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Court Blocks Public Partnerships from Distributing Arbitration Provision to Class Members in Medicaid Home Care Workers' Lawsuit

In Issue of First Impression, Court Finds Public Partnerships LLC Proposal Risks Causing Significant Confusion For 200,000 Class Members During Approval Process for \$162 Million Class Settlement

(NEW YORK, NY) — A federal court has [ruled](#) in favor of the class representatives and home care workers represented by **The Legal Aid Society** and **Katz Banks Kumin**, blocking Public Partnerships, LLC (PPL) from distributing a proposed “Dispute Resolution Agreement” containing an arbitration provision to members of a settlement class while the Court considers final approval of a class action settlement. The Court’s order blocks PPL from distributing the arbitration provision for at least two months, until the settlement has been finally approved.

The ruling comes in *Calderon v. Public Partnerships, LLC*, a lawsuit brought by four personal assistants who were paid through New York State’s Consumer Directed Personal Assistance Program (CDPAP) and alleged that PPL failed to pay them accurately and on time and violated the state’s Home Care Worker Wage Parity Act. After extensive mediation, Plaintiffs Philip Calderon, Farshad Pinchasi, Allison Fields, and Dana Folgar and PPL reached a \$162 million class settlement that was [preliminarily](#) approved by U.S. Magistrate Judge Lara K. Eshkenazi on July 1, 2026. Notice was sent to 200,000 class members by email and text message shortly thereafter. A final approval hearing on the settlement is scheduled for November 10, 2026.

In its motion to the Court, PPL sought to distribute a new “Dispute Resolution Agreement” containing an arbitration provision and class action waiver to settlement class members. Plaintiffs opposed the motion, arguing that distributing the agreement while workers were receiving notice of the settlement could confuse class members about their rights and potentially cause them to inadvertently opt out of the settlement, and separately moved for an order blocking PPL from distributing the proposed arbitration provision, or any other arbitration provision, to the 200,000 *Calderon* class members before final approval of the settlement.

On September 4, 2026, U.S. Magistrate Judge Lara K. Eshkenazi denied PPL’s motion and granted the workers’ motion, finding that distributing the agreement during this period would be “unnecessarily confusing” and could potentially undermine participation in the litigation. The Court specifically noted the risk that workers could mistakenly believe accepting the arbitration agreement was a condition of receiving the settlement, as well as the heightened risk of confusion among class members for whom English is not their first language. As the Court further noted, PPL could identify no other court that had allowed such an arbitration provision to be distributed to class members between preliminary and final approval of a settlement.

The Court ordered, under Federal Rule of Civil Procedure 23(d), that PPL may not communicate with settlement class members about the proposed dispute resolution agreement until after final approval of the class settlement. PPL remains free to communicate with non-class members about the agreement.

“This ruling protects workers’ ability to make an informed decision about the settlement without the added confusion of a separate arbitration agreement,” said **Elizabeth Saylor, Director of the Employment Law Unit at The Legal Aid Society**. “The Court recognized that introducing a new agreement at this critical stage could undermine workers’ understanding of their rights and participation in the settlement process.”

“As we move through the settlement process toward final approval of this historic \$162 million settlement, it is important that the home care workers who will benefit have a full understanding of their rights,” said **Hugh Baran, partner at Katz Banks Kumin and counsel for Plaintiffs and the Settlement Class**. “We are glad that the Court’s decision will prevent PPL from rolling out the arbitration provision until the approval process is complete, as the arbitration provision could create substantial confusion about the settlement and its terms.”

A copy of the ruling is available [here](#). Background on the settlement is available here: <https://www.Publicpartnershipsettlement.com/>

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The Legal Aid Society is a nonprofit law firm that exists for one simple yet powerful reason: to ensure that New Yorkers are not denied their right to equal justice because of poverty. For 150 years, we have protected, defended, and advocated for those who have struggled in silence for far too long. Every day, in every borough, The Legal Aid Society changes the lives of our clients and helps improve our communities.

www.legalaidnyc.org

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