

SETTLEMENT AGREEMENT

This Settlement Agreement (“Agreement”) is made and entered into by and between District Council #16 Northern California Health and Welfare Trust Fund (“DC16”) on behalf of itself and the class of self-funded payers (defined below) it represents (collectively, “Plaintiffs”), and Defendants Sutter Health, Sutter Bay Hospitals, Sutter Valley Hospitals, MarinHealth Medical Center, Sutter Coast Hospital, Sutter Bay Medical Foundation, and Sutter Valley Medical Foundation (collectively, “Sutter” or “Defendants”), through their authorized representatives.

1. RECITALS

1.1. Sutter is a nonprofit, public benefit health system that provides healthcare services to communities throughout Northern California.

1.2. DC16, on behalf of itself and all others similarly situated, represents a class of self-funded payers that filed an action on January 6, 2015 captioned *District Council #16 Northern California Health and Welfare Trust Fund, et al., v. Sutter Health, et al.*, Case No. RG15753647, pending in Alameda County Superior Court (the “Action”).

1.3. The Action asserts claims under the unfair competition laws, Business and Professions Code Sections 17200 *et seq.*, and seeks recovery of, among other things, restitution, and attorneys’ fees and costs.

1.4. Plaintiffs and Defendants (collectively, the “Settling Parties”), have been engaged in substantial arm’s-length negotiations in an effort to resolve all claims arising from or related to the allegations in the Action, including through mediation with Robert Meyer, Esq., during which the terms of the agreement detailed herein were extensively negotiated.

1.5. The Settling Parties have reached an agreement providing for the settlement and termination with prejudice of the claims asserted in the Action on the terms and subject to the conditions set forth below, and are entering into this settlement to eliminate the burden, distraction, expense and uncertainty of further litigation.

1.6. Defendants have denied and continue to deny that they (and each of them) have engaged in any wrongdoing of any kind, or violated or breached any law, regulation or duty owed to Plaintiffs (and each of them) and further deny that they individually or collectively have any liability as a result of any and all allegations in the Action.

1.7. Based on their analysis of the merits of the claims and the benefits provided to the Class by the Settlement Agreement, including the evaluation of a number of factors including the substantial risks of continued litigation and the possibility that the litigation, if not settled now, might result in no recovery whatsoever for the Class or in a recovery that is less favorable to the Class, Class Counsel believe that it is in the interest of all members of the Class to resolve finally and completely their claims against the Defendants and that the terms of the Settlement Agreement are in the best interests of the Class and are fair, reasonable and adequate.

1.8. The Settling Parties have voluntarily entered into the Settlement Agreement to fully resolve the Action.

1.9. In consideration of the promises, agreements, covenants, representations and warranties set forth herein, and other good and valuable consideration provided for herein, the Settling Parties agree to a full, final and complete settlement of the Action on the below terms and conditions.

2. GENERAL TERMS OF THE SETTLEMENT AGREEMENT

In addition to the terms identified elsewhere in this Settlement Agreement, and as used herein, the terms below shall have the following meanings:

2.1. “Attorneys’ Fees and Expenses” means the amounts approved by the Court for payment to Class Counsel, including attorneys’ fees, costs and litigation expenses as described herein.

2.2. “Class” or “Class Member(s)” means self-funded payers that satisfy the class definition set forth in the June 29, 2021 Order Granting Motion of Plaintiffs for Class Certification at page 40: “All self-funded payers that (1) are citizens of California or state and local governmental entities of the State of California and (2) compensated Sutter for any anesthesia services other than conscious sedation administered in operating rooms at its acute care hospitals at any time from January 1, 2003 to December 31, 2013.” Excluded from the Class are all self-funded payers that opted out of the Class on or before the Court-ordered opt-out deadline of June 7, 2022 and any entity in which the self-funded payer is a health plan offered by Sutter Health to its employees or a plan where a Sutter Health affiliate is ultimately financially responsible for the claims paid by the self-funded health plan. Self-funded payers that opted out are not entitled to any relief including monetary relief under this Settlement.

2.3. “Claims Administrator” means the entity which has been designated to provide Notice to the Class and administer the Settlement Fund pursuant to Section 9 below and by order of the Court.

2.4. “Class Counsel” means the law firm of Hausfeld LLP.

2.5. “Court” means Superior Court of the State of California for the County of Alameda.

2.6. “Defendants’ Counsel” means the law firm of Keker, Van Nest & Peters LLP.

2.7. “Effective Date” is the effective date of the Settlement Agreement as defined in Section 7 below.

2.8. “Escrow Agent” means The Huntington National Bank, or such successor escrow agent agreed upon by the Settling Parties or appointed by the Court.

2.9. “Final Approval” means the order of the Court granting final approval of the Settlement Agreement pursuant to California Rules of Court Rule 3.769.

2.10. “Final Approval Hearing” means the hearing at which the Court will consider Plaintiffs’ motion for judgment and Final Approval of the Settlement.

2.11. “Final Judgment and Order” means the Proposed Final Judgment and Order pursuant to Settling Parties’ stipulation which shall be submitted to the Court.

2.12. “Notice” means the Notice of Proposed Settlement.

2.13. “Plaintiffs” means DC16 and the Class, collectively.

2.14. “Plan of Allocation” means the formula and process by which the Settlement Fund will be allocated and distributed to Class Members.

2.15. “Plan of Notice” means the plan for distribution of the Notice to Class Members.

2.16. “Preliminary Approval” means the Court’s Order preliminarily approving the Settlement, the Plan of Notice, the forms of Notice, the Plan of Allocation and other related matters.

2.17. “Settlement,” “Agreement,” or “Settlement Agreement” each mean the settlement terms agreed to by the Settling Parties as reflected in this Settlement Agreement.

2.18. “Settlement Fund” means the eleven million dollars (\$11,000,000.00) that the Defendants shall pay as described in Section 8.1 to be held, administered and disbursed pursuant to this Settlement Agreement and applicable orders of the Court.

2.19. “Settling Parties” means the Plaintiffs and the Defendants.

3. COURT APPROVAL OF SETTLEMENT AND NOTICE

3.1. Retention of Claims Administrator

Class Counsel shall retain a Claims Administrator, which shall be responsible, under the supervision of Class Counsel, for the Notice administration process, administering the Settlement Fund, distribution to Class Members as approved by the Court, withholding and paying applicable taxes, and performing other duties as provided herein. Plaintiffs shall obtain approval by the Court of the choice of the Claims Administrator. Class Counsel shall be responsible for calculating payments to the Class from the Settlement Fund based on the Plan of Allocation approved by the Court. The Claims Administrator shall sign and be bound by the Second Modified Stipulated Protective Order entered on March 12, 2019 governing the Action to treat information it receives or generates as part of the Notice administration process as confidential. The Claims Administrator shall agree to use confidential information solely for the purposes of Notice administration, administering the Settlement Fund and completing the functions associated therewith required by the Agreement, and shall keep the information confidential. The fees and expenses of the Claims Administrator shall be paid exclusively out of the Settlement Fund. In no event shall the Defendants be separately responsible for fees or expenses of the Claims Administrator.

