

1 EMPLOYMENT LAWYERS GROUP
Karl Gerber (SBN 166003)
2 13418 Ventura Boulevard
Sherman Oaks, California 91423
3 Telephone: (818) 783-7300
Facsimile: (818) 995-7159
4

Attorneys for Plaintiffs
5 MAYLO BARNUEVO, NELSON BASILIO,
ERIC ADRIAN ESTRELLA, ERIC BRIAN
6 ESTRELLA, ALI KHATATBA, PATRICK
SANTIAGO LIM, and KAREN SAMPSON
7

SEYFARTH SHAW LLP
8 Justin T. Curley (SBN 233287)
jcurley@seyfarth.com
9 560 Mission Street, 31st Floor
San Francisco, California 94105
10 Telephone: (415) 397-2823
Facsimile: (415) 397-8549
11

SEYFARTH SHAW LLP
12 Phillip J. Ebsworth (SBN 311026)
pebsworth@seyfarth.com
13 Yoon-Woo Nam (SBN 284644)
ynam@seyfarth.com
14 400 Capitol Mall, Suite 2350
Sacramento, California 95814-4428
15 Telephone: (916) 448-0159
Facsimile: (916) 558-4839
16

Attorneys for Defendant
17 PRIME HEALTHCARE LA PALMA, LLC
18

19 SUPERIOR COURT OF THE STATE OF CALIFORNIA
20 COUNTY OF ORANGE

21 MAYLO BARNUEVO, NELSON BASILIO,
22 ERIC ADRIAN ESTRELLA, ERIC BRIAN
ESTRELLA, ALI KHATATBA, PATRICK
23 SANTIAGO LIM, KAREN SAMPSON,

24 Plaintiffs,

25 v.

26 PRIME HEALTHCARE LA PALMA, LLC;
DOES 1-100

27 Defendants.
28

Case No. 30-2021-01223132-CU-NJC

**JOINT STIPULATION OF PAGA
SETTLEMENT AND RELEASE OF CLAIMS**

1 This Joint Stipulation of PAGA Settlement and Release of Claims (“Agreement”) is made and
2 entered into between: (1) Maylo Barnuevo, Nelson Basilio, Eric Adrian Estrella, Eric Brian Estrella, Ali
3 Khatatba, Patrick Santiago Lim, Karen Sampson (collectively “Plaintiffs”), individually and on behalf of
4 the State of California and all current and former non-exempt employees working for Defendant Prime
5 Healthcare La Palma (“Defendant”) in California at any time between September 21, 2020, through the
6 date of approval of the settlement; and (2) Defendant, subject to approval from the Court, as provided
7 below.

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

11 **1. DEFINITIONS**

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

14 1.1. **“Action”** refer to the Plaintiffs’ lawsuit *Maylo Barnuevo, Nelson Basilio, Eric Adrian*
15 *Estrella, Eric Brian Estrella, Ali Khatatba, Patrick Santiago Lim, Karen Sampson v. Prime Healthcare*
16 *La Palma, LLC*, Orange County Superior Court Case No. 30-2021-01223132-CU-NJC

17 1.2. **“Aggrieved Employees”** refers to all current and former non-exempt, hourly employees
18 working for Defendant in California at any time between September 21, 2020, through the date of
19 approval of the settlement.

20 1.3. **“Agreement”** refers to this Joint Stipulation of PAGA Settlement Agreement and
21 Release of Claims, which includes all of the Recitals and the Exhibits attached hereto.

22 1.4. **“Complaint”** refers to the Complaint filed on September 24, 2021, the First Amended Complaint filed
23 on November 30, 2021, and the Second Amended Complaint which will be filed pursuant to the terms of
24 this Agreement.

25 1.5. **“Effective Date”** refers to the 15th calendar day after the date by which all of the
26 following have occurred: (a) this Agreement and the contemplated settlement receive approval from the
27 Court; and (b) the Court approval of the Settlement becomes Final.
28

1 1.6. **“Final”** when referring to the Court approval of the Settlement, means the last of the
2 following dates: (a) the first business day following the last date on which a notice of appeal from the
3 Court approval of the settlement may be filed and none is filed; or (b) if Court approval of the settlement
4 is granted and an appeal from the approval is filed, the date the Court approval of the settlement is
5 affirmed and is no longer subject to challenge in the courts.

6 1.7. **“Gross Settlement Amount”** refers to the maximum settlement payment Defendant may
7 be obligated to make in connection with the Settlement or Agreement, which in this case is no more than
8 \$500,000.00. This sum shall include all Individual Settlement Payments made to the Aggrieved
9 Employees, all Settlement Administrator administration costs, the LWDA Payment, attorneys’ fees, and
10 attorneys’ expenses, as set forth below.

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

15 1.8. **“Individual Settlement Payment”** refers to the amount calculated by the Settlement
16 Administrator to be distributed to each individual Aggrieved Employee, based on pay periods worked.
17 Partial pay periods will be counted as full pay periods.

18 1.9. **“LWDA Payment”** refers to a payment out of the Gross Settlement Amount, after
19 deduction of attorneys’ fees, attorneys’ expenses, and the Settlement Administrator administration costs,
20 with 75% of the payment going to the California Labor & Workforce Development Agency (“LWDA”)
21 as the LWDA’s share of the settlement of civil penalties paid under this Agreement pursuant to the
22 PAGA. The remaining 25% of the payment will be the Net Settlement Amount which will be distributed
23 to the Aggrieved Employees.

