Barnuevo vs. Prime Healthcare La Palma, LLC 2021-01223132 Application/Request (Motion to Approve a PAGA Settlement) Plaintiffs Maylo Barnuevo, Nelson Basilio, Eric Adrian Estrella, Eric Brian Estrella, Ali Khatatba, Patrick Santiago Lim, Karen Sampson's Motion for Approval of PAGA Settlement is CONTINUED to September 17, 2026 at 2:00 p.m. in Department CX102 in order to give Plaintiffs' counsel an opportunity to address the issues identified below.

This is a Labor Code violation case, including a PAGA claim. On 9/24/2021, Plaintiffs Maylo Barnuevo, Nelson Basilio, Eric Adrian Estrella, Eric Brian Estrella, Ali Khatatba, Patrick Santiago Lim, Karen Sampson filed a complaint for Labor Code violations against Defendant Prime Healthcare La Palma LLC. (ROA #2.) On 11/30/2021, Plaintiffs filed a first amended complaint, which included adding a PAGA cause of action. (ROA #9.) The operative complaint is the second amended complaint (SAC), filed on 1/14/2026. (ROA #135.) In the meantime, on 5/2/2022, the parties stipulated to arbitrate Plaintiffs' claims and to stay this action, "including the PAGA action," until this matter is arbitrated. The Court entered the stipulated order to stay this action on 5/2/2022. (ROA #56.)

On 3/20/2026, Plaintiffs filed a notice of related case. (ROA #145.) On 3/25/2026, the Court took notice of Mical v. Prime Healthcare La Palma, LLC, OCSC Case No. 2022-01292457, as a related case. (ROA #149.)

On 1/21/2026, Plaintiffs filed the instant Motion to Approve a PAGA Settlement, and submitted for the Court's review the Joint Stipulation of PAGA Settlement and Release of Claims ("Settlement Agreement") and proposed notice/cover letter to aggrieved employees that will accompany the payment to them.

The parties seek the Court's approval of this settlement while the arbitration of Plaintiffs' remaining claims is still pending.

The motion seeks approval of the parties' proposed settlement of Plaintiffs' PAGA claims for the non-reversionary gross settlement amount (GSA) of $300,000.

The Court concludes that an attorneys' fee award totaling $166,666.67 or 1/3 of the GSA, constituting a 0.13 multiplier of the lodestar amount based on counsel's proffered evidence, is fair, adequate, and reasonable for a settlement of this size, including considering the action's contingent nature and the results achieved.

The Court also concludes that a litigation cost award totaling $51,030.09, which is the amount requested in the motion, is supported by counsel's proffered evidence.

Further, the Court has identified the following issues with the moving papers, which must be addressed by Plaintiffs' counsel before approval can be granted:

1. Counsel is reminded that CRC 2.256(b)(3) requires all filings to be text searchable when technologically feasible.

2. The Settlement Agreement includes an escalator clause. But this is a motion to have the settlement fully approved, and so a specific GSA must be approved upon the granting of this motion.

At this point, the parties should know or be able to determine the number of Aggrieved Employees and qualifying pay periods based on the PAGA Period.

3. A direct release by the State of California should not be included, since the State is not directly participating in this lawsuit. Instead, this provision of the settlement agreement should be amended to read: "Plaintiffs, on behalf of the State of California, and each Aggrieved Employee . . . ." (italics added for emphasis).

4. Plaintiffs' counsel must attest as to whether there is a fee-splitting agreement with any other counsel, or confirm there is none.

Plaintiffs' counsel must also provide a revised notice/cover letter to aggrieved employees that will accompany the payment to them, with the following revisions:

1. The GSA should be updated to be consistent with how counsel addresses the escalator clause issue the Court raised above.

2. The specific awards and disbursements should be revised to reflect the amounts set forth in this order. This includes the amount sought for costs, which was not $80,000 but $51,030.09 based on the moving papers.

3. The pages should be numbered.

4. The notice/cover letter should explain the deadline for cashing checks and the consequences for not timely cashing a check.

Plaintiffs' counsel must also provide a revised [Proposed] Order Approving PAGA Settlement with the following revisions:

1. The proposed order should attach the Settlement Agreement it says it attaches as Exhibit 1.

2. The GSA should be updated to be consistent with how counsel addresses the escalator clause issue the Court raised above.

3. The specific awards and disbursements should also be revised to reflect the amounts set forth in this order.

4. Attorney information must be deleted from the caption page.

5. All terms that require definition must either be defined in the proposed order and judgment itself or clearly incorporate by reference definitions found elsewhere in the record.

6. The proposed order should include a finding that settlement is fair, adequate, and reasonable.

7. So as to avoid confusion, the settlement agreement should be attached as Exhibit "A" rather than Exhibit "1," and the notice/cover letter may remain "Exhibit 1" attached thereto.

8. There is a typo at page 2, line 18: "uunderlying" should be spelled "underlying."

The Court further refers Plaintiffs' counsel to the "Guidelines for Approval of Class Action Settlements & PAGA Settlements" posted on the Court's website for Department CX102, available at https://voypubapps.occourts.org/complex-civil-calendar [voypubapps.occourts.org]. Plaintiffs' counsel must file supplemental papers addressing the Court's concerns no later than sixteen (16) court days prior to the continued hearing date. Counsel must also provide redlined versions of all revised papers and an explanation of how the pending issues were resolved with precise citation to any revisions.

A supplemental declaration or brief that simply asserts the issues have been resolved is insufficient and will result in a continuance. Plaintiffs to give notice of this ruling, including to the LWDA, within five (5) court days, and file proof of service.