3.2. Preliminary Approval and Notice of Settlement

3.2.1. Class Counsel shall file with the Court a Motion for Preliminary Approval of the Settlement, which will include a Proposed Preliminary Approval Order and a proposed Notice. In the event that the Court grants Preliminary Approval of the

Settlement, Class Counsel shall direct the Claims Administrator to provide the Class with Notice as ordered by the Court.

3.2.2. Attached as Exhibit A is the proposed Notice which Class Counsel shall file with the Court.

3.2.3. If the Court denies the Motion for Preliminary Approval without leave to re-file, and either no appeal is taken or an appeal is taken and the denial is affirmed, the case will proceed as if no settlement had been attempted, and the Settling Parties shall be returned to their respective procedural postures, (*i.e.*, the *status quo* as of April 4, 2024), so that the Settling Parties may take such litigation steps that the Settling Parties otherwise would have been able to take absent the pendency of this Settlement Agreement. In such event, the Settling Parties will negotiate and submit for Court approval a revised case schedule for any trial-related events previously scheduled for dates following April 3, 2024.

4. OBJECTIONS

Unless the Court provides otherwise, objections to the Settlement, if any, must be submitted in writing, and must include a detailed description of the basis of the objection. Objections must be filed with the Court, with copies served on Class Counsel and Defendants' Counsel, postmarked on or before a date certain to be specified in the Notice, which will be thirty (30) days after the Notice is initially mailed to Class Members. No one may appear at the Final Approval Hearing for the purpose of objecting to the Settlement without first having filed and served objections in writing postmarked on or before thirty (30) days after the Notice was initially mailed to Class members.

5. CLASS MEMBER OPT-OUT

The Court previously provided Class Members with notice of and an opportunity to opt out of the Action and set the opt-out deadline of June 7, 2022. Among other things, the notice advised Class Members: “[i]f you meet the definition of a Class member and do nothing, you will remain part of the Class and keep the possibility of getting money or other benefits that may come from a trial or settlement. If you remain part of the Class, you will be legally bound to any and all orders and judgments, whether favorable or not, that the Court makes regarding the claims in this class action.” On or before June 7, 2022, certain entities opted out of the class. The Settling Parties agree that, in light of the previous opportunity to opt out, Class Members should not be provided with another opportunity to opt out.

6. FINAL APPROVAL

6.1. Prior to the Final Approval Hearing, on the date set by the Court, Plaintiffs shall submit a motion for Final Approval by the Court of the Settlement and the entry of an order granting Final Approval of the Settlement and requesting that the Court, after inquiry:

6.1.1. find the Settlement and its terms to be fair within the meaning of California Rules of Court Rule 3.769, and direct its consummation pursuant to its terms;

6.1.2. find that the Notice given constitutes due, adequate and sufficient notice, and meets the requirements of due process and any applicable laws;

6.1.3. provide for payment of any Attorneys’ Fees and Expenses solely from the Settlement Fund (as provided in Section 11 herein);

6.1.4. set forth the method for allocating the Settlement Fund (set forth in the Plan of Allocation);

6.1.5. approve the release of claims specified herein as binding and effective as to the Plaintiffs and all Class Members, permanently barring and enjoining the Plaintiffs and Class Members from asserting any Released Claims (as defined in Section 10 herein);

6.1.6. pursuant to California Code of Civil Procedure § 664.6 and California Rule of Court 3.769(h), reserve exclusive and continuing jurisdiction over the Settlement, including the Final Judgment and Order and the Settlement Fund (as defined in Section 8 herein); and

6.1.7. direct that the Final Judgment and Order terminating with prejudice all claims asserted in this Action be entered.

6.2. If required by the Court in connection with approval of the Settlement, the Settling Parties agree to consider in good faith whether to accept non-material changes to this Settlement Agreement. However, the Settling Parties are not obligated to accept any changes to the monetary amount of relief, or any other change to the terms of this Settlement Agreement.

6.3. The Claims Administrator's affidavit of compliance with Notice requirements must be filed no later than thirty (30) days prior to the Final Approval Hearing.

7. EFFECTIVE DATE OF THE SETTLEMENT

7.1. The Settlement shall become final and effective upon the occurrence of all of the following ("Effective Date"):

7.1.1. The Court grants Final Approval of the Settlement;

7.1.2. As provided for in Section 6 herein, entry is made of the Final Judgment and Order terminating with prejudice all claims asserted in this Action;
and

7.1.3. Completion of any and all appeal(s) from the Court's Final Judgment and Order and/or Order granting Final Approval of the Settlement (including any such order on remand from a decision of an appeals court), provided, however, that a modification or reversal on appeal of any amount of the Attorneys' Fees and Expenses awarded by the Court from the Settlement Fund, or the amount of any service awards to the Plaintiffs, shall not by itself prevent this Settlement from becoming final and effective if all other aspects of the Final Judgment and Order and the Final Approval Order have been affirmed or not appealed.

7.2. If no appeal is filed from the Court's Final Judgment and Order and/or Final Approval of the Settlement, the Effective Date shall be the date on which the time for any such appeals has lapsed.

8. CONSIDERATION FOR SETTLEMENT

8.1. Monetary Settlement Fund

8.1.1. Within ten (10) calendar days from the court's order preliminarily approving the settlement, the Defendants shall deposit or cause to be deposited by wire transfer to the Escrow Agent five hundred thousand dollars (\$500,000.00) in cash to be used for the costs of settlement administration, subject to and in exchange for the promises, covenants and provisions herein, including without limitation, complete and final settlement and release of all Released Claims against the Defendants and the Released Parties in the Action, any claim for Attorneys' Fees and Expenses, costs, administrative costs, interest (pre- and post-judgment interest), and any and all amounts to be paid to Class Members. As set forth below, if this Agreement is not finally

approved, is nullified pursuant to Section 12.3, is overturned or is modified on appeal or as a result of further proceedings on remand of any appeal with respect to this Agreement, or if the Effective Date otherwise does not occur, the balance of the Monetary Settlement Fund, including all earned and accrued interest, shall be returned to Defendants pursuant to Section 12.3.1.

8.1.2. Within ten (10) calendar days from the Effective Date, the Defendants shall deposit or cause to be deposited by wire transfer to the Escrow Agent ten million and five hundred thousand dollars (\$10,500,000.00) in cash subject to and in exchange for the promises, covenants and provisions herein, including without limitation, complete and final settlement and release of all Released Claims against the Defendants and the Released Parties in the Action, any claim for Attorneys' Fees and Expenses, costs, administrative costs, interest (pre- and post-judgment interest), and any and all amounts to be paid to Class Members.

