of the Labor Code including all claims that were and/or could have been alleged based
22 on the factual allegations and identified Labor Code sections in the in the LWDA Letter and/or
23 the operative pleading for the Litigation.

24 **III. JURISDICTION**

25 The Court has jurisdiction over the Parties and the subject matter of this Litigation. The
26 Litigation includes claims that, while Defendant denies in their entirety, would, if proven,
27 authorize the Court to grant relief pursuant to the applicable statutes. After the Court has granted
28 approval of this Agreement, pursuant to California Code of Civil Procedure § 664.6 the Court

1 shall retain jurisdiction of this action solely for the purpose of interpreting, implementing, and
2 enforcing this Agreement consistent with the terms set forth herein, and the Parties and their
3 counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and
4 enforcing this Agreement and all orders and judgments entered in connection therewith.

5 **IV. STATEMENT OF NO ADMISSION**

6 A. Defendant denies liability to Plaintiff and to the PAGA Group upon any claim or
7 cause of action. This Agreement does not constitute, and is not intended to constitute, an
8 admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims
9 made against it in the LWDA Letter and/or the Litigation.

10 B. Nothing in this Agreement, nor any action taken in implementation thereof, nor
11 any statements, discussions, or communications, nor any materials prepared, exchanged, issued,
12 or used during the course of the negotiations leading to this Agreement, is intended by the Parties
13 to constitute, nor will any of the foregoing constitute, be introduced, be used, or be admissible
14 in any way in this case or any other judicial, arbitral, administrative, investigative or other forum
15 or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance,
16 regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties
17 themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this
18 case or any other judicial, arbitral, administrative, investigative, or other forum or proceeding,
19 as purported evidence of any violation of any federal, state, or local law, statute, ordinance,
20 regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other
21 purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before
22 the Court that has as its purpose the interpretation, implementation, or enforcement of this
23 Agreement, or any orders or judgments of the Court entered in connection with the settlement.

24 C. None of the documents produced or created by Plaintiff or her counsel in
25 connection with the approval of this settlement or administration of this settlement constitute,
26 and are not intended to constitute, an admission by Defendant of any violation of any federal,
27 state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or
28 duty at law or in equity.

1 D. Nothing in this Agreement will be construed as an admission or
2 acknowledgement of any kind that any group should or would be given collective or
3 representative treatment in the Litigation or in any other action or proceeding. Further, neither
4 this Agreement nor the Court's actions regarding this Agreement will be admissible in any court
5 or other tribunal regarding the propriety of collective or representative treatment. In the event
6 that this Agreement is not approved by the Court or any appellate court, is terminated, or
7 otherwise fails to be enforceable, Plaintiff will not be deemed to have waived, limited, or affected
8 in any way any claims, rights, or remedies in the Litigation, and Defendant will not be deemed
9 to have waived, limited, or affected in any way any of their objections or defenses in the
10 Litigation.

11 **V. RELEASE**

12 **A. Scope of PAGA Release.**

13 Upon approval of this settlement by the Court, Plaintiff, individually and as a
14 representative acting as a proxy or agent of the LWDA, a State of California Executive Branch
15 Agency, in this Litigation, agrees to release Defendant and Defendant's partners, parents,
16 subsidiaries, affiliates, attorneys, and all agents thereof (collectively, the "Released Parties"), of
17 and from any and all claims under the California Labor Code Private Attorneys General Act of
18 2004 ("PAGA"), Labor Code §§ 2698, *et seq.*, that were or could have been alleged based on the
19 factual allegations and identified Labor Code sections in the LWDA Letter and/or operative
20 pleading for the Litigation, including, but not limited to, any claim for failure to pay wages
21 (including minimum wage and overtime), claims regarding failure to pay for off-the-clock work,
22 including but not limited to time spent in health and/or security-related screenings, engaging in
23 pre- or post-shift activities, responding to work-related inquiries off-the-clock, reducing time
24 actually worked in Defendant's timekeeping system, and/or deducting time for meal periods that
25 were not actually taken, failure to pay wages at the appropriate or proper rate of pay, failure to
26 timely pay wages during employment, failure to timely pay wages upon separation of
27 employment, failure to provide meal periods including first and subsequent meal periods, short,
28 late, and/or interrupted meal periods, failure to pay meal period premium payments including

