Janelle Carney, Esq. (Bar No. 201570)
JANELLE CARNEY – ATTORNEY AT LAW, APC
14758 Pipeline Ave., Suite E, 2nd Floor
Chino Hills, CA 91709
Tel.: (909) 521-9609 / Fax: (909) 393-0471
Email: Janelle@JanelleCarneyLaw.com

Anna R. Salusky, Esq. (Bar No. 222484)
SALUSKY LAW GROUP, APC
3738 Bayer Avenue, Suite 104
Long Beach, California 90808
Telephone: (562) 855-0004/ Facsimile: (562) 855-0002
Email: asalusky@saluskylaw.com

Attorneys for Plaintiff, Michelle Gaffney

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**COUNTY OF SHASTA**

| | |
|---|---|
| MICHELLE GAFFNEY, on behalf of herself and all others similarly situated and the general public,<br><br>Plaintiffs,<br><br>v.<br><br>PRIME HEALTHCARE ASC–REDDING, LLC, a Delaware limited liability company; PRIME HEALTHCARE SERVICES – SHASTA, LLC dba SHASTA REGIONAL MEDICAL CENTER, a Delaware limited liability company; and DOES 1 to 100,<br><br>Defendants | Case No.: 23CV-0202050<br>Hon. Stephen H. Baker<br>Dept. 3<br><br>CLASS ACTION<br><br>**[PROPOSED] ORDER GRANTING COURT APPROVAL OF PAGA SETTLEMENT** |

# [PROPOSED] ORDER

Pursuant to the Parties Stipulation, the Court approves the Parties' PAGA settlement, without a hearing, pursuant to *Turrieta v. Lyft, Inc.*, 16 Cal. 5th 664 (2024). Based on the Declarations of counsel, the settlement agreement and the Declaration of the Plaintiff, the court grants approval of the PAGA settlement.

The settlement was entered into in good faith, and the terms of the settlement are fair, reasonable and adequate and comply with the requirements of Labor Code § 2699, after considering the maximum potential recovery, the merits of Plaintiff's claims, and the means by which the parties arrived at the settlement;

The fees requested by Plaintiff's counsel are reasonable given: (a) the hours worked by Plaintiff's counsel; (b) the results achieved; (c) the risks of litigation; (d) the skill required and the quality of work; and (e) the contingent nature of the fee.

The litigation costs and settlement administration expenses requested by Plaintiff's counsel are also reasonable.

Plaintiff exhausted all administrative remedies required to bring the PAGA claims asserted in this action and was authorized to act as private attorney general with respect to the PAGA claims being released under the terms of the PAGA Settlement Agreement. The California Labor Workforce Development Agency ("LWDA") was provided with notice of the Settlement and the PAGA Settlement Agreement, via its online process and no objection has been received to the settlement from the LWDA.

The Court, having considered the proposed PAGA Settlement Agreement ("Settlement Agreement" or "PAGA Settlement Agreement" (A true and correct copy of which is attached hereto as **Exhibit 1**) between Plaintiff and Defendant pursuant to Labor Code § 2699(1), and

**GOOD CAUSE APPEARING, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS**:

(1) The Parties' PAGA settlement is **APPROVED.**

In accordance with the PAGA Settlement Agreement, the Gross Settlement Amount of $800,000.00 shall be distributed as follows:

a. Plaintiff's counsel is awarded attorney's fees in the amount of $266,666.67 and litigation costs in the amount of $55,000.00.

b. Settlement administration expenses are approved in the amount of $13,250.00.

c. The LWDA Payment in the amount of $348,812.50 shall be distributed to the California Labor & Workforce Development Agency ("LWDA") as the LWDA's share of the settlement of civil penalties, and the remaining $116,270.83 ("Net Settlement Amount") will be distributed to the Aggrieved Employees. Aggrieved Employees are defined as "All current and former non-exempt, hourly employees working for Defendant in California at any time between December 12, 2021, to November 1, 2025."

(2) Under the PAGA Settlement Agreement, Plaintiff will receive a pro rata share of 25% of the Net Settlement Amount calculated according to the number of Pay Periods she worked during the PAGA Period. Effective on the date when Defendant fully funds the entire Gross Settlement Amount Plaintiff and the Aggrieved Employees will release claims against all Released Parties as follows:

**Release by the Aggrieved Employees:**

Upon full funding of the Gross Settlement Amount, the State of California, each Aggrieved Employee, including Plaintiff, and each of their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians, will release Defendant and each of the Released Parties of and from any and all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Complaint and the PAGA Notice submitted by Plaintiff to the LWDA, which occurred during the PAGA Period, including but not limited to all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks , (5) failure to timely pay wages each period, (6) failure to timely pay wages upon separation of employment, (7) failure to provide accurate itemized wage statements, (8) failure to reimburse reasonable and necessary business expenses, (9) any and all claims arising out of alleged violations of the California Labor Code sections 200, 201, 201.1, 201.3, 202, 203, 204, 208, 210, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 227.3, 229, 245-249, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800-2804, Code of Regulations Title 8 section 11050, and the applicable IWC wage order, (10) interest, (11) attorneys' fees and costs, and (12) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 et seq. based on the facts or claims alleged, or reasonably could have been alleged, in the LWDA notice letters and Complaint.