8.1.3. Deposit to the Escrow Agent shall be made by electronic transfer to the account of The Huntington National Bank using the account information provided by Class Counsel via letter to Defendants not later than seven (7) days after execution date of this agreement reflected below:

Bank Name	
Bank Address	
Location	
ABA Routing Number	
Account Number	
Account Name	

SWIFT Code	
Tax ID/EIN Number	

8.1.4. In the event that the Settling Parties agree upon, or the Court approves, an Escrow Agent other than The Huntington National Bank, Class Counsel shall furnish the information set forth in Section 8.1.3 for the Escrow Agent via letter to Defendants' Counsel sent no later than seven (7) days after appointment of the new Escrow Agent. Plaintiff and Class Members understand that furnishing the information set forth in Section 8.1.3 for the Escrow Agent is a condition precedent to depositing any sums with the Escrow Agent.

8.1.5. Defendants shall not, under any circumstances, be required to pay more than this amount. Defendants' transfer of the Settlement Fund to the Escrow Agent shall constitute full and complete satisfaction of their monetary obligations under this Settlement and to settle the Action, which will cover any and all forms of monetary relief to settle the Action and the Released Claims, including without limitation any and all compensation to Class Members, payments for any service awards, fees and costs of the Claims Administrator, Attorneys' Fees and Expenses, litigation and court costs (including without limitation expert fees), and all other monetary relief, fees, expenses or costs arising out of or related to the Action. Plaintiff and Class Members shall not be entitled to any further payment from any Defendant or any Released Party with respect to the Released Claims, the Action or the Settlement. Following such transfer of the Settlement Fund to the Escrow Agent, no Defendant or Released Party shall have any liabilities, obligations or responsibilities with respect to the payment, disbursement, disposition,

distribution or other administration or oversight of the Settlement Fund. No portion of the Settlement Fund will revert to the Defendants unless the Settlement is terminated, as described in Section 12.3, is modified as described in Section 6.2, or is not finally approved or does not become effective for any reason. Except as provided by order of the Court, no Plaintiff or Class Member shall have any interest in the Settlement Fund or any portion thereof.

8.1.6. The Escrow Agent will place the Settlement Fund in an interest-bearing account (the “Account”) created by order of the Court. The Settlement Fund shall be deemed and considered to be in custodia legis of the Court, and shall remain subject to the jurisdiction of the Court until it has been fully disbursed pursuant to orders of the Court. The Settling Parties agree to treat the Settlement Fund as being at all times a “qualified settlement fund” within the meaning of Treas. Reg § 1.468B-1 and to refrain from taking any action inconsistent with such treatment. For the purpose of § 468B of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, the “administrator” shall be the Escrow Agent and shall promptly take all steps necessary so that the Settlement Fund qualifies as a “qualified settlement fund” within the meaning of Treas. Reg. § 1.468B-1.

8.1.7. The Escrow Agent shall invest the Settlement Fund in interest-bearing instruments backed by the full faith and credit of the United States Government or fully insured by the United States Government or agency therefor, or in money market funds invested in such instruments.

8.1.8. Following the Defendants’ transfer of the Settlement Fund to the Escrow Agent, Defendants, Defendants’ Counsel and the Released Parties shall have no liability,

obligation or responsibility with respect to the payment, calculation of payments, disbursement, disposition, distribution or other administration or oversight of the Settlement Fund or Account and shall have no liability, obligation or responsibility with respect to any liability, obligation or responsibility of the Escrow Agent, Claims Administrator or Class Counsel, including but not limited to, liabilities, obligations or responsibilities arising in connection with the payment, calculation of payments, disbursement, disposition, distribution or other administration of the Settlement Fund and Account.

8.1.9. Defendants shall have no liability, obligation or responsibility for any taxes on interest earned by the Settlement Fund that is for the benefit of the Class or for any reporting requirements relating to such interest. However, if the Settlement Fund, or a portion thereof, is returned to Defendants pursuant to Section 12.3 below with accrued interest, Defendant shall be responsible for any unpaid taxes on such accrued interest and for any related tax reporting requirements, provided that the Claims Administrator complied with its obligation pursuant to Section 9.2.2 below.

9. ADMINISTRATION AND DISTRIBUTION OF THE SETTLEMENT FUND

9.1. Allocation and Distribution

9.1.1. Class Counsel shall be solely responsible for the administration of Class Member claims. Expenses and costs of administration shall be paid for solely out of the Settlement Fund in such amounts as the Court orders. Defendants shall have no liabilities, obligations or responsibilities with respect to the payment, calculation of payments, disbursement, disposition, distribution or other administration or oversight of payments.

9.1.2. The proposed Plan of Allocation would allocate the settlement fund (net of Court-approved attorneys' fees, litigation and settlement administration expenses, and a service award to the named Plaintiff) *pro rata* as described below.

9.1.3. Claims are weighted based on the cumulative total number of annual active participants in California identified by Class Members between January 1, 2003 through December 31, 2013. Claiming Class Members will be required to provide its number of active participants for each year of the period, under penalty of perjury, to support calculation of its weighted claim. Active participants are those individuals who reside in California and were employed at the end of the plan year and covered by the plan.

9.1.4. A claim form will be sent to Class Members to provide the number of active California participants in the self-funded health plan for each year between January 1, 2003 through December 31, 2013, which Class Counsel will total and use to calculate each class member's pro-rata share of the Settlement Fund. A notice will be sent to each self-funded health plan that received the mailed notice of class certification previously, excluding those that opted out of the class. Notice will also be sent to any additional Class Members that have been identified subsequent to the prior mailing. Once each claiming class member's weighted claims have been determined, Class Counsel will apply the Court-approved plan of allocation to calculate each claiming Class Member's share of the net settlement fund. Those shares will be presented to the Court for approval before checks are mailed to claiming Class Members.

9.1.5. Class Counsel shall be responsible for calculating the monetary award that shall be paid to each eligible Class Member, which shall be approved by the Court. Under the supervision of Class Counsel, the Claims Administrator shall, among other

things, confirm the identify of each eligible Class Member based on the methodology set forth in the Plan of Allocation as approved by the Court. As will be reflected in the Final Approval Order, Defendants and the Released Parties shall have no responsibility, and may not be held liable, for any determination reached by Class Counsel or the Claims Administrator.

9.1.6. The total amount of all monetary awards paid to Class Members, as determined by the Claims Administrator, shall not exceed the net amount of the Settlement Fund (including accrued interest) after all costs, expenses, service awards, Attorneys' Fees and Expenses, and taxes have been paid.

9.1.7. Any uncashed checks will be redistributed to the other Class Members according to the Plan of Allocation.

9.1.8. After redistribution, any unpaid cash residue and unclaimed or abandoned funds, plus any interest that has accrued thereon, will be distributed evenly to Community HealthWorks and Journey Health to support patient navigation for uninsured and Medi-Cal patients.