1 failure to pay meal period premiums at the proper rate of pay, failure to authorize and permit rest
2 periods including first and subsequent rest periods, short, late, and/or interrupted rest periods,
3 failure to pay rest period premium payments including failure to pay rest period premium
4 payments at the proper rate of pay, failure to issue accurate wage statements, and/or failure to
5 reimburse business expenses. This Release shall include all claims and theories arising under
6 California Labor Code sections §§ 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 1194, 1194.2,
7 1197, 1197.1, 1198, 1199, and 2802, as well as all applicable Industrial Welfare Commission
8 (“IWC”) Wage Orders during the PAGA Release Period (the “Released Claims”). The Parties
9 further agree to release all claims for costs, fees, and interest related to the Released Claims. The
10 Parties further agree that this Agreement and judgment to be entered by the Court following
11 approval of this settlement forever bars Plaintiff and the LWDA, directly or through any other
12 proxy or agent, from any future prosecution of any of the Released Claims against any of the
13 Released Parties.

14 **B. General Release by Plaintiff Only.**

15 In addition to the release in Section V.A, in exchange for the consideration set forth in
16 this Agreement, Plaintiff makes the additional following general release of all claims, known or
17 unknown: Plaintiff releases Defendant and the Released Parties, from all claims, demands, rights,
18 liabilities, and causes of action of every nature and description whatsoever, known or unknown,
19 asserted or that might have been asserted, whether in tort, contract, or for violation of any state
20 or federal statute, rule, regulation, or ordinance including but not limited to those arising out of,
21 relating to, or in connection with Plaintiff’s employment with Defendant through the date of this
22 Agreement as well as any and all acts or omissions by or on the part of Defendant through the
23 date of this Agreement. (The release set forth in this Paragraph shall be referred to hereinafter
24 as the “Plaintiff’s General Release.”) With respect to the Plaintiff’s General Release, the Plaintiff
25 stipulates and agrees that, upon the Effective Date, Plaintiff shall be deemed to have expressly
26 waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits
27 of Section 1542 of the California Civil Code, or any other similar provision under federal or state
28 law, which provides:

1 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
2 **THAT THE CREDITOR OR RELEASING PARTY DOES**
3 **NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
4 **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 Cal. Civ. Code § 1542. Accordingly, if the facts relating in any manner to this settlement are
6 found hereafter to be other than or different from the facts now believed to be true, the release of
7 claims contained in the Plaintiff's General Release shall be effective as to all unknown claims.

8 However, specifically excluded from this general release of claims by Plaintiff relating
9 to workers' compensation, unemployment insurance, or any other claims that cannot be waived
10 by law.

11 **VI. SETTLEMENT ADMINISTRATOR**

12 Plaintiff and Defendant, through their respective counsel, have selected Simpluris, Inc.
13 as the Settlement Administrator to administer the settlement, which includes but is not limited
14 to distributing and responding to inquiries about the Notice of Settlement and calculating all
15 amounts to be paid from the Settlement Amount, including the Individual Settlement Payments.
16 The Administrative Costs are estimated to be no more than \$7,500.00 and will be paid from the
17 Settlement Amount. Any charges and expenses of the Settlement Administrator greater than the
18 allocated \$7,500.00 will come from the Settlement Amount and will be subject to approval by
19 the Court. If the actual Administrative Costs are less than the Parties' estimation, the difference
20 between the actual and estimated Administrative Costs will be included in the Net Settlement
21 Amount.

22 **VII. NOTICE**

23 Plaintiff and Defendant, through their respective attorneys, have jointly prepared a Notice
24 of Settlement (the "Notice"), in the form attached hereto as **Exhibit "A"** which in substance will
25 be provided to the members of the PAGA Group as follows:

26 As soon as practicable following approval of the settlement, but no later than 21 calendar
27 days after the Effective Date, Defendant will provide to the Settlement Administrator the
28 following information about each PAGA Group member: (1) name; (2) last known home

1 address; (3) number of pay periods as a PAGA Group member during the PAGA Release Period;
2 and (4) social security number (collectively referred to as the "PAGA List"). To protect the
3 PAGA Group's rights to privacy, the Administrator must maintain the PAGA List in confidence,
4 use the PAGA List only for purposes of this Settlement and for no other purpose, and restrict
5 access to the PAGA List to Administrator employees who need access to the PAGA List to effect
6 and perform under this Agreement.