(3) The appointment of ILYM Group, Inc. as third-party settlement administrator is approved, and ILYM Group, Inc. is ORDERED to effectuate the settlement of this action in accordance with the PAGA Settlement Agreement and any amendments thereto, including notice and payments to allegedly aggrieved employees representing Labor Code civil penalties in an amount according to the number of PAGA pay periods they worked for SRMC between December 12, 2021, to November 1, 2025.

(4) Plaintiff shall provide Notice of this Order to the LWDA within 10 calendar days after its entry.

(5) Neither the Settlement Agreement, nor any terms of the Settlement Agreement, or any amendments thereto, are an admission of liability by the Released Parties, nor is the Court's instant Order a finding of the validity of any claims in the lawsuit or of any wrongdoing by any Released Parties.

(6) Without affecting the finality of this Order or the dismissal referenced below, in accordance with California law, including, but not limited to Code of Civil Procedure §664.6, the Court retains jurisdiction of all matters relating to the interpretation, administration, implementation, effectuation and enforcement of this Order and Judgment and the PAGA Settlement Agreement and any amendments thereto.

(7) The case, and all claims therein, are hereby dismissed with prejudice against all parties.

(8) This Order and Judgment is intended to be a final disposition of the action in its

entirety, and it is intended to be immediately appealable.

(9) The parties are ordered to carry out the terms of the settlement in accordance with the terms of the PAGA Settlement Agreement and the amendments thereto.

**JUDGMENT**

Judgment shall be entered through the filing of this Order and Judgment. (Code Civ. Proc., § 668.5.) Plaintiff shall take from the operative complaint in this action only the relief set forth in the PAGA Settlement Agreement and amendments thereto and this Order and Judgment.

**IT IS SO ORDERED.**

Date: ___________________

Honorable Stephen H. Baker,
Judge of the Superior Court

EXHIBIT 1

JANELLE CARNEY – ATTORNEY AT LAW, APC
Janelle Carney, Esq. (SBN 201570)
janelle@janellecarneylaw.com
14758 Pipeline Ave., Suite E 2nd Floor
Chino Hills, CA 91709
Telephone: (909) 521-9609
Facsimile: (909) 393-0471

SALUSKY LAW GROUP, APC
Anna R. Salusky, Esq. (SBN 222484)
asalusky@saluskylaw.com
3738 Bayer Avenue, Suite 104
Long Beach, California 90808
Telephone: (562) 855-0004
Facsimile: (562) 855-0002

Attorneys for Plaintiff
MICHELLE GAFFNEY
[*Additional counsel on next page*]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SHASTA

| | |
|---|---|
| MICHELLE GAFFNEY, on behalf of herself and all others similarly situated and the general public,<br><br>Plaintiffs,<br><br>v.<br><br>PRIME HEALTHCARE SERVICES – SHASTA, LLC dba SHASTA REGIONAL MEDICAL CENTER, a Delaware limited liability company; and DOES 1 to 100,<br><br>Defendant. | Case No. 23CV0202050<br><br>**JOINT STIPULATION OF PAGA SETTLEMENT AND RELEASE OF CLAIMS** |

SEYFARTH SHAW LLP
Justin T. Curley (SBN 233287)
jcurley@seyfarth.com
560 Mission Street, 31st Floor
San Francisco, California 94105
Telephone: (415) 397-2823
Facsimile: (415) 397-8549

SEYFARTH SHAW LLP
Geoffrey C. Westbrook (SBN 281961)
gwestbrook@seyfarth.com
Phillip J. Ebsworth (SBN 311026)
pebsworth@seyfarth.com
Kyle W. Owen (SBN 326335)
kowen@seyfarth.com
400 Capitol Mall, Suite 2300
Sacramento, California 95814-4428
Telephone: (916) 448-0159
Facsimile: (916) 558-4839

Attorneys for Defendant
PRIME HEALTHCARE SERVICES – SHASTA, LLC
dba SHASTA REGIONAL MEDICAL CENTER

This Joint Stipulation of PAGA Settlement and Release of Claims ("Agreement") is made and entered into between: (1) Plaintiffs Michelle Gaffney, individually and on behalf of the State of California and all current and former non-exempt employees working for Defendant Prime Healthcare Services – Shasta, LLC dba Shasta Regional Medical Center in California at any time between December 12, 2021 to the date of settlement approval or November 1, 2025, whichever is earlier; and (2) Defendant, subject to approval from the Court, as provided below.