9.2. Payment of Federal, State and Local Taxes

9.2.1. Payments to DC16 and other Class Members from the Account may be subject to applicable tax withholding and reporting requirements. For avoidance of doubt, the Defendants, their counsel, and the Released Party shall not have any liability, obligation or responsibility for any tax obligations arising from payments from the Settlement Fund to DC16, any Class Member, or any other person or entity or based on the activities and income of the Account. In addition, neither the Defendants or any Released Party shall have any liability, obligation or responsibility for tax obligations

arising from payment to Class Counsel. Each recipient of payments from the Settlement Fund will be solely responsible for its/his/her tax obligations.

9.2.2. The Claims Administrator, as administrator of the Account, and on behalf of the Account, is responsible for withholding any applicable taxes and completing all reporting requirements. The Claims Administrator shall be responsible for satisfying any and all federal, state and local taxes from the Settlement Fund. Neither the Settling Parties nor their counsel shall have any responsibility or liability for the acts or omissions of the Claims Administrator.

10. RELEASES

10.1. Release and Covenant Not to Sue

10.1.1. Upon the Effective Date, DC16 and each Class Member (“Releasers”) shall release, forever discharge and covenant not to sue the Defendants, their past or present parents, subsidiaries, divisions, affiliates, offices, directors, insurers, employees, agents, attorneys, and any of their legal representatives (and the predecessors, heirs, executors, administrators, successors, purchasers and assigns of each of the foregoing) (the “Released Parties”) from all claims, whether federal or state, known or unknown, asserted or unasserted, suspected or unsuspected, contingent or non-contingent, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct that is negligent, intentional, with or without malice, or a breach of any duty, law, or rule, arising from or related to the facts, activities or circumstances alleged in the Action, including but not limited to claims regarding Defendants’ billing practices relating to anesthesia, including billing under the 37x, 36x, and 25x revenue codes. Claims within the scope of

this release shall be released up to the date on which the Settlement is signed by all parties. Claims released pursuant to this paragraph are the “Released Claims.”

10.1.2. Each Releasor expressly agrees that, having been advised by legal counsel, and having the specific intent to release all potential claims described in the foregoing Section upon the Effective Date, he, she or it waives and forever releases with respect to the Released Claims any and all provisions, rights and benefits conferred by either (a) 1542 of the California Civil Code or (b) any law of any state or territory of the United States, or principle of common law, which is similar, comparable or equivalent to 1542 of the California Civil Code. Section 1542 of the California Civil Code reads as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

10.1.3. Releasors acknowledge that the Released Claims include any unknown claims the Releasors do not know or suspect to exist in their favor at the time of the release, which, if known by them, might have affected their settlement with, and release of, the Released Claims. The Releasors may hereafter discover facts in addition to or different from those they now know or believe to be true with respect to the subject matter of the Released Claims, but upon the Effective Date, shall be deemed to have, and

by operation of the Final Judgment and Order shall have fully, finally, and forever settled and released any and all of the Released Claims.

10.1.4. Upon the Effective Date, Class Members shall be bound by the release of the Released Claims set forth in this Section.

10.1.5. The Releasors agree not to sue or otherwise make a claim against any of the Defendants that is in anyway related to the Released Claims.

10.1.6. Class Members who have not previously executed the right to opt out of the Class, but who for any reason do not receive funds through the Plan of Allocation, agree to release Defendants from the Released Claims.

11. ATTORNEYS' FEES AND EXPENSES AND ADMINISTRATIVE EXPENSES

11.1. Attorneys' Fees and Expenses

11.1.1. Class Counsel may apply to the Court for an award of Attorneys' Fees and Expenses incurred on behalf of the Plaintiff and the Class. No Defendant or any Released Party has any liability or responsibility for fees, costs, expenses, or interest, including without limitation attorneys' fees, costs, expenses, expert fees and costs, consultant fees or costs or administrative fees or costs, which will be paid for solely out of the Settlement Fund.

11.1.2. Upon the Effective Date, Class Counsel and Plaintiff, individually and on behalf of the Class and each individual Class Member, hereby irrevocably and unconditionally release, acquit, and forever discharge any claim that they may have against the Defendants or any Released Party for Attorneys' Fees and Expenses or costs associated with the Action.

11.1.3. All Attorneys' Fees and Expenses and any interest due to any counsel (to the extent any interest is awarded) for the Plaintiff shall be payable solely out of the Settlement Fund in such amounts as the Court orders and may be deducted from the Settlement Fund prior to the distribution to Class Members, but only on or after entry of an Order by the Court approving any Attorneys' Fees and Expenses and only on or after the Effective Date.

12. OTHER CONDITIONS

12.1. Confidentiality

The terms of this Settlement Agreement shall remain confidential until Plaintiff files its Motion for Preliminary Approval, with the exception that the fact of the Settlement and the scope of the Class settled may be disclosed to non-parties to the Agreement. Prior to the filing of the Motion for Preliminary Approval, the Settling Parties are authorized to state that the parties have reached an agreement in principle, which will be subject to approval of the Court, and that they cannot comment further. The Settling Parties are also able to confidentially disclose the terms of the Settlement before Preliminary Approval submission to their auditors, legal and financial advisors, and as to Defendants as otherwise required by law or contract so long as parties receiving the terms agree in writing not to disclose terms to third parties.

12.2. Filing of a Second Amended Complaint

Five (5) days after the execution of this Settlement Agreement, Class Counsel shall separately file with the Court a stipulation and proposed order filing an amended pleading, which will include a proposed Second Amended Complaint submitted for the sole purpose of correctly naming the Defendants, as shown in Exhibit B. Defendants reserve the right to object to the

filing of any amended pleadings that expand, alter, or otherwise change the allegations at issue in this Action.

12.3. Settlement Does Not Become Effective

12.3.1. In the event that the Court (1) modifies or otherwise does not approve the Settlement Agreement as provided herein; (2) does not enter a Preliminary Approval Order pursuant to California Rule of Court 3.769(c); (3) does not enter a Final Judgment and Order which becomes final as a result of the occurrence of the Effective Date; (4) the Agreement is terminated or does not become effective for any reason; or (5) the Court fails to enter the Second Amended Complaint, then (a) this Settlement Agreement shall be null and void and of no force or effect upon the election of either of the Settling Parties by providing written notice to the opposing Party and the Escrow Agent within five (5) business days following the occurrence of such event; (b) the entire amount of the Settlement Fund and any and all interest earned thereon shall be returned to the Defendants by the Escrow Agent, less any Notice and administration expenses paid or actually incurred in accordance with the terms of the Settlement Agreement but not yet paid, and any unpaid taxes due, within ten (10) calendar days from the date the Escrow Agent receives written notice of the termination of the Settlement Agreement; and (c) any release pursuant to Section 10 herein shall be of no force or effect.