7 The Settlement Administrator shall run all the addresses provided through the United
8 States Postal Service NCOA database, which provides updated addresses for any individual who
9 has moved in the previous four years and who has notified the U.S. Postal Service of a forwarding
10 address, to obtain current address information. Within 28 calendar days after the Settlement
11 Administrator's receipt of the Settlement Amount, the Settlement Administrator will mail the
12 Notice together with the Individual Settlement Payments to all PAGA Group members by first-
13 class United States mail, postage prepaid, with directions to the Postmaster to forward the Notice
14 and return all undeliverable Notices to the Settlement Administrator. If a check is returned to
15 the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly
16 attempt to obtain a valid mailing address by performing a skip trace search and, if another address
17 is identified, shall mail the check to the newly identified address. If the Settlement Administrator
18 is unable to obtain a valid mailing address through this process, after the check void date, the
19 monies represented by the check shall be sent to the LWDA.

20 **VIII. COMPUTATION AND DISTRIBUTION OF PAYMENTS**

21 **A. Distribution**

22 The portion of the Net Settlement Amount to be distributed to the PAGA Group (*i.e.*,
23 25% of the Net Settlement Amount) shall be divided by the total number of full pay periods
24 which the PAGA Group worked for Defendant during the PAGA Release Period, with partial
25 pay periods rounded up to the next whole number and as determined by Defendant's records.
26 This amount shall be known as the "Pay Period Value." Each member of the PAGA Group shall
27 be paid an amount equal to the number of individual pay periods he or she worked for Defendant
28 during the PAGA Release Period multiplied by the Pay Period Value.

1 The portion of the Net Settlement amount to be distributed to the LWDA (*i.e.*, 75% of
2 the Net Settlement Amount) shall be paid by the Administrator from the Gross Settlement
3 Amount to the LWDA within 28 calendar days after the Settlement Administrator's receipt of
4 the Settlement Amount.

5 **B. Funding of the Settlement Amount.**

6 The funding of the Settlement Amount by Defendant will be completed at one time with
7 funds provided to and escrowed by the Settlement Administrator. The Settlement Amount shall
8 be deposited with the Settlement Administrator by Defendant within 10 calendar days of the date
9 of the Effective Date.

10 If a PAGA Group member is deceased at the time of distribution, the Settlement
11 Administrator shall distribute the deceased PAGA Group member's Individual Settlement
12 Payment to the deceased PAGA Group member's legal heir(s). In the event of a dispute as to
13 the legal heir(s), the Settlement Administrator shall notify the executor of the deceased PAGA
14 Group member's estate and attempt to place the deceased PAGA Group member's payment in
15 escrow or similar disposition such that any competing heirs may take whatever action they wish
16 to resolve ultimate disposition of such money and the Settlement Administrator and the Parties
17 hereto may disclaim any further interest in or obligation in relation to such money.

18 Settlement checks will specifically indicate that they are void if not negotiated within
19 180 days of their issuance. Any settlement checks that remain uncashed 180 or more calendar
20 days after issuance by the Settlement Administrator shall be voided and the Settlement
21 Administrator will remit the entire amount of each PAGA Group member's uncashed Individual
22 Settlement Payment to the LWDA.

23 The Administrator shall promptly send a replacement check to any member of the PAGA
24 Group whose original check was lost or misplaced and which is requested by the PAGA Group
25 member prior to the void date.

26 **C. Time for Distribution of the Enhancements to Plaintiff, Attorneys' Fees and**
27 **Litigation Costs to Plaintiff's Counsel, the LWDA Payment and**
28 **Administrative Costs.**

1 The Settlement Administrator shall cause the Court approved enhancement to Plaintiff,
2 attorneys' fees and litigation costs awarded to Plaintiff's Counsel, and the LWDA Payment to
3 be paid within 28 days of the funding of the Settlement Amount. The Settlement Administrator
4 may pay itself the Court-approved administrative costs once the Individual Settlement Payments
5 have been mailed out.