This Agreement is intended by the Parties to fully, finally, and forever resolve, discharge, and settle the Action (as defined below) and the Released Claims (as defined below), upon and subject to the terms and conditions hereof, as follows:

**1. DEFINITIONS**

As used herein, for the purposes of this Agreement only, the following terms shall be defined as set forth below:

1.1. **"Action"** refers to the Plaintiff's lawsuit titled *Michelle Gaffney v. Prime Healthcare Services – Shasta, LLC dba Shasta Regional Medical Center,* Shasta County Superior Court Case No. 23CV0202050;

1.2. **"Arbitration"** refers to Plaintiff's arbitration titled *Michelle Gaffney v. Prime Healthcare Services – Shasta, LLC dba Shasta Regional Medical Center*, JAMS Arbitration No. 5130000524.

1.3. **"Aggrieved Employees"** refers to all current and former non-exempt, hourly employees working for Defendant in California at any time between December 12, 2021 to the date of settlement approval or November 1, 2025, whichever is earlier.

1.4. **"Agreement"** refers to this Joint Stipulation of PAGA Settlement Agreement and Release of Claims, which includes all of the Recitals and the Exhibits attached hereto. **"Complaint"** refers to the operative First Amended Complaint filed on May 4, 2023.

1.6. **"Effective Date"** refers to the 15th calendar day after the date by which all of the following have occurred: (a) this Agreement and the contemplated settlement receive approval from the Court; and (b) the Court approval of the Settlement becomes Final.

1.7. **"Final"** when referring to the Court approval of the Settlement, means the last of the following dates: (a) the first business day following the last date on which a notice of appeal from the Court approval of the settlement may be filed and none is filed; or (b) if Court approval of the settlement is granted and an appeal from the approval is filed, the date the Court approval of the settlement is affirmed and is no longer subject to challenge in the courts;

1.8. **"Gross Settlement Amount"** refers to the maximum settlement payment Defendant may be obligated to make in connection with the Settlement or Agreement, which in this case is no more than $800,000.00. This sum shall include all Individual Settlement Payments made to the Aggrieved Employees, all Settlement Administrator administration costs, the LWDA Payment, attorneys' fees, and attorneys' expenses, as set forth below.

The Gross Settlement Amount is a material term of this Agreement. To the extent Plaintiff or the Court seeks to require Defendant to pay more than the Gross Settlement Amount as part of this Settlement or Agreement, Defendant shall retain the right, in the exercise of its sole discretion, to nullify the Settlement or Agreement.

1.9. **"Individual Settlement Payment"** refers to the amount calculated by the Settlement Administrator to be distributed to each individual Aggrieved Employee, based on pay periods worked. Partial pay periods will be counted as full pay periods.

1.10. **"LWDA Payment"** refers to a payment out of the Gross Settlement Amount, after deduction of attorneys' fees, attorneys' expenses, and the Settlement Administrator administration costs, with 75% of the payment going to the California Labor & Workforce Development Agency ("LWDA") as the LWDA's share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA. The remaining 25% of the payment will be the Net Settlement Amount which will be distributed to the Aggrieved Employees.

1.11. **"Net Settlement Amount"** refers to the Gross Settlement Amount minus all Settlement Administrator administration costs, the Service Awards, attorneys' fees, attorneys' expenses, and the LWDA Payment. The Net Settlement Amount shall include all Individual Settlement Payments due to Aggrieved Employees. The Net Settlement Amount is the maximum amount that shall be available for distribution to the Aggrieved Employees.

1.12. **"Notice of PAGA Settlement"** refers to the Notice of PAGA Settlement, substantially in the form attached as Exhibit A.

1.13. **"PAGA Notice"** refers to the notice sent to the LWDA and to Defendant by Gaffney on or about December 13, 2022, alleging that Defendant engaged in violations of the California Labor Code and California Wage Orders.

1.14. **"PAGA Period"** refers to the period of December 12, 2021 to the date of settlement approval or November 1, 2025, whichever is earlier.

1.15. **"Released Claims"** refers to those claims defined in Section 5.1 of this Agreement.

The scope of the Released Claims is a material term of this Agreement. To the extent Plaintiff or the Court seeks to narrow the scope of the Released Claims, Defendant shall retain the right, in the exercise of its sole discretion, to nullify the Settlement or Agreement.

1.16. **"Released Parties"** refers to Defendant Prime Healthcare Services – Shasta, LLC plus its parents, subsidiaries, affiliates, predecessors, successors and any other entity related to it and all of its and their past and present directors, officers, employees and anyone else acting for any of them, to the fullest extent allowed by law.

1.17. **"Settlement"** refers to terms of this Agreement, which includes the Recitals and the Exhibits attached hereto.