24 1.10. **“Net Settlement Amount”** refers to the Gross Settlement Amount minus all Settlement
25 Administrator administration costs, attorneys’ fees, attorneys’ expenses, and the LWDA Payment. The
26 Net Settlement Amount shall include all Individual Settlement Payments due to Aggrieved Employees.
27 The Net Settlement Amount is the maximum amount that shall be available for distribution to the
28 Aggrieved Employees.

1 1.11. **“Notice of PAGA Settlement”** refers to the Notice of PAGA Settlement, substantially in
2 the form attached as Exhibit A.

3 1.12. **“PAGA Notices”** refers to the notice sent to the LWDA and to Defendant by Plaintiffs
4 on or about September 21, 2021, and the amended PAGA Notice which will be filed pursuant to the
5 terms of this Agreement., alleging that Defendant engaged in violations of the California Labor Code
6 and California Wage Orders.

7 1.13. **“PAGA Period”** refers to the period of September 21, 2020, through the date of approval
8 of the settlement, as defined in this Agreement.

9 1.14. **“Released Claims”** refers to those claims defined in Section 6 of this Agreement. The
10 scope of the Released Claims is a material term of this Agreement. To the extent Plaintiffs or the Court
11 seeks to narrow the scope of the Released Claims, Defendant shall retain the right, in the exercise of its
12 sole discretion, to nullify the Settlement or Agreement.

13 1.15. **“Released Parties”** refers to Defendant Prime Healthcare La Palma, LLC plus its
14 parents, subsidiaries, affiliates, predecessors, successors and any other entity related to it and all of its
15 and their past and present directors, officers, employees and anyone else acting for any of them, to the
16 fullest extent allowed by law.

17 1.16. **“Settlement”** refers to terms of this Agreement, which includes the Recitals and the
18 Exhibits attached hereto.

19 1.17. **“Settlement Administrator”** refers to the third party administrator, who has been
20 mutually selected by the Parties, subject to Court approval, to perform the notice, claims administration,
21 and distribution of payment functions further described in this Agreement. The Settlement Administrator
22 shall establish its own employer identification number and file an Internal Revenue Service Form W-9.
23 The Settlement Administrator shall meet all of the requirements to establish a Qualified Settlement Fund
24 (“QSF”) pursuant to U.S. Treasury Regulation Section 468B-1.

25 **2. PROCEDURAL HISTORY AND RECITALS**

26 2.1. **PAGA Notice.** On September 21, 2021, Plaintiffs sent their original PAGA notice to the
27 LWDA and to Defendant. A copy of Plaintiffs’ original complaint, filed with the court on September 24,
28 2021, was attached to the original PAGA notice.

1 **2.2. Causes Of Action.** On September 24, 2021, Plaintiffs filed a complaint against
2 Defendant alleging (1) California Minimum Wage Violations, (2) California Overtime/Double Time
3 Violations, (3) Damages & Relief Under California Controlled Standby Law and/or Reporting Time
4 Law, (4) Common Counts for Reasonable Values of Services, (5) California Labor section 226,
5 (6) Labor Code section 2802, (7) California Labor Code section 558 Penalties, (8) Meal Break
6 Violations, (9) Rest Break Violations, and (10) B&P 17200 Violations.

7 On November 30, 2021, Plaintiffs filed a First Amended Complaint adding an eleventh cause of
8 action under PAGA based on the alleged underlying allegations of (1) California Minimum Wage
9 Violations, (2) California Overtime/Double Time Violations, (3) Damages & Relief Under California
10 Controlled Standby Law and/or Reporting Time Law, (4) Common Counts for Reasonable Values of
11 Services, (5) California Labor section 226, (6) Labor Code section 2802, (7) California Labor Code
12 section 558 Penalties, (8) Meal Break Violations, and (9) Rest Break Violations.

13 **2.3.** On January 9, 2026, Plaintiffs filed a Second Amended Complaint alleging (1) California
14 Minimum Wage Violations, (2) California Overtime/Double Time Violations, (3) Damages & Relief
15 Under California Controlled Standby Law and/or Reporting Time Law, (4) Common Counts for
16 Reasonable Values of Services, (5) California Labor section 226, (6) Labor Code section 2802,
17 (7) PAGA (Labor Code 2699, Et Seq.), (8) Meal Break Violations, (9) Rest Break Violations, (10) B&P
18 17200 Violations, and (11) Labor Code 203 Penalties.

19 **2.4. The Parties Have Informally Exchanged Information To Fully Assess The Claims.**
20 After the Parties stipulated to arbitration of the Plaintiffs' individual claims, the Court ordered the
21 representative actions stayed pending completion of arbitration of Plaintiffs' individual claims.
22 Thereafter the Parties participated in a 31-day arbitration which began on July 8, 2024, and concluded
23 on August 11, 2025. Following the conclusion of the arbitration hearing, the Parties engaged in
24 settlement discussions. As part of the negotiations, Defendant provided data points to Plaintiffs
25 regarding the Aggrieved Employees. The Parties engaged their own experts to independently review and
26 analyze the data.