12.3.2. In such event, the case will proceed as if no settlement has been attempted, and the Settling Parties shall be returned to the respective procedural postures (*i.e.*, status quo as of April 4, 2024, so that the Settling Parties may take such litigation steps that Plaintiff or the Defendants otherwise would have been able to take absent the pendency of this Settlement.

12.3.3. In such event, the Settling Parties will negotiate and submit for Court approval a revised case schedule for any trial-related events previously scheduled for dates following April 3, 2024. However, any reversal, vacating, or modification on appeal of (1) any amount of Attorneys' Fees and Expenses awarded by the Court to Class Counsel, or (2) any determination by the Court to award less than the amount requested in Attorneys' Fees and Expenses, shall not give rise to any right of termination or otherwise serve as a basis for termination of this Settlement Agreement.

12.4. Preservation of Rights

12.4.1. The Settling Parties expressly reserve all of their rights, contentions and defenses if this Settlement does not become final and effective in accordance with the terms of this Settlement Agreement.

12.4.2. The Settling Parties further agree that this Settlement Agreement, whether or not it shall become effective pursuant to Section 7 herein, and any and all negotiations, documents and discussions associated with it shall not be deemed or construed to be an admission or evidence of any violation of any statute or law; of any liability or wrongdoing by any Defendant or any Released Party; and shall not be deemed or construed to be an admission or evidence of the truth of any of the claims or allegations, or denials or defenses made in the Action, whether in this case or any other action or proceeding.

12.4.3. The Settling Parties further acknowledge and agree that the substance of the negotiations and discussions that led to this Settlement are fully protected from disclosure by the Federal Rule of Evidence Rule 408 and California Evidence Code §§ 1119 and 1152.

12.5. Authority to Settle

The undersigned represent and warrant each has authority to enter into this Settlement Agreement on behalf of the party indicated below his or her name.

12.6. No Assignment

Plaintiff and Class Counsel represent and warrant that they have not assigned or transferred, or purported to assign or transfer, to any person or entity, any claim or any portion thereof or interest therein, including, but not limited to, any interest in the Action, and they further represent and warrant that they know of no such assignments or transfers on the part of any Class Member.

12.7. Binding Effect

This Settlement Agreement shall be binding upon, and inure to the benefit of, the successors and assigns of the Settling Parties and the Released Parties. Without limiting the generality of the foregoing, each and every covenant and agreement herein by Plaintiff and Class Counsel shall be binding upon all Class Members.

12.8. Mistake

In entering and making this Settlement Agreement, the Settling Parties assume the risk of any mistake of fact or law. If the Settling Parties, or any of them, should later discover that any fact they relied upon in entering into this Settlement Agreement is not true, or that their understanding of the facts or law was incorrect, the Settling Parties shall not be entitled to seek rescission of this Settlement Agreement, or otherwise attack the validity of the Settlement Agreement, based on any such mistake. This Settlement Agreement is intended to be final and binding upon the Settling Parties regardless of any mistake of fact or law.

12.9. Advice of Counsel

Except as set forth in this Settlement Agreement, the Settling Parties represent and warrant that they have not relied upon or been induced by any representation, statement or disclosure of the other Settling Parties or their attorneys or agents, but have relied upon their own knowledge and judgment and upon the advice and representation of their own counsel in entering into this Settlement Agreement. Each Settling Party warrants to the other Settling Parties that it has carefully read this Settlement Agreement, represents that it has been reviewed by independent counsel of its choice through all negotiations preceding the execution of this Settlement Agreement.

12.10. Integrated Agreement

This Settlement Agreement contains the entire, complete and integrated statement of each and every term and provision of this Settlement Agreement agreed to by and among the Settling Parties. This Settlement Agreement shall not be modified in any respect except by a writing executed by the undersigned in the representative capacities specified, or others who are authorized to act in such representative capacities.

12.11. Choice of Law

All terms of this Settlement Agreement shall be governed by and interpreted in accordance with the substantive laws of the State of California without regard to its choice of law or conflict of laws principles.

12.12. Consent to Jurisdiction and Choice of Exclusive Forum

Any and all disputes arising from or related to the Settlement, the Settlement Agreement, the Final Judgment Order, or the distribution of the Settlement Fund, including Attorneys' Fees and Expenses, must be brought by a Defendant, Released Party, Plaintiff, and/or each member of

the Class exclusively in the Court. Defendants, Plaintiff and each member of the Class hereby irrevocably submit to the exclusive and continuing jurisdiction of the Court for any suit, action, proceeding or dispute arising out of or relating to this Settlement Agreement or the applicability or interpretation of this Settlement Agreement, including, without limitation, any suit, action, proceeding or dispute relating to the release provisions herein or relating to the Final Judgment and Order, except that this paragraph shall not prohibit any Released Party from asserting in the forum in which a claim is brought that the release herein is a defense, in whole or in part, to such claim.

12.13. Enforcement of Settlement

Nothing in this Settlement Agreement prevents any Defendants or any Released Party from enforcing or asserting any release herein. Notwithstanding any other provision of this Settlement Agreement, this Settlement Agreement and the releases contained herein may be pleaded as a full and complete defense to any action, suit or other proceeding that has been or may be instituted, prosecuted or attempted by Plaintiff or any Class Member (who is not otherwise properly excluded as provided herein) with respect to any Released Claims and may be filed, offered and received into evidence and otherwise used for such defense.

12.14. Severability

In the event any one or more of the provisions of this Settlement Agreement shall for any reason be held, after any proceeding in appellate court, to be illegal, invalid or unenforceable in any respect, such illegality, invalidity or unenforceability shall not affect any other provision if Defendants' Counsel and Class Counsel mutually agree in writing to proceed as if such illegal, invalid, or unenforceable provision had never been included in the Settlement Agreement.

12.15. No Admission

This Settlement shall not be deemed an admission of liability or wrongdoing on the part of any of the Defendants, who have denied, and continue to deny that they engaged in any wrongdoing of any kind, or violated any law or regulation, or breached any duty owed to Plaintiff or the Class Members. Defendants further deny that they are liable to or owe any form of compensation or damages to anyone with respect to the alleged facts or causes of action asserted in the Action. Defendants do not, by entering into this Settlement Agreement, admit that any or all of them have caused any damage or injury to any Class Member as a result of the facts alleged or asserted in the Action and do not admit that Plaintiff's calculations or methods of calculations of alleged damages are accurate or appropriate.

12.16. Execution in Counterparts

This Settlement Agreement may be executed in counterparts. Facsimile, PDF, or electronic signatures shall be considered as valid signature as of the date they bear. The Settlement Agreement shall be executed on the date the final signatory signs.

12.17. Appeals

The Final Approval Order shall provide that any Class Member that wishes to appeal the Final Approval Order and/or the Final Judgment Order, which will delay the distribution of the Settlement Fund to the Class and/or the Effective Date of the Final Judgment and Order, shall post a bond with this Court in an amount to be determined by the Court as a condition of prosecuting such appeal.

