

JacksonLewis

California Workplace Law Blog

Insight & Commentary on California Workplace Law Issues & Developments

California Supreme Court Rules Trial Courts Lack Authority to Strike PAGA Claims Based on Manageability

By Nicky Jatana, Leonora M. Schloss & John P. Nordlund on January 22, 2024

On January 18, 2024, the California Supreme Court issued its opinion in *Estrada v. Royalty Carpet Mills*. In the *Estrada* decision, the California Supreme Court resolved a split of authority on the issue of whether trial courts have discretion to strike or narrow a Private Attorneys General Act (PAGA) claim based upon manageability grounds.

The Supreme Court held trial courts lack inherent authority to strike PAGA claims on manageability grounds. In reaching that conclusion, the Court emphasized that trial courts do not generally possess a broad inherent authority to dismiss claims and examined the statutory and procedural differences between class actions and PAGA claims.

In the underlying case, plaintiffs brought PAGA and class claims primarily based on purported meal and rest period violations. The trial court dismissed the PAGA claim as “unmanageable” due to the number of individualized issues.

The Court of Appeal subsequently found courts do not have the discretion to strike a PAGA claim based on manageability, disagreeing with the prior California Court of Appeal decision from another district, holding that trial courts do have inherent authority to narrow or strike PAGA claims on manageability grounds. The *Estrada* Court of Appeal held striking a PAGA claim as unmanageable would interfere with PAGA’s purpose as a law enforcement mechanism by placing an extra hurdle on PAGA plaintiffs that would not be placed on the State.

The California Supreme Court *Estrada* decision resolves the split of authority regarding a trial court's authority to dismiss PAGA claims as unmanageable. Agreeing with the *Estrada* Court of Appeal, the Court concluded that there was no basis for providing trial courts the authority to strike PAGA claims due to manageability issues. Moreover, the Court rejected the idea that class action manageability requirements could be grafted onto PAGA claims, reiterating that an employee seeking civil penalties under PAGA need not satisfy class action requirements.

Despite holding that PAGA claims could not be stricken as unmanageable, the Court noted trial courts have numerous tools other than striking a claim that can be used to manage complex cases, including PAGA claims. This decision does not preclude trial courts from limiting the types of evidence a plaintiff may present or using other tools to assure that a PAGA claim is effectively tried. The Court noted that trial courts may issue substantive rulings, including demurrers, motions for summary judgment, judgment notwithstanding the verdict, and potentially others under the Code of Civil Procedure to effectively adjudicate overbroad or unspecific claims on which a plaintiff is unable to prove liability as to all or most employees. As such, the Court left “undisturbed various case management tools designed to ensure that [PAGA] cases are efficiently, fairly, and effectively tried.”

If you have questions about the *Estrada* decision or related issues regarding PAGA, contact a Jackson Lewis attorney to discuss.