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Hot PAGA Summer Rolls on with Another “Win” for Employers

California Employment Law Update on **August 6, 2024**

The “Summer of PAGA” continued last week when the California Supreme Court ruled in *Turrieta v. Lyft, Inc.*, Case No. S271721, that a plaintiff in a Private Attorneys General Act (PAGA) action does not have standing to intervene or object to a settlement in a parallel action involving overlapping PAGA claims.

The structure of PAGA tends to invite the scenario facing the parties and court in *Turrieta* , where multiple PAGA plaintiffs compete to collect civil penalties against the same defendant for the same alleged violations. A settlement with any one plaintiff then has the potential to trigger an ugly fight, with competing plaintiffs (and their counsel) seeking to disrupt the settlement in hopes of obtaining a better deal—and the statutory attorneys’ fees that come with it.

In *Turrieta*, the California Court of Appeal ruled that PAGA plaintiffs have no standing to intervene in parallel PAGA lawsuits, or to seek to prevent a settlement by moving to vacate the judgment approving the settlement or challenging the judgment on appeal. 69 Cal. App. 5th 955.

However, other courts of appeal soon disagreed, establishing a circuit split when *Uribe v. Crown Building Maintenance Co.*, 70 Cal. App. 5th 986 (2021) and *Moniz v. Adecco USA, Inc.*, 72 Cal. App. 5th 56 (2022) came out the other way. And the state Labor & Workforce Development Agency weighed in on the side of the split favoring intervention, submitting an amicus brief in *Turrieta* expressing “significant concerns that its enforcement interests” were “not served” by a rule denying intervention by parallel plaintiffs.

The California Supreme Court in *Turrieta* ruled 5-2 against intervention. In doing so, the majority was refreshingly straight about the practical realities of PAGA litigation, including observing "the financial interest that intervening plaintiffs and their counsel—but not courts—have in the original plaintiff's action and its settlement," and expressed skepticism that the Legislature intended for "financially interested PAGA plaintiffs in overlapping actions—represented by financially interested counsel—to disrupt settlements through intervention on behalf of the state." Slip op. at 45 (cleaned up).

Contrary to criticism of the *Turrieta* decision (including from the dissenting justices), this ruling should not open the floodgates to "reverse auctions" disposing of PAGA claims for less than reasonable settlement value. Among other things, trial courts still need to review and approve PAGA settlements and ensure they are fair, reasonable, and adequate under the circumstances. Thus, the practical import of *Turrieta* is not to allow PAGA cases to be settled for bargain basement prices, but to to limit the threat of chaotic disputes among plaintiffs' lawyers needlessly prolonging litigation.

View original.

Related Professionals

- **Jonathan P. Slowik**
  Senior Counsel
- **Morgan J. Peterson**
  Associate