27 **2.5. Defendant's Denials.** Defendant denied and continues to deny: (a) all of the allegations
28 made by the Plaintiffs on behalf of themselves and the Aggrieved Employees in the Actions; (b) that it

1 violated any applicable laws; (c) that it is liable or owes any damages, civil penalties, or other
2 compensation or remedies to anyone with respect to the alleged facts or claims asserted in the Actions;
3 and, (d) that representative treatment of the Actions or any alleged claim is proper. Defendant
4 emphasizes that the Court has not made any findings of liability as to it and the Court has not
5 determined that Plaintiffs may proceed in a representative capacity.

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

11 **2.6. Plaintiffs' Counsel's Evaluation.** Based on Plaintiffs' counsel's investigation and
12 evaluation, Plaintiffs' counsel is of the opinion that the terms set forth in this Agreement are fair,
13 reasonable, adequate, and in the best interest of the Aggrieved Employees. Plaintiffs' counsel diligently
14 and effectively investigated Plaintiffs' claims, drafted the Complaints, and reviewed and analyzed
15 documents and data produced. Plaintiffs' counsel concluded that the Settlement reflected in this
16 Agreement is in the best interests of the Aggrieved Employees, after evaluating the risk that further
17 litigation might result in Plaintiffs and the Aggrieved Employees not recovering anything at all was a
18 very significant factor in determining that this Agreement is fair, reasonable, and adequate.

19 **2.7. Amended PAGA Notice.** Plaintiffs filed an Amended PAGA notice with the LWDA on
20 January 5, 2026 to conform the notice with the scope of the release.

21 **2.8. Second Amended Complaint.** Plaintiffs filed a Second Amended Complaint in the
22 Action on January 9, 2026 to conform the pleadings with the scope of the release. Defendant will not be
23 required to file an answer or other responsive pleading to the Second Amended Complaint.

24 **2.9.** The executed version of this Agreement has been submitted to the Labor and Workforce
25 Development Agency pursuant to Labor Code § 2699(1)(2).

26 **2.10. The Parties' Intent.** It is the desire of the Parties to fully, finally, and forever settle,
27 compromise, and discharge any and all claims, rights, demands, charges, complaints, causes of action,
28 obligations or liability of any and every kind that were or could have been asserted in the Action, to the

1 extent that such claims arise out of the alleged facts, circumstances, and occurrences underlying the
2 allegations as set forth in the claims in the Second Amended Complaint.

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

6 **3. SETTLEMENT ADMINISTRATION**

7 **3.1. Settlement Administrator.** The Parties request that the Court appoint Apex Class Action
8 Administration as the Settlement Administrator. The Parties agree that settlement administration costs
9 shall not exceed \$6,490.00, based on a written bid received from the Settlement Administrator. All
10 disputes relating to the Settlement Administrator's performance of its duties, after good-faith efforts by
11 the Parties to first resolve such disputes, will be referred to the Court, if necessary, which will have
12 continuing jurisdiction over this Agreement until all payments and obligations contemplated by this
13 Agreement have been fully completed.

14 **3.2. Aggrieved Employee Data For Settlement Administrator.** Within 21 calendar days of
15 the entry of an order approving this Settlement, Defendant shall provide to the Settlement Administrator
16 the following information: (1) name of each Aggrieved Employee; (2) most current known address of
17 each Aggrieved Employee; (3) social security number of each Aggrieved Employee; and (4) the total
18 number of pay periods worked (defined as a pay period in which the Aggrieved Employee worked at
19 least one day) by each Aggrieved Employee during the PAGA Period.

20 **3.3. Confidentiality Of Aggrieved Employee Contact Information And Data.** The contact
21 information is being provided confidentially to the Settlement Administrator only (not to Plaintiffs'
22 counsel), and the Settlement Administrator shall treat the information as private and confidential and
23 take all necessary precautions to maintain the confidentiality of contact information of the Aggrieved
24 Employees. This information is to be used only to carry out the Settlement Administrator's duties as
25 specified in this Settlement Agreement. The Settlement Administrator shall return the Aggrieved
26 Employee data to Defendant or confirm its destruction upon completion of the Settlement
27 Administrator's duties in administering the Settlement.
28

3.4. **Notice Of PAGA Settlement to Accompany Individual Settlement Payments.** The Settlement Administrator shall mail a Notice of PAGA Settlement to the Aggrieved Employees along with the Individual Settlement Payments. The Settlement Administrator shall send the Notice of PAGA Settlement with the Individual Settlement Payments via First Class U.S. Mail, using the most current, known mailing address for each Aggrieved Employee based on information provided by Defendant. A copy of the Notice is attached as Exhibit 1. 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. In addition, the Settlement Administrator will maintain a website with a copy of Exhibit 1 (the Notice), information about this settlement, and phone numbers to call concerning the settlement which shall include the Settlement Administrator and Plaintiffs' counsel.

4. DISTRIBUTION OF SETTLEMENT PROCEEDS

4.1. **Gross Settlement Amount.** Defendant agrees to pay up to a maximum Gross Settlement Amount of \$500,000. The \$500,000 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 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. **Aggrieved Employee Group Size Estimate and Escalator Clause.** This settlement is based on data provided by Defendant showing that the Aggrieved Employees collectively worked 44,319 pay periods between September 21, 2020 and June 4, 2025. If the number of pay periods exceeds 44,319 by more than 10%, the Gross Settlement Amount will increase pro rata per additional pay period, or Defendant may elect to cut-off the PAGA Period as of the date the number of pay periods reaches 10% more than 44,319 (*i.e.*, 48,751 pay periods). Plaintiffs' counsel is entitled to a 1/3 attorneys' fees split on all additional amounts paid due to the exercise of the escalator clause.

