



March 23, 2026

Danielle West
Rulemaking and Program Analyst
Labor and Workforce Development Agency
1416 Ninth Street (MIC-55), Sacramento, CA 95814
RE: OAL Notice File Number Z2026-0121-03

Dear Ms. West,

The California Business & Industrial Alliance (CABIA) appreciates the opportunity to provide feedback on your proposed rulemaking on the Private Attorneys General Act (PAGA). We are strongly supportive of reforming PAGA and write to offer additional data on the magnitude of PAGA abuse, as well as specific solutions to existing problems.

CABIA is a trade association founded in the San Fernando Valley in 2017, with the explicit purpose of reforming PAGA. CABIA has released detailed studies that document how neither workers nor small businesses are well-served by PAGA. Our online database of PAGA lawsuit data receives thousands of website visits annually, including the popular “Hall of Shame” which tracks the state’s most-frequent PAGA filers.

Most recently, we released what is to our knowledge the first online database of PAGA settlement outcomes, featuring an analysis of every available case settlement from 2024, 2025, and the first two months of 2026. The settlement PDFs were downloaded directly from your website.

You can access the data here: <https://cabia.org/research-data/paga-summary/>

What these data show is that magnitude of PAGA lawsuits continues to rise, even after passage of PAGA reform. Consider:

- In 2025 there were 2,420 settled PAGA Lawsuits, totaling \$2,206,018,128 in settlement payments and \$740,408,061 in attorney payouts.
- In 2024 there were 1,806 settled PAGA Lawsuits, totaling \$1,615,876,118 in settlement payments and \$508,854,185 in attorney payouts.
- In just one year there is a **34% increase** in PAGA settlement cases, **37% increase** in PAGA settlement amounts, and a **46% increase** in attorney payouts.

These settlement numbers are substantial, but pale in comparison to the larger number of PAGA notices that are filed each year – roughly 9,000 annually in both 2024 and 2025, according to your database. These PAGA notices are used to inform threat letters sent by high-frequency PAGA filers, who urge a quick settlement with the threat of potentially crippling legal and administrative fines.

In short, we consider PAGA reform to be “unfinished business,” as it has failed to address the administrative structure and incentives that fuel the continued rise in PAGA lawsuits.

Fixing the problem starts with greater state oversight of the Labor and Workforce Development Agency (LWDA). By failing to sufficiently review PAGA notices and settlement, LWDA is (however unintentionally) aiding PAGA abuse. The proposed rulemaking adds much-needed layers of review to settlements, but even greater oversight of PAGA is needed.

This will require some difficult conversations with the LCO about its own performance and efficiency. The LCO has been fully funded by employers since 2010, but has continued to have a high vacancy rate. The LCO has received approximately \$900 Million in employer funding in just the last five years, and an additional \$250 million total in PAGA penalties—penalty money it has apparently not used. The LCO is seeking another \$197 million from employers in this fiscal year.

Where has this money gone? And why is it not being used to conduct oversight of PAGA? As we have seen from the PAGA status quo, failure to conduct oversight of PAGA has multi-billion-dollar implications for the state's small, medium, and large businesses.

Beyond that, we support the following changes to PAGA:

- Finalize the implementation of the regulatory changes proposed on February 6, 2026.
- Divert all PAGA filings from “high-frequency filers” and “vexatious filers” to the LCO for investigation.
- Ensure the common ownership of “high frequency” and “vexatious” filing law firms is disclosed, such that they can't avoid oversight through a simple renaming or rebranding.
- Institute a self-audit program for cooperative employers who are being investigated by the LCO due to a complaint, PAGA or otherwise. This self-audit program will be overseen by a Deputy Labor Commissioner, who will require the employer to make all employees whole for any violations, with interest.
- Prepare a plan with specific timelines for the LWDA to eventually turn over all PAGA filings to the LCO.
- Require the above parties to annually report on the progress of these changes.

I am available to answer questions and would be pleased to appear at a hearing to describe in greater detail the problems with PAGA and what reforms are needed.

Thanks,



Tom Manzo

Founder and President, CABIA