

1 ROB BONTA
Attorney General of California
2 KARLI EISENBERG
Supervising Deputy Attorney General
3 State Bar No. 281923
HAYLEY PENAN
4 Deputy Attorney General
State Bar No. 313693
5 1300 I Street, Suite 125
P.O. Box 944255
6 Sacramento, CA 94244-2550
Telephone: (916) 210-7785
7 Fax: (916) 324-5567
E-mail: Hayley.Penan@doj.ca.gov
8 *Attorneys for Defendants*
California Department of Managed Health
9 *Care, Mary Watanabe in her official*
capacity as Director of the California
10 *Department of Managed Health Care*

11 IN THE UNITED STATES DISTRICT COURT
12 FOR THE SOUTHERN DISTRICT OF CALIFORNIA
13
14

15 **SKYLINE WESLEYAN CHURCH,**
16
Plaintiff,
17
v.
18
19 **CALIFORNIA DEPARTMENT OF**
MANAGED HEALTH CARE;
20 **MARY WATANABE, in her official**
capacity as Director of the California
21 **Department of Managed Health Care,**
22
Defendants.
23

3:16-cv-00501-RBM-MSB

**STIPULATION AND [PROPOSED]
ORDER AND JUDGMENT**

Dept.: 5B
Judge: Hon. Ruth Bermudez
Montenegro
Action Filed: February 4, 2016

24 This Stipulation ("Stipulation") is entered into between Plaintiff Skyline
25 Wesleyan Church and Defendants California Department of Managed Health Care
26 and Mary Watanabe, in her official capacity as Director of the California
27
28

1 Department of Managed Health Care (DMHC), by and through their respective
2 counsel of record. Plaintiff and Defendants hereby stipulate and agree as follows:

3 1. It is hereby stipulated by and between Plaintiff and Defendants,
4 collectively referred to as the “Parties” and individually as “Party,” through their
5 respective counsel, that to effectuate a settlement, the Parties agree to the terms and
6 conditions set forth below:

7 a. The Court grant Plaintiff’s request for a permanent injunction on its
8 Free Exercise Clause claim.

9 b. The Court dismiss with prejudice the remainder of Plaintiff’s
10 claims.

11 c. The DMHC will consider requests and proposals from Plaintiff for
12 abortion care coverage comporting with its religious beliefs, and approve or provide
13 feedback on the proposed coverage within 30 days.

14 d. If and when the DMHC approves coverage language comporting
15 with Plaintiff’s beliefs, the DMHC must request Plaintiff’s plan submit an amended
16 evidence of coverage document containing the approved language within 30 days.

17 2. The Parties further agree to the terms and conditions set forth below
18 regarding settlement of attorneys’ fees and costs:

19 a. Defendants will pay to Plaintiff a total of \$900,000 in attorneys’
20 fees and costs (including \$50,000 for local counsel and \$850,000 for counsel
21 Alliance Defending Freedom).

22 b. This payment will completely satisfy Defendants’ obligation to pay
23 attorneys’ fees and costs in this matter; Plaintiff will not be entitled to any interest.

24 c. This payment is contingent upon certification of availability of
25 funds and the approval of the Director of the California Department of Finance.

26 d. Plaintiff understands that the submission of the claims bill cannot be
27 made without an order of this Court regarding the Parties’ agreement for the
28 payment of attorneys’ fees and costs.

1 e. If Defendants fail to pay the agreed-upon sum of \$900,000 by June
2 30, 2023, Plaintiff retains the right to pursue an award of attorneys' fees under 42
3 U.S.C. § 1988.

4 3. The Parties stipulate that this Stipulation resolves all of Plaintiff's claims
5 and requested relief.

6 4. Upon execution of this Stipulation, the Parties will submit this
7 Stipulation to the Court for approval of its terms and incorporation as an Injunctive
8 Order.

9
10 Dated: May 9, 2023

ALLIANCE DEFENDING FREEDOM

11
12 By: /s/ Jeremiah Galus (as authorized on May
13 9, 2023)

14 JEREMIAH GALUS

Attorney for Plaintiff Skyline Wesleyan Church

15
16 Dated: May 9, 2023

CALIFORNIA OFFICE OF THE ATTORNEY GENERAL

17
18 By: /s/ Hayley Penan

19 HAYLEY PENAN

20 *Attorneys for Defendants California Department*
21 *of Managed Health Care, Mary Watanabe in her*
22 *official capacity as Director of the California*
23 *Department of Managed Health Care*

24
25
26
27
28
SD2016600637

CERTIFICATE OF SERVICE

Case Name: **Skyline Wesleyan Church v.
CA DMHC**

No. **3:16-cv-00501-RBM-MSB**

I hereby certify that on May 10, 2023, I electronically filed the following documents with the Clerk of the Court by using the CM/ECF system:

STIPULATION AND [PROPOSED] ORDER AND JUDGMENT

I certify that **all** participants in the case are registered CM/ECF users and that service will be accomplished by the CM/ECF system.

I declare under penalty of perjury under the laws of the State of California and the United States of America the foregoing is true and correct and that this declaration was executed on May 10, 2023, at Sacramento, California.

Leticia Aguirre
Declarant

/s/ Leticia Aguirre
Signature