

## **SETTLEMENT AGREEMENT AND RELEASE**

The People of the State of California, by and through San Francisco City Attorney Dennis J. Herrera ("the People") and Pacific Inc. d/b/a H&H Call and Veterinary Services ("Pacific"), do hereby enter into this Settlement Agreement and Release (the "Agreement"), with reference to the following facts:

### **Background**

A. In 2009, 2010 and 2011, Pacific charged its customers a Health Care Surcharge of 4% of each check.

B. In 2011, Pacific cooperated fully with the City Attorney Office's efforts to ascertain how much of the money Pacific collected from the surcharge was actually spent on health care for its employees. The parties determined that Pacific received more money from imposition of the Health Care Surcharge than it spent on health care for Covered Employees.

WHEREFORE, in consideration of the promises, covenants, representations and warranties contained herein, and for good and valuable consideration given hereunder, the efficiency of which is hereby acknowledged, the Parties agree as follows:

#### **1. Effective Date**

The effective date of this Agreement will be the date the Agreement is signed by all parties if on the same day or if on different dates then the last day signed by a party.

#### **2. Definitions**

All references to years shall mean the relevant calendar year(s).

"Agreement" shall mean this Settlement Agreement and Release.

"Claimant" shall mean Covered Employees that were employed by Pacific during 2009, 2010 and/or 2011.

"Covered Employee" shall have the definition set forth in Section 14.1(b)(2) of the HCSO.

"HCSO" shall mean the San Francisco Health Care Security Ordinance, codified at San Francisco Administrative Code, Chapter 4.

"Health Care Surcharge" shall mean the 4% surcharge added to Pacific's customers' bills in 2009, 2010 and/or 2011.

"Pacific" shall mean Pacific Inc. d/b/a H&H Call and Veterinary Services and each of its current, former and future parents, affiliates, subsidiaries, divisions, subsidiaries,