6 **IX. NO CONTRIBUTIONS TO EMPLOYEE BENEFIT PLAN**

7 The amounts paid under this Agreement do not represent a modification of any
8 previously credited hours of service under any employee benefit plan, policy, or bonus program
9 sponsored by Defendant. Such amounts will not form the basis for additional contributions to,
10 benefits under, or any other monetary entitlement under, benefit plans (self-insured or not)
11 sponsored by Defendant, policies or bonus programs. Any payments made under the terms of
12 this Agreement shall not be applied retroactively, currently, or on a going forward basis as salary,
13 earnings, wages, or any other form of compensation for the purposes of Defendant's benefit plan,
14 policy or bonus program. Defendant retains the right to modify the language of its benefit plans,
15 policies, and bonus programs to effect this intent and to make clear that any amounts paid
16 pursuant to this Agreement are not for "hours worked," "hours paid," "hours of service," or any
17 similar measuring term as defined by applicable plans, policies, and bonus programs for purpose
18 of eligibility, vesting, benefit accrual or any other purpose, and that additional contributions or
19 benefits are not required by this Agreement.

20 **X. PLAINTIFF'S COUNSEL ATTORNEYS' FEES AND LITIGATION COSTS**

21 Defendant shall not oppose an application by Plaintiff's Counsel for, and Plaintiff's
22 Counsel shall not seek or receive an amount more than one-third of the Settlement Amount, for
23 all past and future attorneys' fees necessary to prosecute, settle, and administer the Litigation
24 and this Agreement. Additionally, Defendant shall not oppose an application by Plaintiff's
25 Counsel for reimbursement of all past and future litigation costs and expenses necessary to
26 prosecute, settle, and administer the Litigation and this Agreement, which Plaintiff's Counsel
27 estimates will not exceed \$25,000.00. Any attorneys' fees or litigation costs awarded to
28 Plaintiff's Counsel by the Court shall be deducted from the Settlement Amount for the purpose

1 of determining the Net Settlement Amount, and the Administrator shall pay Plaintiff's Counsel
2 fee's and expenses and report the payments on one or more IRS 1099 forms. This amount shall
3 include all attorneys' fees, litigation costs, and expenses for which Plaintiff and Plaintiff's
4 Counsel could claim in this Litigation under any legal theory whatsoever. Released Parties shall
5 have no liability to Plaintiff's Counsel or any other Plaintiff's counsel arising from any claim to
6 any portion of any fee and/or litigation costs award. Should the Court approve a lesser
7 percentage or amount of fees and/or litigation costs than the amount that Plaintiff's Counsel
8 seeks, then the unapproved portion or portions shall revert to the Net Settlement Amount. The
9 award of fees and/or litigation costs to Plaintiff's Counsel is not a material term of this
10 Agreement and does not give rise to a basis to abrogate this Agreement.

11 **XI. ENHANCEMENTS TO PLAINTIFF**

12 Defendant shall not oppose an application by Plaintiff to seek or receive an amount not
13 to exceed \$7,500.00 for her participation in and assistance with the Litigation. Any enhancement
14 awarded to Plaintiff by the Court shall be deducted from the Settlement Amount for the purpose
15 of determining the Net Settlement Amount, and shall be reported on IRS Form 1099-misc. If
16 the Court approves an enhancement of less than \$7,500.00, then the unapproved portion shall
17 revert into the Net Settlement Amount. The award of an enhancement payment to Plaintiff is
18 not a material term of this Agreement and does not give rise to a basis to abrogate this Agreement.

19 **XII. TAXATION AND ALLOCATION**

20 For withholding tax characterization purposes and payment of taxes, the Net Settlement
21 Amount shall be deemed and is allocated by the Parties as follows ("Net Settlement Allocation"):
22 100% as penalties.

23 PAGA Group members may receive an IRS Form 1099 for their portion of the settlement,
24 if deemed required by the Settlement Administrator (in compliance with IRS guidelines).