4.3. **Attorneys' Fees and Costs.** Plaintiffs' 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 \$166,666.67) as well as 1/3 of any additional money paid due to the exercise of the escalator

1 clause in Paragraph 4.2, and (b) costs in the amount of up to \$80,000.00, supported by adequate
2 documentation by Plaintiffs' counsel's billing statement. Except as provided in this Agreement,
3 Defendant shall have no liability for any other attorneys' fees or costs.

4 **4.3.1 Timing of Payment of Attorneys' Fees and Costs.** The Settlement
5 Administrator shall pay to Plaintiffs' counsel any approved attorneys' fees and costs award fourteen (14)
6 calendar days after the full funding of the Gross Settlement Amount as set forth in Section 4.1. The
7 Settlement Administrator shall issue an Internal Revenue Service Form 1099 to Plaintiffs' counsel for
8 any attorneys' fees and costs award payment. Plaintiffs' counsel shall be solely and legally responsible
9 for paying all applicable taxes on any attorneys' fees and costs award payments and shall indemnify and
10 hold harmless the Released Parties from any claim or liability for taxes, penalties, or interest arising as a
11 result of the payment.

12 **4.4. Settlement Administration Costs.** Plaintiffs' Counsel intends to request that the Court
13 approve Settlement Administration Costs of up to \$6,490.00. Upon completion of administration of the
14 Settlement, the Settlement Administrator shall provide written certification of such completion to
15 Plaintiffs' Counsel and Defendant's Counsel. The Parties agree to cooperate in the settlement
16 administration process and to make all reasonable efforts to control and to minimize settlement
17 administration costs.

18 **4.5. LWDA Payment.** Plaintiffs' Counsel will seek approval for a Private Attorneys General
19 Act ("PAGA") payment out of the Gross Settlement Amount of \$500,000 which shall be allocated as
20 75% of the Gross Settlement Amount less attorneys' fees and costs and settlement administration costs,
21 or \$185,132.50 ($\$500,000 - \$166,666.67 - \$80,000 - \$6,490 = \$246,843.33 \times 75\% = \$185,132.50$),
22 going to the LWDA as the LWDA's share of the settlement of civil penalties paid under this Agreement
23 pursuant to the PAGA.

24 **4.6. Individual Settlement Payments From the Net Settlement Amount.** This Settlement
25 shall be a non-reversionary Settlement. Each Aggrieved Employee shall be entitled to an Individual
26 Settlement Payment consisting of their share of the Net Settlement Amount, in accordance with the
27 formula set forth in Section 4.6.1 below. The Net Settlement Amount is \$61,710.83, which is the Gross
28

Settlement Amount minus settlement administration costs, attorneys' fees and costs, and the LWDA Payment (\$500,000 – \$166,666.67 – \$80,000 – \$6,490 – \$185,132.50 = \$61,710.83).

4.6.1 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 individual 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.

4.7. **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. **Undeliverable or Uncashed Checks.** Any settlement checks distributing Individual Settlement Payments returned to the Settlement Administrator as undeliverable shall be sent within five (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 five (5) calendar days. The amount of any Individual Settlement

1 Payments that remain undeliverable or uncashed 180 calendar days after the postmarked date of the
2 initial mailing of the Individual Settlement Payments will be sent to the California State Controller's
3 Office to be held as "Unclaimed Property" in the name of the Aggrieved Employee. The Settlement
4 Administrator shall notify Plaintiffs' Counsel and Defendant's Counsel of any undeliverable checks.

5 **4.9. Tax Payment Considerations.** The Parties agree that all Individual Settlement Payments
6 are paid 100% as civil penalties and shall not be subject to payroll tax withholdings. The Settlement
7 Administrator shall issue any necessary IRS Form 1099 to Aggrieved Employees for their respective
8 Individual Settlement Payments. Aggrieved Employees shall indemnify and hold harmless Released
9 Parties from any claim or liability for taxes, fees, costs, penalties, or interest arising as a result of the
10 payments. Plaintiffs' Counsel, Defendant's Counsel, Released Parties, and the Settlement Administrator
11 are not giving any tax advice in connection with the Settlement or any payments to be made pursuant to
12 this Agreement.

13 **4.10. No Impact On Contributions To Employee Benefit Plans.** None of the payments made
14 pursuant to the Settlement and this Agreement shall be considered to alter the terms or to grant any
15 rights to additional payments under any employee benefit plans, including but not limited to employee
16 stock ownership or benefit plans. None of the payments made pursuant to the Settlement and this
17 Agreement shall be considered for purposes of determining eligibility for, vesting or participation in, or
18 contributions to any employee stock ownership or benefit plan, including, without limitation, all plans
19 subject to the Employee Retirement and Income Security Act of 1974 ("ERISA"). Any distribution of
20 payments to Plaintiffs or Aggrieved Employees shall not be considered as a payment of wages or
21 compensation under the terms of any applicable employee stock ownership or benefit plan and shall not
22 affect participation in, eligibility for, vesting in, the amount of any past or future contribution to, or level
23 of benefits under any applicable plan.