1.18. **"Settlement Administrator"** refers to the third party administrator, who has been mutually selected by the Parties, subject to Court approval, to perform the notice, claims administration, and distribution of payment functions further described in this Agreement. The Settlement Administrator shall establish its own employer identification number and file an Internal Revenue Service Form W-9. The Settlement Administrator shall meet all of the requirements to establish a Qualified Settlement Fund ("QSF") pursuant to U.S. Treasury Regulation Section 468B-1.

## 2. PROCEDURAL HISTORY AND RECITALS

2.1. **Causes Of Action**. On December 13, 2022, Plaintiff Gaffney filed a notice of alleged Labor Code violations with the LWDA, and then on December 27, 2022, filed a related putative class action complaint in Santa Clara County Superior Court against Defendant alleging the following causes of action: (1) Violation of Business & Professions Code § 17200; (2) failure to provide compliant meal breaks under Labor Code §§ 226.7 and 512; (3) failure to provide compliant rest breaks under Labor Code § 226.7 and the applicable Wage Order; and (4) failure to provide accurate itemized wage statements under Labor Code § 226. The case was transferred to Santa Clara County Superior Court on January 26, 2023, and on May 4, 2023, Gaffney amended her complaint to include a cause of action for PAGA penalties under Labor Code § 2698.

2.2. **The Parties Have Informally Exchanged Information To Fully Assess The Claims Prior to Mediation**. After motion practice in which the Court ordered Plaintiff Gaffney to resolve her claims in arbitration pursuant to the arbitration agreement she signed, the parties attended mediation before respected mediator Tripper Ortman, on February 21, 2025. Pursuant to meet and confer efforts for mediation, Defendant agreed to produce, and did produce, electronic time punch records and payroll records for a randomized 25% sample of aggrieved employees, and relevant company policies. Defendant also provided data points to Plaintiff, including the total number of aggrieved employees and the total number of pay periods worked during the PAGA period. The Parties were then able to engage their own experts to independently review and analyze the data.

2.3. **Defendant's Denials.** Defendant denied and continues to deny: (a) all of the allegations made by Plaintiff on behalf of the Aggrieved Employees in the Action; (b) that it violated any applicable laws; (c) that it is liable or owes any damages, civil penalties, or other compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Actions; and, (d) that representative treatment of the Action or any alleged claim is proper. Defendant emphasizes that the Court has not made any findings of liability as to it and the Court has not determined that Plaintiff may proceed in a representative capacity.

Nonetheless, without admitting or conceding any liability or wrongdoing whatsoever and without admitting or conceding that representative treatment is appropriate for any purpose other than settlement purposes alone, Defendant has agreed to settle the Action on the terms and conditions set forth in this Agreement, to avoid the burden, expense, and uncertainty of continuing the Action. Any stipulations or statements by Defendant contained in this Agreement are made for settlement purposes only.

2.4. **Plaintiff's Counsel's Evaluation**. Based on Plaintiff's counsel's investigation and evaluation, Plaintiff's counsel is of the opinion that the terms set forth in this Agreement are fair, reasonable, adequate, and in the best interest of the Aggrieved Employees. Plaintiff's counsel diligently and effectively investigated Plaintiff's claims, drafted the Complaint, and reviewed and analyzed documents and data produced. Plaintiff's counsel concluded that the Settlement reflected in this Agreement is in the best interests of the Aggrieved Employees, after reviewing the data and expert analysis, reviewing Defendant's policies, and evaluating the risk that further litigation might result in Plaintiff and the Aggrieved Employees not recovering anything at all. This was a very significant factor in determining that this Agreement is fair, reasonable, and adequate.

2.5. **The Parties' Intent**. It is the desire of the Parties to fully, finally, and forever settle, compromise, and discharge any and all claims, rights, demands, charges, complaints, causes of action, obligations or liability of any and every kind that were or could have been asserted in the Action, to the extent that such claims arise out of the alleged facts, circumstances, and occurrences underlying the allegations as set forth in the claims in the Complaint.

**NOW THEREFORE**, in consideration of the covenants and agreements set forth herein, and of the release and dismissal of all Released Claims, the Parties stipulate and agree to the terms and provisions of this Settlement and Agreement, subject to the approval of the Court.

**3. NOTICE TO AGGRIEVED EMPLOYEES**

3.1. **Settlement Administrator**. The Parties request that the Court appoint ILYM Inc., as Settlement Administrator. The Parties agree that settlement administration costs shall not exceed $13,250.00, based on a written bid received from the Settlement Administrator. All disputes relating to the Settlement Administrator's performance of its duties, after good-faith efforts by the Parties to first resolve such disputes, will be referred to the Court, if necessary, which will have continuing jurisdiction over this Agreement until all payments and obligations contemplated by this Agreement have been fully completed.

3.2. **Aggrieved Employee Data For Settlement Administrator**. Within 30 calendar days of the entry of an order approving this Settlement, Defendant shall provide to the Settlement Administrator the following information: (1) name of each Aggrieved Employee; (2) most current known address of each Aggrieved Employee; (3) social security number of each Aggrieved Employee; and (4) the total number of pay periods worked (defined as a pay period in which the Aggrieved Employee worked at least one day) by each Aggrieved Employee during the PAGA Period. Upon receipt of this information from Defendant, the Settlement Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes.