25 **XIII. COURT APPROVAL**

26 Plaintiff's Counsel will prepare and deliver to Defense Counsel all documents necessary
27 for obtaining approval of this Settlement under Labor Code § 2699 (f)(2) including (i) a draft
28 proposed Order Granting Approval of PAGA Settlement; ; and (ii) a signed declaration from

1 Plaintiff's Counsel attesting to its timely transmission to the LWDA of all necessary PAGA
2 documents (initial notice of violations (Labor Code § 2699.3 (a)), operative Complaint (Labor
3 Code § 2699 (1)(1)), this Agreement (Labor Code § 2699 (1)(2)).

4 This Agreement is contingent upon approval by the Court. Plaintiff and Defendant agree
5 to take all steps as may be reasonably necessary to secure approval of this Agreement, to the
6 extent not inconsistent with the terms of this Agreement.

7 **XIV. APPRISAL AND CERTIFICATION BY THE SETTLEMENT ADMINISTRATOR**

8 The Settlement Administrator shall keep Plaintiff's Counsel and Defendant's Counsel
9 apprised of all distributions from the Settlement Amount. Upon completion of administration of
10 the Settlement, the Settlement Administrator shall provide written certification of such
11 completion to Plaintiff's Counsel and Defendant's Counsel. The Settlement Administrator shall
12 provide to Defendant's Counsel only a final accounting, including the names of payees and the
13 amounts of the Individual Settlement Payments. The Settlement Administrator shall also provide
14 to Plaintiff's Counsel a final accounting that uses anonymized employee numbers instead of
15 names and includes the amounts of the Individual Settlement Payments.

16 **XV. MISCELLANEOUS PROVISIONS**

17 **A. Stay of Litigation.**

18 Plaintiff and Defendant agree to the stay of all discovery in the Litigation, pending
19 approval of this Agreement by the Court.

20 **B. Interpretation of the Agreement.**

21 This Agreement constitutes the entire agreement between Plaintiff and Defendant.
22 Except as expressly provided herein, this Agreement has not been executed in reliance upon any
23 other written or oral representations or terms, and no such extrinsic oral or written
24 representations or terms shall modify, vary, or contradict its terms. In entering into this
25 Agreement, the Parties agree that this Agreement is to be construed according to its terms and
26 may not be varied or contradicted by extrinsic evidence. This Agreement will be interpreted and
27 enforced under the laws of the State of California, both in its procedural and substantive aspects,
28 without regard to its conflict of law's provisions. Any claim arising out of or relating to this

1 Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior
2 Court of the State of California for the County of Lake, and Plaintiff and Defendant hereby
3 consent to the personal jurisdiction of the Court over them solely in connection therewith.
4 Plaintiff, on her own behalf and on behalf of the PAGA Group and the State of California, and
5 Defendant participated in the negotiation and drafting of this Agreement and had available to
6 them the advice and assistance of independent counsel. As such, neither Plaintiff nor Defendant
7 may claim that any ambiguity in this Agreement should be construed against the other.

8 The terms and conditions of this Agreement constitute the exclusive and final
9 understanding and expression of all agreements between Plaintiff and Defendant with respect to
10 the resolution of the Litigation. This Agreement may be modified only by a writing signed by
11 counsel for all Parties or their successors-in-interest.

12 **C. Further Cooperation.**

13 Plaintiff and Defendant and their respective attorneys shall proceed diligently to prepare
14 and execute all documents, to seek approval of this Agreement from the Court, and to do all
15 things reasonably necessary or convenient to consummate this Agreement as expeditiously as
16 possible.

17 **D. Counterparts.**

18 This Agreement may be executed in one or more actual or non-original counterparts, all
19 of which will be considered one and the same instrument and all of which will be considered
20 duplicate originals.

21 **F. Authority.**

22 Each individual signing below warrants that he or she has the authority to execute this
23 Agreement on behalf of the party for whom or which that individual signs.

24 **G. No Third-Party Beneficiaries.**

25 Plaintiff, members of the PAGA Group, the State of California, Defendant and Released
26 Parties are direct beneficiaries of this Agreement. The Parties are not aware of any third-party
27 beneficiaries.

28 **H. Deadlines Falling on Weekends or Holidays.**

1 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday,
2 or legal holiday, that deadline shall be continued until the following business day.