12.18. Waiver of Right to Appeal

Provided the Judgment is consistent with the terms and conditions of this Agreement, Parties, their respective counsel, and all Class Members who did not object to the Settlement as

provided in this Agreement, waive all appeals from the Final Approval of the Settlement, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If an Objector appeals the Judgment, Defendants' payment obligations under the Settlement will be suspended pending the final completion of any appeals process.

12.19. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment

If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. If possible, the Settling Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment. An appellate decision to vacate, reverse, or modify any payments to Class Counsel shall not constitute a modification of the Judgment within the meaning of this paragraph, as long as the amount of the Settlement Fund remains unchanged.

12.20. Representation to the Court About Settlement Negotiations

The Settling Parties confirm, and will so represent to the Court, that these settlement negotiations were arm's-length and facilitated through the aid of the mediator described above, and that there was no discussion of attorneys' fees prior to negotiating the Settlement. Class Counsel and Defendants' Counsel agree this Settlement is beneficial to the Class and will not represent otherwise to the Court.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Settling Parties hereto have caused the Settlement Agreement to be executed, by their duly authorized attorneys:

Dated: October 22, 2024

By: 

Christopher L. Lebsock (Bar No. 184546)

Arthur N. Bailey, Jr. (Bar No. 248460)

Bruce J. Wecker (Bar No. 78530)

Tae H. Kim (Bar No. 331362)

HAUSFELD LLP

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San Francisco, CA 94111

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tkim@hausfeld.com

Counsel for Plaintiff and the Class

Dated: October 21, 2024

By: 

KEKER, VAN NEST & PETERS LLP

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633 Battery Street

San Francisco, CA 94111-1809

Telephone: 415 391 5400

Facsimile: 415 397 7188

Attorneys for Defendants

EXHIBIT A

California self-funded payers that compensated Sutter Health for their members' anesthesia services could receive money from a class action settlement

A court authorized this notice. This is not a solicitation by a lawyer.

YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT, SO PLEASE READ THIS NOTICE CAREFULLY

- This is a notice of a proposed settlement of a class action lawsuit. This notice has important information if you are a member of the Class described below. You are receiving this notice because records in the case indicate that you may be a Class Member. On April 8, 2022, notice was given of the Court's certification of a Class in this lawsuit.
- Defendants have agreed to pay \$11 million ("Settlement Fund") to resolve the Class's claims against them. If approved by the Court, the Settlement will fully resolve the class action lawsuit against Defendants.
- If you are a Class Member and you do nothing, **you will not share in the Settlement Fund**, even if the Settlement is approved. To receive your share of the Settlement Fund if you are a Class Member, **you must complete, sign and return either the enclosed Claim Form or the online Claim Form according to its instructions**. Class Members are releasing the Released Claims regardless of whether or not they submit the Claim Form.
- The Court has preliminarily approved the Settlement and scheduled a hearing ("Fairness Hearing") to decide final approval of the Settlement, the plan for allocating the Settlement Fund to Class Members, and Plaintiff's Counsel's (or "Class Counsel's") forthcoming application for attorneys' fees and expenses and service award to Plaintiff District Council #16. The Fairness Hearing is scheduled for [DATE] before the Hon. Judge Michael Markman of the Superior Court of California, County of Alameda, in Department 23, Administration Building, 1221 Oak Street, Oakland, CA 94612. You may appear at the Fairness Hearing, either in person or through an attorney, to object to part or all of the proposed Settlement and/or Class Counsel's application, or otherwise be heard. You may also object to the proposed Settlement in writing, but you must follow the procedures and meet the deadline set forth below.
- The process by which Class Members can claim a share of the Settlement Fund is to complete, sign, and return the enclosed Claim Form to the Claims Administrator according to its instructions. The Claim Form may also be completed and submitted to the Claims Administrator online at www.SutterAnesthesiaBillingLawsuit.com. The completed and signed form must be mailed to the Claims Administrator at the address provided below, postmarked no later than [DATE], or completed and electronically signed online by [DATE].

If the Claim Form is timely submitted, the Class Member will receive a share of the Settlement Fund. The share of the Settlement Fund will be calculated *pro rata* based on information regarding the cumulative total of annual active participants in California between 2003 and 2013 as provided by each Class Member on the Claim Form pursuant to the Claim Form's instructions.

CLASS MEMBERS' LEGAL RIGHTS AND OPTIONS	
PROMPTLY COMPLETE, SIGN, AND RETURN THE CLAIM FORM	A Claim Form is enclosed with this notice. If you are a Class Member and you wish to claim your share of the Settlement Fund, you will need to complete and sign the Claim Form and mail it to the Claims Administrator, postmarked by [DATE], or complete, electronically sign, and submit the Claim Form online by [DATE]. If you do so, you will be mailed a check for a share amount calculated <i>pro rata</i> based on the number of active participants in your plan from 2003 through 2013 that you list.
IF YOU DO NOTHING	If you are a Class Member and do nothing, you will not share in the Settlement Fund. To receive a share of the Settlement Fund, you must complete, sign and return either the enclosed Claim Form, or the online Claim Form according to its instructions. Class Members are releasing the Released Claims regardless of whether they submit a Claim Form.
OBJECT TO THE SETTLEMENT	You may object to part or all of the Settlement and/or to Class Counsel's application for fees and expenses and a service award for the Class Representative. To do so, you must file your objection with the Court by [DATE] stating your objections to part or all of the Settlement and/or the joint application.
GET MORE INFORMATION	If you would like to obtain more information about the lawsuit or the Settlement, you can send questions to the Claims Administrator identified in this notice, or review documents at www.SutterAnesthesiaBillingLawsuit.com

BASIC INFORMATION

1. Why was this notice issued?

You received this notice because according to available records you may be a member of the Class certified by the Court in the lawsuit *District Council #16 v. Sutter Health, et al.*, Alameda County Superior Court, Case No. RG15753647, pending in the Superior Court of California, County of Alameda. For information about whether you are a Class Member, see Question #3.

The Court has preliminarily approved the Settlement and will hold a Fairness Hearing on [DATE] to decide whether the proposed Settlement is fair, reasonable, and provides adequate compensation to members of the Class and whether to finally approve the Settlement.

2. What is the lawsuit about?

This lawsuit was filed on January 6, 2015, and is pending in the Superior Court of California, County of Alameda. The Honorable Michael Markman is presiding over this case. The entity that sued is called the Plaintiff, and the entities it sued are collectively called the Defendants.

Plaintiff alleges that Sutter Health violated California's Unfair Competition Law, Business & Professions Code § 17200. Specifically, Plaintiff alleges that Sutter Health engaged in fraudulent, unlawful, and unfair business practices by submitting and receiving payment on bills for "anesthesia services" that were not rendered, were double-billed, and were described in a misleading manner, and that this resulted in self-funded payers paying more for anesthesia services than they should have.