3.3. **Confidentiality of Aggrieved Employee Contact Information and Data**. The contact information is being provided confidentially to the Settlement Administrator only (not to Plaintiff's counsel), and the Settlement Administrator shall treat the information as private and confidential and take all necessary precautions to maintain the confidentiality of contact information of the Aggrieved Employees. This information is to be used only to carry out the Settlement Administrator's duties as specified in this Settlement Agreement. The Settlement Administrator shall return the Aggrieved Employee data to Defendant or confirm its destruction upon completion of the Settlement Administrator's duties in administering the Settlement.

## 4. DISTRIBUTION OF SETTLEMENT PROCEEDS

4.1. **Gross Settlement Amount**. Defendant agreed to pay up to a maximum Gross Settlement Amount of $800,000.00. The $800,000.00 Gross Settlement Amount refers to the maximum settlement payment Defendant may be obligated to make in connection with the Settlement or Agreement, and shall include all Individual Settlement Payments made to Aggrieved Employees, all Settlement Administrator administration costs, the Service Awards, the LWDA Payment, and attorneys' fees and expenses. The Gross Settlement Amount shall be funded by wire thirty (30) calendar days after the Effective Date.

4.2. **Attorneys' Fees and Costs**. Plaintiff's Counsel intends to request that the Court approve an attorneys' fees and costs award for (a) attorneys' fees in an amount up to 1/3 of the Gross Settlement Amount (or $266,666.67); and (b) costs in the amount of up to $55,000.00, supported by adequate documentation by Plaintiff's counsel's billing statement. Except as provided in this Agreement, Defendant shall have no liability for any other attorneys' fees or costs.

4.2.1 **Approval of Attorneys' Fees and Costs Award Not Material.** The Court's approval of an attorneys' fees or costs award is not a material term of the Settlement or this Agreement. If the Court does not approve or approves only a lesser amount than that requested by Plaintiff's counsel for attorneys' fees or costs, the other terms of the Settlement and this Agreement shall still apply. The

Court's refusal to approve the attorneys' fees or costs award requested by Plaintiff's Counsel does not give the Aggrieved Employees or Plaintiff's counsel any basis to abrogate the Settlement or this Agreement. Any amount of an attorneys' fees and costs award requested by Plaintiff's Counsel but unapproved by the Court shall be allocated to the Net Settlement Amount.

4.2.2 **Timing of Payment of Attorneys' Fees and Costs.** The Settlement Administrator shall pay to Plaintiff's counsel any approved attorneys' fees and costs award fourteen (14) calendar days after the full funding of the Gross Settlement Amount as set forth in Section 4.1. The Settlement Administrator shall issue an Internal Revenue Service Form 1099 to Plaintiff's counsel for any attorneys' fees and costs award payment. Plaintiff's counsel shall be solely and legally responsible for paying all applicable taxes on any attorneys' fees and costs award payments and shall indemnify and hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of the payment.

4.3. **Settlement Administration Costs**. Plaintiff's Counsel intends to request that the Court approve Settlement Administration Costs of up to $13,250.00. Upon completion of administration of the Settlement, the Settlement Administrator shall provide written certification of such completion to Plaintiff's Counsel and Defendant's Counsel. The Parties agree to cooperate in the settlement administration process and to make all reasonable efforts to control and to minimize settlement administration costs.

4.4. **LWDA Payment.** Plaintiff's Counsel will seek approval for a Private Attorneys General Act ("PAGA") payment out of the Gross Settlement Amount of $800,000.00, which shall be allocated as 75%of the payment going to the LWDA as the LWDA's share of the settlement of civil penalties paid under this Agreement pursuant to the PAGA.

4.5. **Individual Settlement Payments From the Net Settlement Amount.** This Settlement shall be a non-reversionary Settlement. Each Aggrieved Employee shall be entitled to an Individual Settlement Payment consisting of their share of the Net Settlement Amount, in accordance with the formula set forth below.

4.5.1 **Calculation and Payment of Individual Settlement Payment.**

The Aggrieved Employees shall have their share of the Individual Settlement Payment paid one hundred percent (100%) as civil penalties for which no taxes will be withheld and for which a Form 1099 will be issued by the Settlement Administrator. The Individual Settlement Payment shall be determined based on the following formula:

(1) The payment to Aggrieved Employees will be based on the number of pay periods that each Aggrieved Employee worked for Defendant during the PAGA Period. Partial pay periods will be counted as full pay periods.

(2) Aggrieved Employees shall receive a portion of the Net Settlement Amount proportionate to the number of pay periods worked by that Aggrieved Employee during the PAGA Period compared to the total number of pay periods worked by all Aggrieved Employees during the PAGA Period.