3 **J. Severability.**

4 If any one or more of the provisions contained in this Agreement shall for any reason be
5 held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
6 unenforceability shall in no way effect any other provision.

7 **K. Defendant's Fees and Costs**

8 All of Defendant's own legal fees, costs and expenses incurred in this Litigation shall be
9 borne by Defendant.

10 **L. Waiver of Right to Appeal**

11 Provided the Court's judgment is consistent with the terms and conditions of this
12 Agreement, the Parties and their respective counsel waive all rights to appeal from the judgment,
13 including all rights to post-judgment and appellate proceedings, the right to file motions to vacate
14 judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not
15 include any waiver of the right to oppose such motions, writs or appeals. If another party appeals
16 the judgment, the Parties' obligations to perform under this Agreement will be suspended until
17 such time as the appeal is finally resolved and the judgment becomes final.

18
19 **APPROVED AS TO CONTENT:**

20 6/28/2024

21 DATED: July __, 2024

DocuSigned by:

24A0EE8A6C9B4E3...
Andrea Prior

22
23
24
25 DATED: July __, 2024

**ADVENTIST HEALTH CLEARLAKE
HOSPITAL, INC.**

26
27
28 By: _____

1 To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday,
2 or legal holiday, that deadline shall be continued until the following business day.

3 **J. Severability.**

4 If any one or more of the provisions contained in this Agreement shall for any reason be
5 held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or
6 unenforceability shall in no way effect any other provision.

7 **K. Defendant's Fees and Costs**

8 All of Defendant's own legal fees, costs and expenses incurred in this Litigation shall be
9 borne by Defendant.

10 **L. Waiver of Right to Appeal**

11 Provided the Court's judgment is consistent with the terms and conditions of this
12 Agreement, the Parties and their respective counsel waive all rights to appeal from the judgment,
13 including all rights to post-judgment and appellate proceedings, the right to file motions to vacate
14 judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not
15 include any waiver of the right to oppose such motions, writs or appeals. If another party appeals
16 the judgment, the Parties' obligations to perform under this Agreement will be suspended until
17 such time as the appeal is finally resolved and the judgment becomes final.

18
19 **APPROVED AS TO CONTENT:**

20
21 DATED: July ___, 2024

Andrea Prior

22
23
24
25 DATED: July ___, 2024
26 07/03/2024

**ADVENTIST HEALTH CLEARLAKE
HOSPITAL, INC.**

27 

28 By: Meredith Jobe

1 **APPROVED AS TO FORM:**

2
3 DATED: July 1, 2024

KELLER GROVER LLP

4
5 By: 

Eric A. Grover
Robert W. Spencer
Attorney for Plaintiff

6
7
8
9
10 DATE: July __, 2024

SEYFARTH SHAW LLP

11
12 By: _____

Kerry Friedrichs
Daniel Whang
Bailey K. Bifoss
Attorneys for Defendant

1 **APPROVED AS TO FORM:**

2
3 DATED: July __, 2024

KELLER GROVER LLP

4
5 By: _____
6 Eric A. Grover
7 Robert W. Spencer
8 Attorney for Plaintiff

9
10 DATE: July ⁰³__, 2024

SEYFARTH SHAW LLP

11 *Bailey Bifoss*
12 By: _____
13 Kerry Friedrichs
14 Daniel Whang
15 Bailey K. Bifoss
16 Attorneys for Defendant

EXHIBIT A

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LAKE**

ANDREA PRIOR, on behalf of herself and
aggrieved employees,

Plaintiff,

v.

ADVENTIST HEALTH CLEARLAKE
HOSPITAL, INC.; and DOES 1 through 10,
inclusive,

Defendants.

Case No. CV-423216

**NOTICE OF SETTLEMENT OF PRIVATE
ATTORNEYS GENERAL ACT CLAIMS
(CAL. LABOR CODE §§ 2698, *ET SEQ.*)**

You have been identified as an hourly or non-exempt employee who worked for Adventist Health Clearlake Hospital, Inc. (“Adventist” or “Defendant”) in California between April 16, 2021 and April 9, 2024, inclusive (“Covered Employee”).