24 Any amounts paid will not impact or modify any previously credited hours of service or
25 compensation taken into account under any bonus or incentive plan, benefit plan sponsored or
26 contributed to by Defendant or any jointly-trusted benefit plan, or for purposes of calculating the
27 regular rate of pay. For purposes of this Agreement, "benefit plan" means each and every "employee
28 benefit plan," as defined in 29 U.S.C. Section 1002(3), and, even if not thereby included, any 401(k)

1 plan, bonus, pension, stock option, stock purchase, stock appreciation, welfare, profit sharing,
2 retirement, disability, vacation, severance, hospitalization, insurance, incentive, deferred compensation,
3 or any other similar benefit plan, practice, program, or policy.

4 **5. RELEASES**

5 **5.1. Release by Aggrieved Employees.** Upon full funding of the Gross Settlement Amount,
6 the State of California, each Aggrieved Employee, including Plaintiffs, and each of their respective
7 executors, administrators, representatives, agents, heirs, successors, assigns, trustees, spouses, or
8 guardians, will release Defendant and each of the Released Parties of and from any and all claims for
9 PAGA civil penalties due to underlying violations of California Labor Code sections 200, 201, 202, 203,
10 226, 226.7, 510, 512, 1194, 2802, and in addition claims under Wage Order 5. In general, these
11 underlying statutes relate to: (1) failure to pay minimum wages, (2) failure to pay overtime and double
12 time wages, (3) failure to pay standby or reporting time compensation, (4) failure to provide accurate
13 itemized wage statements, (5) failure to indemnify/reimburse business expenses, (6) failure to provide
14 meal periods, (7) failure to provide rest breaks; (8) failure to pay all wages due when an employee quits
15 or is fired; and (9) recordkeeping requirements pertaining to wages. The specific PAGA penalties being
16 released due to these alleged underlying violations are California Labor Code sections 204, 208, 210,
17 215, 216, 226.3, 226.4, 226.6, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194.2, 1197, 1197.1, 1198,
18 1198.5, 2800, 2802, and any potential PAGA penalties based on Code of Regulations Title 8 section
19 11050, and the applicable IWC wage order for the same conduct. This is a release for civil penalties
20 recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the facts or
21 claims alleged in the PAGA Notices and Complaint. The Released PAGA Claims do not release any
22 Aggrieved Employees' individual claims for wages or statutory penalties other than those available
23 through PAGA as PAGA penalties.

24 **5.2. Acknowledgement of Binding Terms of the Settlement, Despite Other Potential**
25 **Claims.** Plaintiffs' Counsel and Plaintiffs acknowledge that they may hereafter discover facts or law
26 different from, or in addition to, the facts or law they know or believe to exist with respect to the
27 Released Claims. Plaintiffs' Counsel and Plaintiffs nonetheless agree that this Agreement and the
28 Released Claims contained in it shall be and remain effective in all respects notwithstanding such

1 different or additional facts or law regarding such Released Claims. These releases do not include any
2 claims that cannot be waived as a matter of law, but the Plaintiffs agree that they will not accept any
3 monetary recovery or benefit from any proceedings relating to any such claims.

4 **5.3. No Admission of Liability.** By entering into this Agreement, Defendant in no way
5 admits any violation of law or any liability whatsoever to the Aggrieved Employees, individually or
6 collectively, and expressly denies all such liability. Neither this Agreement, nor any other Settlement
7 documents, shall be offered in any case or proceeding as evidence of any admission by Defendant of any
8 liability on any claim for damages, penalties, restitution, or any other relief. Likewise, by entering into
9 this Agreement, Defendant in no way admits to the suitability of this case for representative action
10 litigation, other than for purposes of Settlement. Rather, Defendant enters into this Agreement to avoid
11 further protracted litigation and to resolve and to settle all disputes with the Aggrieved Employees.

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

18 **6. MISCELLANEOUS**

19 **6.1. Interim Stay of Proceedings.** The Parties agree to refrain from further litigation, except
20 such proceedings necessary to implement and to obtain approval of the terms of the Agreement. If the
21 Settlement is not approved, the Parties agree that they will revert to their positions in the lawsuit prior to
22 the time the Settlement was reached, and no agreements set forth in this Agreement or any documents
23 generated or orders issued related to the Settlement will be admissible in any future proceeding in this or
24 any other action. Defendant agrees to waive the running or application of the five-year trial statute (Cal.
25 Code of Civ. Proc. § 583.310) during the pendency of this Settlement.

26 **6.2. Parties' Authority.** The signatories hereto represent that they are fully authorized to
27 enter into this Agreement and are fully authorized to bind the Parties to all terms stated herein
28

1 **6.3. Entire Agreement.** This Agreement, which includes the Definitions, Recitals, and all
2 Exhibits attached hereto, constitutes the entire agreement between the Parties with regard to the subject
3 matter contained herein, and all prior and contemporaneous negotiations and understandings between
4 the Parties shall be deemed merged into this Agreement.

5 **6.4. Materiality of Terms.** The Parties have arrived at this Agreement as a result of arm's-
6 length negotiations. Where stated in this Agreement, certain terms are material and revision of these
7 material terms will allow a Party the option to void this Agreement.

8 **6.5. Counterparts.** This Agreement may be executed in counterparts, and when each party
9 has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and
10 when taken together with other signed counterparts, shall constitute one signed Agreement, which shall
11 be binding upon and effective as to all Parties.

12 **6.6. Facsimile or Scanned Signatures For This Agreement.** Any party may sign and deliver
13 this Agreement by signing on the designated signature block and transmitting that signature page via
14 facsimile or as an attachment to an e-mail to counsel for the other party. Any signature made and
15 transmitted by facsimile or as an attachment to an e-mail for the purpose of executing this Agreement
16 shall be deemed an original signature for purposes of this Agreement and shall be binding upon the party
17 who transmits the signature page.