(3) The amount to be paid per pay period will be calculated by dividing the Net Settlement Amount that will be paid to Aggrieved Employees by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period.

(4) Defendant's records shall be determinative for purposes of calculating the number of pay periods worked and any payments to Aggrieved Employees.

4.6. **Distribution of Individual Settlement Payments**. Each Aggrieved Employee's portion of the Net Settlement Amount shall be distributed as one check.

4.7. **Timing of Individual Settlement Payments**. The Settlement Administrator shall issue the distribution of the Individual Settlement Payments no later than fourteen (14) calendar days after the funding of the Gross Settlement Amount.

4.8. **Mailing of Notice of PAGA Settlement**. The Settlement Administrator shall mail the Notice of PAGA Settlement to the Aggrieved Employees concurrently with mailing the Individual Settlement Payments to the Aggrieved Employees.

4.9. **Undeliverable or Uncashed Checks.** Any settlement checks distributing Individual Settlement Payments returned to the Settlement Administrator as undeliverable shall be sent within 5 calendar days via First Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall attempt to determine the correct address using the National Change of Address Database maintained by the United States Postal Service, and it shall then perform a re-mailing within 5 calendar days. The amount of any Individual Settlement Payments that remain undeliverable or uncashed 180 calendar days after the postmarked date of the initial mailing of the Individual Settlement Payments will be sent to the California State Controller's Office to be held as "Unclaimed Property" in the name of the Aggrieved Employee. The Settlement Administrator shall notify Plaintiff's Counsel and Defendant's Counsel of any undeliverable checks.

4.10. **Tax Payment Considerations**. The Parties agree that all Individual Settlement Payments are paid 100% as civil penalties and shall not be subject to payroll tax withholdings**.** The Settlement Administrator shall issue any necessary IRS Form 1099 to Aggrieved Employees for their respective Individual Settlement Payments. Aggrieved Employees shall indemnify and hold harmless Released Parties from any claim or liability for taxes, fees, costs, penalties, or interest arising as a result of the payments. Plaintiff's Counsel, Defendant's Counsel, Released Parties, and the Settlement Administrator are not giving any tax advice in connection with the Settlement or any payments to be made pursuant to this Agreement.

4.11. **No Impact On Contributions To Employee Benefit Plans**. None of the payments made pursuant to the Settlement and this Agreement shall be considered to alter the terms or to grant any rights to additional payments under any employee benefit plans, including but not limited to employee stock ownership or benefit plans. None of the payments made pursuant to the Settlement and this Agreement shall be considered for purposes of determining eligibility for, vesting or participation in, or contributions to any employee stock ownership or benefit plan, including, without limitation, all plans subject to the Employee Retirement and Income Security Act of 1974 ("ERISA"). Any distribution of payments to Plaintiff or Aggrieved Employees shall not be considered as a payment of wages or compensation under the terms of any applicable employee stock ownership or benefit plan and shall not affect participation in, eligibility for, vesting in, the amount of any past or future contribution to, or level of benefits under any applicable plan.

Any amounts paid will not impact or modify any previously credited hours of service or compensation taken into account under any bonus or incentive plan, benefit plan sponsored or contributed to by Defendant or any jointly-trusteed benefit plan, or for purposes of calculating the regular rate of pay. For purposes of this Agreement, "benefit plan" means each and every "employee benefit plan," as defined in 29 U.S.C. Section 1002(3), and, even if not thereby included, any 401(k) plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare, profit sharing, retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred compensation, or any other similar benefit plan, practice, program, or policy.

## 5. RELEASES

5.1. **Release by Aggrieved Employees**. Upon full funding of the Gross Settlement Amount, the State of California, each Aggrieved Employee, including Plaintiff, and each of their respective executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or guardians, will release Defendant and each of the Released Parties of and from any and all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Complaint and the PAGA Notice submitted by Plaintiff to the LWDA, which occurred during the PAGA Period, including but not limited to all PAGA claims seeking civil penalties premised upon: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods, (4) failure to provide rest breaks , (5) failure to timely pay wages each period, (6) failure to timely pay wages upon separation of employment, (7) failure to provide accurate itemized wage statements, (8) failure to reimburse reasonable and necessary business expenses, (9) any and all claims arising out of alleged violations of the California Labor Code sections 200, 201, 201.1, 201.3, 202, 203, 204, 208, 210, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 227.3, 229, 245-249, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2800-2804, Code of Regulations Title 8 section 11050, and the applicable IWC wage order, (10) interest, (11) attorneys' fees and costs, and (12) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the facts or claims alleged, or reasonably could have been alleged, in the LWDA notice letters and Complaint.