On October 21, 2022, a complaint was filed in Lake County Superior Court (the “Court”) to recover civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004, codified at Labor Code §§ 2698, *et seq.* (“PAGA”). The lawsuit alleges that Covered Employees were not paid for all hours worked, were not provided proper meal periods or rest breaks, were not provided with accurate itemized wage statements, were not paid all wages due at the time of discharge or voluntary quit, were not paid in a timely manner, were not reimbursed for business expenses, and worked off-the-clock without compensation.

Adventist denies all of Plaintiff’s allegations and disputes all of Plaintiff’s claims, and contends that it complied with all applicable laws. The Court has made no determination whether Plaintiff or Adventist is correct on the merits and, by agreeing to settle, Adventist does not admit any violations or concede the merits of any claim.

Plaintiffs and Defendant reached a settlement of the claims for PAGA civil penalties alleged in the lawsuit. The Court approved the settlement on _____. By law, 75% of the civil penalties are paid to the State of California’s Labor and Workforce Development Agency (“LWDA”) for the enforcement of the state’s labor laws and 25% are paid to the PAGA Group.

Pursuant to the settlement agreement, the amount to be distributed to the PAGA Group shall be divided by the total number of full pay periods, with partial pay periods rounded up to the next whole number, as determined by Defendant’s records, worked by all Covered Employees between April 16, 2021 and April 9, 2024, inclusive. This amount shall be known as the “Pay Period Value.” Each Covered Employee shall be paid an amount equal to the number of individual pay periods he or she worked for Defendant between April 16, 2021 and April 9, 2024, inclusive. Your Individual Settlement Payment is provided with this Notice, and will remain negotiable for 180 days. If you do not cash, deposit, or negotiate your Individual Settlement Payment within 180 days, the check will be canceled and the funds will be sent to the State Labor and Workforce Development Agency.

The Court-approved settlement contains the following release of claims, which is meant to bar any future litigation by Plaintiff and the California Labor & Workforce Development Agency (“LWDA”), either directly or through any other proxy or agent:

Upon approval of this settlement by the Court, Plaintiff, individually and as a representative acting as a proxy or agent of the LWDA, a State of California Executive Branch Agency, in this Litigation, agrees to release Defendant and Defendant’s partners, parents, subsidiaries, affiliates, attorneys, and all agents thereof (collectively, the “Released Parties”), of and from any and all claims under the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2698, *et seq.*, that were or could have been alleged based on the factual allegations and identified Labor Code sections in the LWDA Letter and/or operative pleading for the Litigation, including, but not limited to, any claim for failure to pay wages (including minimum wage and overtime), claims regarding failure to pay for off-the-clock work, including but not limited to time spent in health and/or security-related screenings, engaging in pre- or post-shift activities, responding to work-related inquiries off-the-clock, reducing time actually worked in Defendant’s timekeeping system, and/or deducting time for meal periods that were not actually taken, failure to pay wages at the appropriate or proper rate of pay, failure to timely pay wages during employment, failure to timely pay wages upon separation of employment, failure to provide meal periods including first and subsequent meal periods, short, late, and/or interrupted meal periods, failure to pay meal period premium payments including failure to pay meal period premiums at the proper rate of pay, failure to authorize and permit rest periods including first and subsequent rest periods, short, late, and/or interrupted rest periods, failure to pay rest period premium payments including failure to pay rest period premium payments at the proper rate of pay, failure to issue accurate wage statements, and/or failure to reimburse business expenses. This Release shall include all claims and theories arising under California Labor Code sections §§ 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802, as well as all applicable Industrial Welfare Commission (“IWC”) Wage Orders during the PAGA Release Period (the “Released Claims”). The Parties further agree to release all claims for costs, fees, and interest related to the Released Claims. The Parties further agree that this Agreement and judgment to be entered by the Court following approval of this settlement forever bars Plaintiff and the LWDA, directly or through any other proxy or agent, from any future prosecution of any of the Released Claims against any of the Released Parties.

This release of claims does not cover any other claims you may have against Defendant.

If you have any questions or would like a copy of the settlement agreement approved by the Court, please contact the Settlement Administrator at _____.