18 **6.7. Binding Effect.** This Agreement shall be binding upon the Parties and, with respect to
19 the Plaintiffs, Aggrieved Employees, their spouses, children, representatives, heirs, administrators,
20 executors, beneficiaries, conservators, attorneys, and assigns.

21 **6.8. Waivers and Modifications to Be in Writing.** No waiver, modification, or amendment
22 of the terms of this Agreement, whether purportedly made before or after the Court's approval of this
23 Agreement, shall be valid or binding, unless in writing, signed by or on behalf of all Parties and then
24 only to the extent set forth in such written waiver, modification, or amendment, subject to any required
25 Court approval. Any failure by any Party to insist upon the strict performance by the other Party of any
26 of the provisions of this Agreement shall not be deemed a waiver of future performance of the same
27 provisions or of any of the other provisions of this Agreement, and such Party, notwithstanding such
28 failure, shall have the right thereafter to insist upon the specific performance of any and all of the

1 provisions of this Agreement. The time periods and dates provided in this Agreement with respect to
2 giving of notices and hearings are subject to Court approval and modification by the Court or by written
3 stipulation of Plaintiffs' Counsel and Defendant's Counsel.

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

9 **6.8.1 Exhibits Incorporated by Reference.** The terms of this Agreement include the terms set
10 forth in any attached exhibit, which are incorporated by this reference as though fully set forth herein.
11 Any exhibit to this Agreement is an integral part of the Settlement.

12 **6.8.2 Captions.** The captions or headings of the sections and paragraphs of this Agreement
13 have been inserted for convenience of reference only and shall have no effect upon the construction or
14 interpretation of any part of this Agreement.

15 **6.8.3 Invalidity of Any Provision.** Before declaring any provision of this Agreement invalid,
16 the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with
17 applicable precedents so as to render all provisions of this Agreement valid and enforceable.

18 **6.9. Further Acts and Cooperation Between the Parties.** The Parties shall cooperate fully
19 with each other and shall use their best efforts to obtain the Court's approval of this Agreement and all
20 of its terms. Each of the Parties, upon the request of another, agrees to perform such further acts and to
21 execute and to deliver such other documents as are reasonably necessary to carry out the provisions of
22 this Agreement.

23 **6.10. No Prior Assignments or Undisclosed Liens.** The Plaintiffs and Plaintiffs' Counsel
24 represent and warrant that they have not assigned, transferred, conveyed, or otherwise disposed of, or
25 purported to assign, transfer, convey, or otherwise dispose of, any Released Claims or the attorneys' fees
26 and costs award to be paid pursuant to this Agreement. The Plaintiffs and Plaintiffs' Counsel further
27 represent and warrant that there are not any liens or claims against any of the amounts to be paid by
28 Defendant pursuant to this Agreement. The Plaintiffs and Plaintiffs' Counsel agree to defend, to

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

4 **6.11. Confidential Documents and Information.** Plaintiffs' Counsel agree that they will
5 destroy or return to Defendant's counsel all documents and information marked Confidential and
6 provided to them by Defendant within 60 calendar days after the completion of the administration of the
7 Settlement. Plaintiffs' Counsel further agrees that none of the documents and information marked
8 Confidential and provided to them by Defendant shall be used for any purpose other than prosecution of
9 this Action or the defense or prosecution of a malpractice action.

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

15 **6.13. No Statements to Media.** Neither side, including the Parties, shall make any public
16 statements to the news, print, electronic, or Internet media concerning the Settlement, and both sides
17 agree to decline to respond to media inquiries concerning the Settlement. Plaintiffs' Counsel shall not
18 publicize the settlement in their marketing materials, website, or other advertising media.

19 **6.14. Continuing Jurisdiction.** The Court shall retain jurisdiction over the implementation of
20 this Agreement as well as any and all matters arising out of, or related to, the implementation of this
21 Agreement and Settlement under California Code of Civil Procedure section 664.6. The Court shall not
22 have jurisdiction to modify the terms of the Agreement without the consent of all of the Parties.

23 **6.15. Disputes.** If the Parties have a dispute with regard to the language of this Agreement,
24 they agree to first attempt to resolve the dispute informally through good-faith negotiations but if those
25 efforts are unsuccessful, they agree to mediate any such dispute. The Parties will split the costs of the
26 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: Jan 14, 2026

PLAINTIFF MAYLO BARNUEVO

By: Maylo Barnuevo (Jan 14, 2026 13:18:02 PST)
Maylo Barnuevo

DATED: _____

PLAINTIFF NELSON BASILIO

By: Nelson Basilio

DATED: _____

PLAINTIFF ERIC ADRIAN ESTRELLA

By: Eric Adrian Estrella

DATED: _____

PLAINTIFF ERIC BRIAN ESTRELLA

By: Eric Brian Estrella

DATED: _____

PLAINTIFF ALI KHATATBA

By: Ali Khatatba

DATED: _____

PLAINTIFF PATRICK SANTIAGO LIM

By: PATRICK SANTIAGO LIM

1 6.16. **Governing Law.** This Settlement and Agreement was made and entered into in the State
2 of California. All terms of this Agreement shall be governed by and interpreted according to the
3 substantive laws of the State of California and the procedural laws of the United States of America.