5.2. **Acknowledgement of Binding Terms of the Settlement, Despite Other Potential Claims**. Plaintiff's Counsel, Plaintiff, and the Aggrieved Employees acknowledge that they may hereafter discover facts or law different from, or in addition to, the facts or law they know or believe to exist with respect to the Released Claims. The Aggrieved Employees nonetheless agree that this

Agreement and the Released Claims contained in it shall be and remain effective in all respects notwithstanding such different or additional facts or law regarding such Released Claims. These releases do not include any claims that cannot be waived as a matter of law.

5.3. **No Admission of Liability**. By entering into this Agreement, Defendant in no way admits any violation of law or any liability whatsoever to the Aggrieved Employees, individually or collectively, and expressly denies all such liability. Neither this Agreement, nor any other Settlement documents, shall be offered in any case or proceeding as evidence of any admission by Defendant of any liability on any claim for damages, penalties, restitution, or any other relief. Likewise, by entering into this Agreement, Defendant in no way admits to the suitability of this case for representative action litigation, other than for purposes of Settlement. Rather, Defendant enters into this Agreement to avoid further protracted litigation and to resolve and to settle all disputes with the Aggrieved Employees.

The Parties understand and agree that this Agreement and all exhibits thereto are settlement documents and shall be inadmissible for any purpose in any proceeding, except an action or proceeding to approve, interpret, or enforce the terms of this Agreement. The Parties agree that, to the extent permitted by law, this Agreement may be pleaded as a full and complete defense to, and may be used as the basis for an injunction against any action, suit, or other proceeding that may be instituted, prosecuted, or attempted in breach of this Agreement.

**6. MISCELLANEOUS**

6.1. **Interim Stay of Proceedings**. The Parties agree to refrain from further litigation, except such proceedings necessary to implement and to obtain approval of the terms of the Agreement. If the Settlement is not approved, the Parties agree that they will revert to their positions in the lawsuit prior to the time the Settlement was reached, and no agreements set forth in this Agreement or any documents generated or orders issued related to the Settlement will be admissible in any future proceeding in this or any other action.

6.2. **Parties' Authority**. The signatories hereto represent that they are fully authorized to enter into this Agreement and are fully authorized to bind the Parties to all terms stated herein

6.3. **Entire Agreement**. This Agreement, which includes the Definitions, Recitals, and all Exhibits attached hereto, constitutes the entire agreement between the Parties with regard to the subject matter contained herein, and all prior and contemporaneous negotiations and understandings between the Parties shall be deemed merged into this Agreement.

6.4. **Materiality of Terms**. The Parties have arrived at this Agreement as a result of arm's-length negotiations. Where stated in this Agreement, certain terms are material and revision of these material terms will allow a Party the option to void this Agreement.

6.5. **Counterparts**. This Agreement may be executed in counterparts, and when each party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and when taken together with other signed counterparts, shall constitute one signed Agreement, which shall be binding upon and effective as to all Parties.

6.6. **Facsimile or Scanned Signatures For This Agreement**. Any party may sign and deliver this Agreement by signing on the designated signature block and transmitting that signature page via facsimile or as an attachment to an e-mail to counsel for the other party. Any signature made and transmitted by facsimile or as an attachment to an e-mail for the purpose of executing this Agreement shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party who transmits the signature page.

6.7. **Binding Effect**. This Agreement shall be binding upon the Parties and, with respect to Plaintiff, Aggrieved Employees, their spouses, children, representatives, heirs, administrators, executors, beneficiaries, conservators, attorneys, and assigns.

6.8. **Waivers and Modifications to Be in Writing**. No waiver, modification, or amendment of the terms of this Agreement, whether purportedly made before or after the Court's approval of this Agreement, shall be valid or binding, unless in writing, signed by or on behalf of all Parties and then only to the extent set forth in such written waiver, modification, or amendment, subject to any required Court approval. Any failure by any Party to insist upon the strict performance by the other Party of any of the provisions of this Agreement shall not be deemed a waiver of future performance of the same provisions or of any of the other provisions of this Agreement, and such Party, notwithstanding such failure, shall have the right thereafter to insist upon the specific performance of any and all of the provisions of this Agreement. The time periods and dates provided in this Agreement with respect to giving of notices and hearings are subject to Court approval and modification by the Court or by written stipulation of Plaintiff's Counsel and Defendant's Counsel.

Any notice to be given pursuant to this Agreement shall be made by email and overnight delivery to Plaintiff's Counsel or Defendant's Counsel. If Aggrieved Employees have questions about this Agreement or their Individual Settlement Payments, they must contact the Settlement Administrator, rather than Defendant. Defendant shall have no obligation to respond to communications by Aggrieved Employees.

6.8.1 **Exhibits Incorporated by Reference.** The terms of this Agreement include the terms set forth in any attached exhibit, which are incorporated by this reference as though fully set forth herein. Any exhibit to this Agreement is an integral part of the Settlement.

6.8.2 **Captions.** The captions or headings of the sections and paragraphs of this Agreement have been inserted for convenience of reference only and shall have no effect upon the construction or interpretation of any part of this Agreement.