Sutter Health denies the allegations and denies that any of its practices were unfair or deceptive. Sutter Health asserts that its practices fully complied with all applicable laws, and it denies that Plaintiff and the Class are entitled to receive any money or other relief from Sutter Health. A copy of the Complaint is available at www.SutterAnesthesiaBillingLawsuit.com.

3. Who is included in the Class?

On June 30, 2021, this Court certified a Class consisting of all self-funded payers that were citizens of California on January 6, 2015 or that are state and local governmental entities of the State of California, and that compensated Sutter Health for any anesthesia services, other than conscious sedation, administered in Sutter Health's operating rooms at acute care hospitals at any time from January 1, 2003 to December 31, 2013.

You are a self-funded payer if you are an entity (such as an employer, union, or healthcare benefits trust) that funds the healthcare expenses of your employees or members, meaning that you pay for claims submitted by healthcare providers out of your own health plan funds, as the claims are presented. You are not a self-funded payer if you are an individual.

You are a citizen of California if: (a) you are organized under the laws of California, or (b) you have your principal place of business in California. For purposes of class membership, you are considered a citizen of California if you were a California citizen on January 6, 2015, regardless of whether you remained a California citizen after that date. If you are a California governmental entity (including, but not limited to, a city, a county, a hospital district, a school district, a fire protection district, a water or irrigation district, a transit or transportation district, a joint powers agency or authority, a public university, a department within the State, a superior court, the Judicial Council of California, or the Major Risk Medical Insurance Program) and are also a self-funded payer that compensated Sutter Health, you are included in the Class, whether or not you are a California citizen.

Excluded from the Class are: (1) Sutter Health and any entity in which Sutter Health has a controlling interest or which has a controlling interest in Sutter Health; (2) Sutter Health's legal representatives, assigns, and successors; and (3) the judge(s) to whom this case is assigned and any member of the judge's immediate family.

You are not a Class Member if you timely opted out of the Class after it was certified by the Court. The Court's deadline to opt out was June 7, 2022.

4. Why is there a Settlement?

The Court has not decided which side is correct or whether any laws were violated. Instead, Defendants, District Council #16 individually and on behalf of the Class, agreed to settle the case and avoid the cost, risk, and delay of trial and possible appeals.

The Settlement is the product of extensive negotiations between Plaintiffs and Defendants with the assistance of a private mediator after lengthy, hard-fought litigation. Class Counsel negotiated with counsel for Defendants a Settlement Agreement providing for a payment of \$11 million in exchange for a release to resolve the claims Plaintiffs brought against the Defendants.

5. What does the Settlement provide?

If the Court approves the Settlement, the Settlement Fund (\$11 million), plus accrued interest and minus the amounts the Court awards for attorneys' fees, expenses, and a Class Representative service award, will be distributed according to a plan of allocation approved by the Court to Class Members who timely submit the enclosed Claim Form or the online Claim Form. After the distribution process is complete, any unpaid cash residue and unclaimed or abandoned funds, plus any interest that has accrued thereon, will be distributed evenly to Community HealthWorks and Journey Health to support patient navigation for uninsured and Medi-Cal patients.

In exchange for the \$11 million payment, Defendants and related entities will be released from all claims that were made or could have been made by Class Members arising from or relating to the conduct alleged in the complaint. The Released Claims include but are not limited to claims

regarding Defendants' billing practices relating to anesthesia, including billing under the 37x, 36x, and 25x revenue codes. The full text of the release is included in the Settlement Agreement available at www.SutterAnesthesiaBillingLawsuit.com.

The Settlement will become effective after it has been approved by the Court, the Court has entered a Final Judgment and Order, and after completion of any appeals(s) that affirm the Court's approval of the Settlement. Plaintiffs and Defendants each have the right to terminate the Settlement if a term of the Settlement is held unenforceable. If the Settlement Agreement is terminated or not approved by the Court, or if the approval is appealed and not affirmed on appeal, the lawsuit will proceed as if the Settlement had not been reached.

6. How much will my payment be?

Class Counsel have proposed to the Court a plan for allocating the Settlement Fund to Class Members who submit valid claims ("Claiming Class Members."). The Settlement Fund will be distributed to Claiming Class Members minus the amounts awarded to Class Counsel as fees and expenses and to Plaintiff District Council #16 as a service award (the "Net Settlement Fund"). If approved by the Court, the plan of allocation will distribute the Net Settlement Fund to Claiming Class Members *pro rata* based on the cumulative total of annual active participants listed by the Class Members on the Claim Form in the Class Member's health plan in California between 2003 through 2013.

Active participants are those individuals who were employed at the end of the plan year and covered by the plan. If all your active participants are in California, this number is identified in your Form 5500, line 6a (2), or Form 5500-SF, line 5b. If Class Members do not have information regarding the number of active California participants for a particular year between 2003 and 2013, Class Members may still submit the Claim Form with information for the years they have it. Calculations regarding *pro rata* share will be determined based on the participants listed. Class Members who share in the Settlement will be provided information by Class Counsel about the weight of their claim based on the *pro rata* calculation, with their payments.

7. When will I get a payment?

The Net Settlement Fund can be distributed to Claiming Class Members only after certain events have occurred:

- The Court must approve the Settlement.
- The Claims Administrator will calculate Claiming Class Members' *pro rata* shares according to the plan of allocation. Class Counsel will present the proposed distribution to the Court for approval.
- If the Court's approval is appealed to one or more higher courts, the approval must be affirmed on appeal. An appeal can take two years or more.

- Once the Settlement is approved, and after completion of any appeal, or if no appeal is filed, the Claims Administrator will process and mail checks to Claiming Class Members.

It is difficult to predict how long the total process will take. Class Counsel estimates the process could take a year, and much longer if an appeal is filed.

8. What am I giving up to get a payment?

In exchange for the payment of \$11 million, Class Members are releasing Defendants and related entities and individuals from all claims that were asserted or could have been asserted arising from or relating to the conduct alleged in the complaint. The Released Claims are described fully in the Settlement Agreement available at www.SutterAnesthesiaBillingLawsuit.com. Class Members are releasing the Released Claims regardless of whether or not they submit a Claim Form.

THE LAWYERS REPRESENTING YOU

9. Do I have a lawyer in this case?

The following lawyers represent Plaintiff and all Class Members in this lawsuit as Class Counsel:

Christopher L. Lebsack
 Arthur N. Bailey, Jr.
 Bruce J. Wecker
 Tae Kim
 Hausfeld LLP
 600 Montgomery St., Suite 3200
 San Francisco, CA 94111
 (415) 633-1908

10. Should I get my own lawyer?

You do not need to hire your own lawyer because Class Counsel are working on your behalf in this lawsuit. If you want your own lawyer to represent you at court hearings in this lawsuit, you must pay for that lawyer, except to the extent that state and local governmental entities of the State of California may be represented by the Attorney General free of charge.