4 **SO AGREED AND SO STIPULATED.**

5
6 DATED: _____

PLAINTIFF MAYLO BARNUEVO

7 By: _____
8 Maylo Barnuevo

9 DATED: Jan 15, 2026
10 _____

PLAINTIFF NELSON BASILIO

11 By:  Basilio (Jan 15, 2026 09:28:38 PST)
12 Nelson Basilio

13 DATED: _____

PLAINTIFF ERIC ADRIAN ESTRELLA

14 By: _____
15 Eric Adrian Estrella

16 DATED: _____

PLAINTIFF ERIC BRIAN ESTRELLA

17 By: _____
18 Eric Brian Estrella

19 DATED: _____

PLAINTIFF ALI KHATATBA

20 By: _____
21 Ali Khatatba

22 DATED: _____

PLAINTIFF PATRICK SANTIAGO LIM

23 By: _____
24 PATRICK SANTIAGO LIM

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4 **SO AGREED AND SO STIPULATED.**

5
6 DATED: _____ PLAINTIFF MAYLO BARNUEVO

7 By: _____
8 Maylo Barnuevo

9 DATED: _____ PLAINTIFF NELSON BASILIO

10 By: _____
11 Nelson Basilio

12
13 DATED: _____ PLAINTIFF ERIC ADRIAN ESTRELLA

14 By: _____
15 Eric Adrian Estrella

16
17 DATED: _____ PLAINTIFF ERIC BRIAN ESTRELLA

18 By: _____
19 Eric Brian Estrella

20
21 DATED: _____ PLAINTIFF ALI KHATATBA

22 By: _____
23 Ali Khatatba

24 DATED: Jan 14, 2026 PLAINTIFF PATRICK SANTIAGO LIM

25 By:  _____
26 Patrick Santiago Lim (Jan 14, 2026 17:53:52 PST)
27 PATRICK SANTIAGO LIM
28

1 DATED: Jan 14, 2026
2

PLAINTIFF KAREN SAMPSON

3 By: Karen Sampson (Jan 14, 2026 18:15:14 PST)
4 KAREN SAMPSON

5
6 DATED: 1/16/2026
7

DEFENDANT PRIME HEALTHCARE LA PALMA,
8 LLC

9 By: Billie J. Pierce

10 Print Name: Billie J. Pierce

11 Title: Vice President/Deputy General Counsel

12 DATED: _____
13

EMPLOYMENT LAWYERS GROUP

14 By: _____
15 Karl Gerber

16 Attorney for all Plaintiffs

17 DATED: January 16, 2026
18

SEYFARTH SHAW LLP

19 By: Justin T. Curley
20 Justin T. Curley
Phillip J. Ebsworth
Yoon-Woo Nam

21 Attorneys for Defendant
22 PRIME HEALTHCARE LA PALMA, LLC

23 322681178v.4
24
25
26
27
28

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5
6 DATED: _____

PLAINTIFF MAYLO BARNUEVO

7 By: _____

8 Maylo Barnuevo

9 DATED: _____

PLAINTIFF NELSON BASILIO

10 By: _____

11 Nelson Basilio

12
13 DATED: _____

PLAINTIFF ERIC ADRIAN ESTRELLA

14 By: _____

15 Eric Adrian Estrella

16 DATED: Jan 15, 2026
17 _____

PLAINTIFF ERIC BRIAN ESTRELLA

18 By:  _____

Eric Brian Estrella (Jan 15, 2026 17:45:29 PST)

19 Eric Brian Estrella

20 DATED: _____

PLAINTIFF ALI KHATATBA

21 By: _____

22 Ali Khatatba

23
24 DATED: _____

PLAINTIFF PATRICK SANTIAGO LIM

25 By: _____

26 PATRICK SANTIAGO LIM

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SO AGREED AND SO STIPULATED.

DATED: _____

PLAINTIFF MAYLO BARNUEVO

By: _____
Maylo Barnuevo

DATED: _____

PLAINTIFF NELSON BASILIO

By: Nelson Basilio

DATED: Jan 15, 2026

PLAINTIFF ERIC ADRIAN ESTRELLA

By: Eric Adrian Estrella
Eric Adrian Estrella

DATED: _____

PLAINTIFF ERIC BRIAN ESTRELLA

By: Eric Brian Estrella

DATED: _____

PLAINTIFF ALI KHATATBA

By: Ali Khatatba

DATED: _____

PLAINTIFF PATRICK SANTIAGO LIM

By: PATRICK SANTIAGO LIM

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2 of California. All terms of this Agreement shall be governed by and interpreted according to the
3 substantive laws of the State of California and the procedural laws of the United States of America.