6.8.3 **Invalidity of Any Provision.** Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to render all provisions of this Agreement valid and enforceable.

6.9. **Further Acts and Cooperation Between the Parties**. The Parties shall cooperate fully with each other and shall use their best efforts to obtain the Court's approval of this Agreement and all of its terms. Each of the Parties, upon the request of another, agrees to perform such further acts and to execute and to deliver such other documents as are reasonably necessary to carry out the provisions of this Agreement.

6.10. **No Prior Assignments or Undisclosed Liens**. Plaintiff and Plaintiff's Counsel represent and warrant that they have not assigned, transferred, conveyed, or otherwise disposed of, or purported to assign, transfer, convey, or otherwise dispose of, any Released Claims or the attorneys' fees and costs award to be paid pursuant to this Agreement. Plaintiff and Plaintiff's Counsel further represent and warrant that there are not any liens or claims against any of the amounts to be paid by Defendant pursuant to this Agreement. Plaintiff and Plaintiff's Counsel agree to defend, to indemnify, and to hold

Defendant and Released Parties harmless from any liability, losses, claims, damages, costs, or expenses, including reasonable attorneys' fees, resulting from a breach of these representations or from any lien or assignment.

6.11. **Discovery of Confidential Documents and Information**. Plaintiff's Counsel agree that they will destroy all confidential documents and information provided to them by Defendant within 60 calendar days after the completion of the administration of the Settlement. Plaintiff's Counsel further agrees that none of the documents and information provided to them by Defendant shall be used for any purpose other than prosecution of this Action or the defense or prosecution of a malpractice action.

6.12. **No Tax Advice**. Neither Plaintiff's Counsel, Defendant's Counsel, Defendant, or any Released Parties intend anything contained in this Settlement or Agreement to constitute advice regarding taxes or taxability, nor shall anything in this Settlement or Agreement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended) or otherwise.

6.13. **No Media Announcements**. Neither side shall make any public statements to the news, print, electronic, or Internet media concerning the Settlement, and both sides shall decline to respond to media inquiries concerning the Settlement. Plaintiff's Counsel shall not publicize the settlement in their marketing materials, website, or other advertising media.

6.14. **Continuing Jurisdiction**. The Court shall retain jurisdiction over the implementation of this Agreement as well as any and all matters arising out of, or related to, the implementation of this Agreement and Settlement. The Court shall not have jurisdiction to modify the terms of the Agreement without the consent of all of the Parties.

6.15. **Disputes**. If the Parties have a dispute with regard to the language of this Agreement, they agree to first attempt to resolve the dispute informally through good-faith negotiations with mediator Tripper Ortman, but if those efforts are unsuccessful, they agree to mediate any such dispute. The Parties will split the costs of the mediator, and all parties will bear their own fees and costs.

6.16. **Governing Law**. This Settlement and Agreement was made and entered into in the State of California. All terms of this Agreement shall be governed by and interpreted according to the substantive laws of the State of California and the procedural laws of the United States of America.

**SO AGREED AND SO STIPULATED.**

DATED: 12/2/2025

PLAINTIFF MICHELLE GAFFNEY

Signed by:

By: Michelle Gaffney

B209844B33FB497...

Michelle Gaffney

DATED: ______________

DEFENDANT PRIME HEALTHCARE SERVICES – SHASTA, LLC

By: ______________________________

Print Name: ______________________________

Title: ______________________________

DATED: 12/2/2025

JANELLE CARNEY – ATTORNEY AT LAW, APC; SALUSKY LAW GROUP, APC

Signed by:

By: Janelle Carney

7A3414A0973A41C...

Janelle Carney
Attorneys for Plaintiff
MICHELLE GAFFNEY

DATED: ______________

SEYFARTH SHAW LLP

By: ______________________________

Justin T. Curley
Geoffrey C. Westbrook
Phillip J. Ebsworth
Kyle W. Owen

Attorneys for Defendant
PRIME HEALTHCARE SERVICES – SHASTA, LLC

DATED: December , 2025

PLAINTIFF MICHELLE GAFFNEY

By: ______________________________
Michelle Gaffney

______________________________

DATED: December 1, 2025

DEFENDANT PRIME HEALTHCARE SERVICES – SHASTA, LLC

By: B Pierce

Print Name: Billie Pierce

Title: Vice President/Deputy General Counsel

DATED: December , 2025

JANELLE CARNEY – ATTORNEY AT LAW, APC; SALUSKY LAW GROUP, APC

By: ______________________________
Janelle Carney

Attorneys for Plaintiff
MICHELLE GAFFNEY

DATED: December 1, 2025

SEYFARTH SHAW LLP

By: ______________________________
Justin T. Curley
Geoffrey C. Westbrook
Phillip J. Ebsworth
Kyle W. Owen

Attorneys for Defendant
PRIME HEALTHCARE SERVICES – SHASTA, LLC

322135155v.1