11. How will the lawyers be paid?

Class Counsel will apply to the Court for an award of attorneys' fees from the Settlement Fund up to 33 1/3% of the Settlement Fund. In the application, Class Counsel will apply to the Court for reimbursement of their litigation expenses from the Settlement Fund.

Class Counsel will also apply to the Court for payment from the Settlement Fund of Settlement-related expenses, which include the charges of the Claims Administrator for providing class notice,

responding to Class Member inquiries, mailing and processing Claim Forms, distributing the Settlement Fund, and calculating Claiming Class Members' shares of the Settlement Fund.

Class Counsel's requests for fees, expenses and a service award will be paid only to the extent approved by the Court. Any such payments awarded by the Court will be deducted from the Settlement Fund. You will not have to pay these fees, expenses, or service awards out of your own pocket.

The application of Class Counsel for an award of attorneys' fees, reimbursement and payment of expenses, and a service award to the Class Representative will be filed with the Court and made available for download and/or viewing on or before [DATE] on www.SutterAnesthesiaBillingLawsuit.com.

12. Who is the Plaintiff and why is it seeking a service award?

The Plaintiff is District Council #16 Northern California Health & Welfare Trust Fund ("District Council #16"), a health and welfare trust for the eligible union members of District Council #16 International Union of Painters and Allied Trades.

District Council #16 filed this lawsuit on January 6, 2015. On June 29, 2021, the Court appointed District Council #16 as the Class Representative to represent the Class.

In class actions, the Court may provide the Class Representative a "service award" in recognition of the time and effort expended in the case on behalf of the Class. In the application, Class Counsel will apply to the Court for a service award of \$10,000.00 from the Settlement Fund to Plaintiff District Council #16 for its services as Class Representative.

OBJECTING TO THE SETTLEMENT AND REQUEST FOR ATTORNEYS' FEES, EXPENSES AND A SERVICE AWARD

You can object – tell the Court you do not agree with – part or all of the Settlement and/or the application for attorneys' fees, expenses, estimated settlement administration costs, and a service award for District Council #16.

13. How do I tell the Court that I do not agree with part or all of the Settlement and/or the application for fees, expenses and a service award?

If you are a Class Member, you can object to and/or tell the Court that you do not agree with part or all of the Settlement and ask the Court to deny approval of the Settlement by filing an objection. You may file an objection to object to and/or tell the Court that you do not agree with and/or to deny part or all of Class Counsel's application for attorneys' fees and expenses and a service award to District Council #16, the Class Representative. You cannot ask the Court to order a larger Settlement; the Court can only approve or deny the Settlement. If the Court denies approval of the Settlement, no settlement payments will be sent out and the lawsuit will continue against the

Defendants. If that is what you want to happen, you should object. If the Court rejects your objections, you will still be bound by the Settlement.

Any objection to all or part of the proposed Settlement of the application for attorneys' fees, expenses, and a service award to District Council #16 must be submitted in writing and filed with the Court, with copies served on Class Counsel and Defendants' Counsel, by [DATE]. You may also appear at the Fairness Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney. If you or your attorney wishes to appear, you must file with the Court no later than ten (10) days before the hearing a notice of your intent to appear. All written objections and supporting papers and written notices of intent to appear at the Fairness Hearing should identify the case name and number, *District Council #16 Northern California Health and Welfare Trust Fund, individually and on behalf of itself and all others similarly situated v. Sutter Health, et al.*, Case No. RG115753647. In addition, all written objections should (a) clearly identify the part of the Settlement or application for attorneys' fees, expenses, and a service award to District Council #16 to which the objection pertains, (b) explain the reason for the objection, (c) be filed with the Court, with copies served on Class Counsel and Defendants' Counsel, on or before [DATE].

THE COURT	CLASS COUNSEL	DEFENDANTS' COUNSEL
Department 23 Superior Court of the State of California, County of Alameda 1221 Oak Street Oakland, CA 94612	Christopher L. Lebsock Arthur N. Bailey, Jr. Bruce J. Wecker Tae Kim Hausfeld LLP 600 Montgomery St., Suite 3200 San Francisco, CA 94111 (415) 633-1908	Sharif E. Jacob Erin E. Meyer Anjali Srinivasan Connie Sung Maile Yeats-Rowe Ryan J. Hayward Michael K. Deamer Imara H. McMillan Niharika S. Sachdeva KEKER, VAN NEST & PETERS LLP 633 Battery Street San Francisco, CA 94111 (415) 391-5400

THE COURT'S FAIRNESS HEARING

The Court will hold a Fairness Hearing to decide whether to approve the Settlement and whether to approve Class Counsel's application for attorneys' fees, expenses, and a service award to District Council #16.

14. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at [DATE and TIME] in Department 23, California Superior Court, 1221 Oak Street, Oakland, CA 94612. At this hearing, the Court will consider whether to approve the Settlement as fair, reasonable and adequate. The Court will also consider

whether to approve Class Counsel's application for attorneys' fees, expenses, and a service award for District Council #16. If there are objections, the Court will consider them. After the hearing, the Court will decide whether to approve the Settlement and/or Class Counsel's application. Counsel do not know how long these decisions will take.

IMPORTANT: The time and date of the hearing may change without additional mailed notice and without publication notice. For information updates on the hearing, visit www.SutterAnesthesiaBillingLawsuit.com.

15. Do I have to come to the hearing?

No. Class Counsel will answer questions that the Court may have. But you are welcome to come at your own expense. If you timely file an objection, you do not have to come to the Court to talk about it. As long as you file your written objection on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary. Moreover, attendance is not necessary to receive a *pro rata* share of the Net Settlement Fund.

16. May I speak at the hearing?

You may ask the Court for permission to speak at the Fairness Hearing, either in person or through your own attorney. If you appear through your own attorney, you are responsible for paying that attorney.

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you are a Class Member and do nothing, **you will not share in the Settlement Fund**, even if the Settlement is approved. To receive a share of the Settlement Fund if you are a Class Member, **you must complete, sign and return either the enclosed Claim Form or the online Claim Form according to its instructions**. Class Members are releasing the Released Claims regardless of whether or not they submit the Claim Form.

GETTING MORE INFORMATION

18. How do I get more information?

You may obtain more information by contacting the Claims Administrator at info@SutterAnesthesiaBillingLawsuit.com, or by contacting Class Counsel at (415) 633-1908 or abailey@hausfeld.com. You can get a copy of the complaint, the Settlement Agreement, and other important information about the lawsuit at www.SutterAnesthesiaBillingLawsuit.com.

**DO NOT WRITE OR CALL THE COURT OR THE CLERK'S OFFICE FOR
INFORMATION.**