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5
6 DATED: _____

PLAINTIFF MAYLO BARNUEVO

7 By: _____
8 Maylo Barnuevo

9 DATED: _____

PLAINTIFF NELSON BASILIO

10 By: _____
11 Nelson Basilio

12
13 DATED: _____

PLAINTIFF ERIC ADRIAN ESTRELLA

14 By: _____
15 Eric Adrian Estrella

16
17 DATED: _____

PLAINTIFF ERIC BRIAN ESTRELLA

18 By: _____
19 Eric Brian Estrella

20 DATED: Jan 16, 2026
21 _____

PLAINTIFF ALI KHATATBA

22 By:  _____
23 Ali Khatatba (Jan 16, 2026 09:43:32 PST)
24 Ali Khatatba

25 DATED: _____

PLAINTIFF PATRICK SANTIAGO LIM

26 By: _____
27 PATRICK SANTIAGO LIM
28

1 DATED: _____
2
3

PLAINTIFF KAREN SAMPSON

By: _____
KAREN SAMPSON

4
5
6 DATED: _____
7

DEFENDANT PRIME HEALTHCARE LA PALMA,
LLC

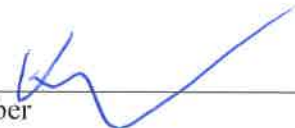
By: _____

Print Name: _____

Title: _____

10
11
12 DATED: 1-16-26
13

EMPLOYMENT LAWYERS GROUP

14 By:  _____
15 Karl Gerber

Attorney for all Plaintiffs

16 DATED: _____
17

SEYFARTH SHAW LLP

18
19 By: _____
20 Justin T. Curley
Phillip J. Ebsworth
Yoon-Woo Nam

21 Attorneys for Defendant
22 PRIME HEALTHCARE LA PALMA, LLC

23 322681178v.4
24
25
26
27
28

EXHIBIT 1

WHY AM I RECEIVING THIS NOTICE?

You are receiving this letter in connection with the resolution of a lawsuit pending in Department CX102 of the Orange County Superior Court entitled *Maylo Barnuevo, Nelson Basilio, Eric Adrian Estrella, Eric Brian Estrella, Ali Khatatba, Patrick Santiago Lim, Karen Sampson v. Prime Healthcare La Palma, LLC*, Orange County Superior Court Case No. 30-2021-01223132-CU-NJC because you were identified as an alleged aggrieved employee under the Private Attorneys General Act (PAGA) due to you being a current or former nonexempt California employee of Prime Healthcare La Palma, LLC between September 21, 2020 through [date of approval of the settlement].

WHAT IS BEING SETTLED?

A lawsuit was brought for PAGA civil penalties under the California Labor Code. PAGA (California Labor Code Section 2699, et. seq.) allows private employees to bring cases for Labor Code violations that normally only the Department of Labor Standards Enforcement (DLSE) is able to pursue for civil penalties. At the time this case was filed, by law 75% of the penalties had to go to the Labor Workforce Development Agency (LWDA) and 25% of the penalties had to go to the alleged aggrieved employees.

The gross amount of this settlement is \$500,000.00. Deducted from this gross amount are court approved attorney fees to Karl Gerber of the Employment Lawyers Group of \$166,666.67, and costs reimbursement of \$80,000.00 for costs incurred litigating this action. Also deducted from the gross settlement amount are the costs of Settlement Administrator Apex Class Action Administration of \$6,490.00, leaving a net settlement amount of \$246,843.34. By law, \$185,132.50 (75% of the net proceeds) must go to the LWDA (a branch of California government). Also by law, \$61,710.83 (25%) must go to the PAGA settlement recipients. Settlement recipients are receiving a portion of the \$61,710.83 amount proportionate to the number of pay periods each recipient worked during the settlement period as compared to the total number of pay periods worked by all settlement recipients during the settlement period.

PAGA DOES NOT ALLOW EMPLOYEES TO OPT-OUT

Under California law, employees cannot opt-out of a PAGA settlement. It does not make a difference if you do not negotiate (cash) your check. If you do not cash your check, the funds will go to the California State Controller's Office to be held as "Unclaimed Property" in your name.

WHAT CLAIMS ARE RELEASED?

The Released PAGA Claims do not release any alleged aggrieved employees' individual claims for wages or statutory penalties other than those available through PAGA as PAGA penalties.

The claims released are any and all PAGA civil penalties due to underlying violations of California Labor Code sections 200, 201, 202, 203, 226, 226.7, 510, 512, 1194, 2802, and in addition claims under Wage Order 5. In general, these underlying statutes relate to: (1) failure to pay minimum wages, (2) failure to pay overtime and double time wages, (3) failure to pay standby or reporting time compensation, (4) failure to provide accurate itemized wage

statements, (5) failure to indemnify/reimburse for business expenses, (6) failure to provide meal periods, (7) failure to provide rest breaks; (8) failure to pay all wages due when an employee quits or is fired; and (9) recordkeeping requirements pertaining to wages. The specific PAGA penalties being released due to these alleged underlying violations are California Labor Code sections 204, 208, 210, 215, 216, 226.3, 226.4, 226.6, 510, 512, 516, 558, 1174, 1174.5, 1182.12, 1194.2, 1197, 1197.1, 1198, 1198.5, 2800, 2802, and any potential PAGA penalties based on Code of Regulations Title 8 section 11050, and the applicable IWC wage order for the same conduct. This is a release for civil penalties recoverable under the Private Attorneys General Act, Labor Code §§ 2698 *et seq.* based on the facts or claims alleged in the PAGA Notices and Complaint.

For your portion of the PAGA settlement funds, taxes will not be taken, but you are responsible for the payment of any taxes due on the money received.

HOW DO I FIND OUT MORE INFORMATION ABOUT THESE SETTLEMENTS?

For additional information about this case contact:

Plaintiff's counsel:

Karl Gerber of the Employment Lawyers Group

714-210-8000 or 818-783-7300

or the Settlement Administrator, Apex Class Action Administration, at: .

You may also go to the website maintained by the settlement administrator that has links to this notice and other case documents: .

For persons who wish to review the court's docket for the case, the court's website is: .