

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

District Council #16 Northern
California Health and Welfare
Trust Fund

Plaintiff/Petitioner(s)

VS.

Sutter Health et al

Defendant/Respondent

(s)

No. RG15753647

Date: 08/11/2025

Time: 1:25 PM

Dept: 23

Judge: Michael Markman

ORDER re: Ruling on Submitted

Matter filed by District

Council #16 Northern

California Health and

Welfare Trust Fund

(Plaintiff) on 03/05/2025

The Court, having taken the matter under submission on 07/24/2025, now rules as follows:

BACKGROUND

Plaintiff District Council #16 Northern California Health and Welfare Trust Fund (DC16) seeks final approval of a class action settlement reached with Defendants Sutter Health, Sutter Bay Hospitals, Sutter Valley Hospitals, MarinHealth Medical Center, Sutter Coast Hospital, Sutter Bay Medical Foundation, and Sutter Valley Medical Foundation. The case arises out of Defendants' anesthesia billing practices, with DC16 alleging that, between 2003 and 2013, Defendants engaged in the practice of submitting and receiving payment from self-funded health benefit plans for fraudulent, unlawful, and unfair bills using the 37x revenue code in violation of California's Unfair Competition Law. The parties agreed to settle the claims for \$11 million, and the court granted preliminary approval of the settlement on February 27, 2025.

Plaintiff seeks an attorney's fee award of \$2,490,342.82 (30% of the settlement fund with costs deducted); reimbursement of costs in the amount of \$2,514,857.27; reimbursement of settlement administration costs of \$184,000.00; and a \$10,000.00 service award for the representative plaintiff. The remaining funds are to be distributed to class members on a pro rata basis. Any unclaimed funds will be distributed, cy pres, to Community HealthWorks and Journey Health to support patient navigation for uninsured and Medi-Cal patients. The motion is unopposed.

LEGAL STANDARD

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

Rene C. Davidson Courthouse

To prevent “fraud, collusion or unfairness to the class, the settlement or dismissal of a class action requires court approval.” (Dunk v. Ford Motor Co. (1996) 48 Cal.App.4th 1794, 1800.) A court “must determine the settlement is fair, adequate, and reasonable.” (Id. at p. 1801.) A “presumption of fairness exists where: (1) the settlement is reached through arm’s-length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small.” (Kullar v. Foot Locker Retail, Inc. (2008) 168 Cal.App.4th 116, 128 [quoting Dunk, supra, at p. 1801].)

DISCUSSION

In this case, the parties litigated for years, engaging in extensive fact discovery, the exchange of expert reports, and briefing on dispositive motions. (See Bailey Decl., ¶ 5, 15–20.) The parties mediated and reached settlement after arm’s length negotiations, and counsel conducted sufficient investigation and discovery to understand the claims and defenses and to negotiate a reasonable and appropriate settlement. (Id., ¶ 6, 21–25.) Counsel cites significant team member experience in litigating class actions. (Id., ¶ 2, 27.)

Notice was provided to class members via direct mail, a settlement website, and the maintenance of a toll-free number and post office box through which class members could request additional information. (See generally Intrepido-Bowden Decl.) The parties could not reliably identify class members from data, a notice was sent to an overbroad list of potential class members, and claimants were asked to self-identify. A supplemental declaration from the settlement administrator states that 11,955 or 82.41% of the mailed notices were successfully delivered and 399 claim forms have been received, 59 of which were late.

At the hearing, the parties agreed that the 59 late claims would be counted as timely, and counsel indicated that the claims were the process of being verified. The settlement administrator received no written objections in response to the class notice. (Intrepido-Bowden Decl., ¶ 22; Supp. Intrepido-Bowden Decl., ¶ 19.) The attorney’s fee award and service enhancement are in line with this court’s benchmarks.

ORDER

Plaintiff’s motion is GRANTED. Plaintiff must submit a revised proposed order for the court’s signature within three (3) days of notice of entry of this order.

A final compliance hearing regarding distribution and accounting is set for December 2, 2025, at 10:00 a.m. in Department 23. Ten percent of the attorney’s fee award must be kept in the administrator’s trust fund until the completion of the distribution process and court approval of a final accounting. Unclaimed funds should not be distributed to the designated recipient until the court approves the accounting. Plaintiff must file a final report and declaration regarding distribution at least five (5) court days before the compliance hearing. If the report and declaration establish that the distributions are complete, appearances may not be required.

SUPERIOR COURT OF CALIFORNIA, COUNTY OF ALAMEDA

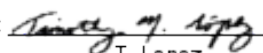
Rene C. Davidson Courthouse

Clerk is directed to serve copies of this order, with proof of service, to counsel and to self-represented parties of record.

Dated : 08/11/2025

A handwritten signature in black ink, appearing to read "Michael Markman".

Michael Markman / Judge

SUPERIOR COURT OF CALIFORNIA COUNTY OF ALAMEDA		Reserved for Clerk's File Stamp
COURTHOUSE ADDRESS: Rene C. Davidson Courthouse 1225 Fallon Street, Oakland, CA 94612		FILED Superior Court of California County of Alameda 08/11/2025 Chad Finke, Executive Officer / Clerk of the Court By:  Deputy T. Lopez
PLAINTIFF/PETITIONER: District Council #16 Northern California Health and Welfare Trust Fund		
DEFENDANT/RESPONDENT: Sutter Health et al		
CERTIFICATE OF ELECTRONIC SERVICE CODE OF CIVIL PROCEDURE 1010.6		CASE NUMBER: RG15753647

I, the below named Executive Officer/Clerk of Court of the above-entitled court, do hereby certify that I am not a party to the cause herein, and that on this date I served one copy of the Order re: Ruling on Submitted Matter filed by District Council #16 Nort... entered herein upon each party or counsel of record in the above entitled action, by electronically serving the document(s) from my place of business, in accordance with standard court practices.

Amanda Lynn Morgan
DLA Piper LLP
amanda.morgan@dlapiper.com

Anna Katherine Tsiotsias
Williams & Connolly LLP
atsiotsias@wc.com

Arthur Nash Bailey
Hausfeld LLP
abailey@hausfeld.com

Christopher John Kelly
Mayer Brown LLP
cjkelly@mayerbrown.com

Erin Elizabeth Meyer
Keker, Van Nest & Peters LLP
emeyer@keker.com

Jennifer Salzman Romano
Crowell & Moring LLP
jromano@crowell.com

Kenneth Neil Smersfelt
Reed Smith LLP
ksmersfelt@reedsmith.com

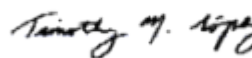
Michael Christian
mchristianlaw@outlook.com

Mohammad Keshavarzi
Sheppard Mullin et al LLP
mkeshavarzi@smrh.com

Chad Finke, Executive Officer / Clerk of the Court

Dated: 08/11/2025

By:



T. Lopez, Deputy Clerk

SHORT TITLE: District Council #16 Northern California He VS
Sutter Health

CASE NUMBER: RG15753647

Michael Kirk Deamer
Keker, Van Nest & Peters LLP
mdeamer@keker.com

NIHARIKA SACHDEVA
KEKER, VAN NEST & PETERS LLP
nsachdeva@keker.com

Sharif E Jacob
Keker, Van Nest & Peters LLP
sjacob@keker.com