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Subject: Chapter 9. Labor Code Private Attorney General Act of 2004 (PAGA): Modifications to Text of Proposed Regulations.

California Labor and Workforce Development Agency:

The California Chamber of Commerce and the undersigned organizations are submitting the following comments and recommendations in response to the Labor and Workforce Development Agency's ("Agency") August 3, 2026, notice of modifications to its proposed regulations regarding the Labor Code Private Attorneys General Act of 2004 (PAGA).

We commend the Agency for its continued work towards developing proposed regulations aimed at providing clarity to employees, employers, and the courts regarding PAGA's requirements and procedures. The Agency's modifications address several of the concerns raised in our March 23 comments. In

particular, we appreciate that the Agency's modifications eliminate the blanket prohibition on amending PAGA notices in connection with PAGA settlements. We write to identify concerns persisting in and introduced by the proposed modifications. We also propose further revisions and solutions designed to avoid unintended outcomes, deter abusive litigation conduct, and ensure that the final regulations advance PAGA's goals and purpose.

The Agency's modifications make important progress, but targeted refinements in three areas are needed to ensure the final regulations promote accountable filings, preserve fair and final settlements, and provide administrable standards for Division 5 notices.

High-Frequency and Non-Compliant Filer Designations Still Lack Tangible Consequences

Our March Letter offered eight recommendations to give the "high-frequency" and "non-compliant" (formerly "vexatious") filer designations real teeth. Of these eight recommendations, only one was partially addressed, and it still falls short of imposing meaningful consequences.

The non-compliant filer definition in Section 17415(b)(2) still applies only to "any person or attorney," not to law firms directly. Section 17415(d)(3)(A)(ii) has been modified to require an attorney at a firm with a designated non-compliant attorney to certify that the designated attorney had no role in a given filing. This is a step in the right direction but falls short of firm-level accountability. We support retaining this certification requirement but ask the Agency to extend the non-compliant filer designation to law firms directly, consistent with our original recommendation. This proposed recommendation would fully close the loophole that allows firms to evade accountability simply by rotating which attorney signs a given notice.

We also note that Section 17415(b)(2) now requires three or more non-compliant PAGA notices within 12 months, and continued non-compliance after an Agency warning *before* a non-compliant filer designation can be issued. This proposed modification raises the bar for noncompliant designation considerably and works directly against the accountability our members are seeking. We ask that the Agency lower this threshold and remove the post-warning continuation requirement. Absent a tangible accountability mechanism, non-compliant filers will continue to operate without meaningful recourse. This is precisely the outcome our March public comment letter warned against.

The Agency Should Eliminate Loopholes that Will Allow Attorneys to Evade Accountability for the PAGA Notices They File

The regulations should require attorney accountability for PAGA notices that are filed by law firms on behalf of alleged aggrieved employees. The Agency's addition of sections 17420(a)(2) and 17450(a)(2) are helpful in requiring attorneys who file PAGA notices on behalf of alleged aggrieved employees to identify themselves by name, contact information, and State Bar Number. We recommend bolstering this modified language to require law firms that file a PAGA notice on behalf of an alleged aggrieved employee to identify and provide contact information for the attorney responsible for the PAGA notice. Without this clarification, law firms will be incentivized to have non-attorney staff members handle submission of their PAGA notices.

Recommendation: Revise sections 17420(a)(2) and 17450(a)(2) to clarify that they also apply to law firms filing PAGA notices on behalf of alleged aggrieved employees.

We recommend revising Sections 17420(a)(2) and 17450(a)(2), as follows:

§ 17420. Written Notice by Aggrieved Employee or Representative (PAGA Notices). & § 17450. Written Notice by Aggrieved Employee or Representative (Claims Arising Under Division 5).

(a)(2) If the PAGA notice is filed *by a law firm or* by an attorney on behalf of an aggrieved employee, the *responsible* attorney's name, State Bar membership

number, mailing address, telephone number, and email address must be included in the PAGA notice and provided in the online submission form when filing the notice using the online PAGA filing portal.

The Regulations Should Not Have Retroactive Application to Prior Settlements in a Manner that Changes the Legal Consequences of Agreements Reached Before the Regulations Take Effect

We generally support the Agency's modification to section 17400, providing that the "regulations will apply to all matters or cases pending at or filed after the time these regulations take effect." With respect to matters that have resolved before the date the regulations take effect, however, retroactive application of sections 17420.5, 17450.5, 17460, 17461, and 17462, risks disrupting and delaying good faith negotiated settlements and burdening the courts' already impacted calendars. For example, the current language of proposed section 17400(b) suggests that the regulations' new procedural requirements for settlements would apply to a settlement where a motion for settlement approval has already been filed as of the date the regulations take effect—or even to a pending PAGA action where settlement approval has already been granted and the settlement is in the process of being administered. Actions where agreements to settle or release claims have been reached as of the effective date of the regulations should not be subject to the regulations' new procedural requirements concerning PAGA settlements.

Recommendation: Carve out existing settlements from the new requirements set forth in sections 17420.5, 17450.5, 17460, 17461, and 17462.

We recommend revising Section 17400, as follows:

§ 17400. Scope and Application.

(b) These regulations shall apply to all pending administrative processes, including all administrative reporting obligations owed by an employee to the Agency in connection with any pending civil action asserting claims under PAGA, as of the date these regulations become effective and to all new PAGA notices, and any actions arising therefrom, filed after these regulations take effect. *Notwithstanding the foregoing, the procedural requirements of sections 17420.5, 17450.5, 17460, 17461, and 17462 do not apply retroactively to signed settlement agreements or releases entered into before the date these regulations take effect.*

The Regulations Should Include Provisions Protecting Against Abuse by Firms Seeking to Disrupt Good Faith Settlements

Even as modified, there remains significant risk that the Agency's efforts to deter "reverse auctions" will instead incentivize abusive conduct by certain plaintiffs' firms, including deliberate "top filing" and disruption of good faith settlements. We have significant concerns that the new requirements for PAGA settlements, including notification requirements, will encourage a multiplicity of PAGA actions against the same employer covering the same alleged violations, and will incentivize non-settling plaintiffs' firms to submit comments to the Agency in every case, regardless of whether the settlement is actually objectionable. The regulations should build in safeguards—similar to the provisions directed at "high-frequency filers" and "non-compliant filers"—that prevent plaintiffs' attorneys and law firms from repeatedly taking abusive positions to disrupt settlements reached by other firms.

We support the Agency's modification to the notice requirements, limiting notice to pending PAGA actions. However, we submit that the notice requirements remain overbroad. The Agency should ensure that the regulations' notice requirements are appropriately tailored in scope to the specific concerns the Agency seeks to address. Requiring notice of all PAGA actions against an employer, regardless of whether there is any overlap in either the claims asserted or the group of alleged employees at issue, is unduly burdensome (particularly for larger employers) and risks creating confusion and provoking unnecessary disputes.

As we noted in our March 23 comments, there is a risk that allowing for the submission of comments to the Agency and requiring broad notice of other PAGA actions against the same employer will encourage gamesmanship by competing attorneys that could stall or upend a good faith settlement, despite the California Supreme Court's express holding in *Turrieta v. Lyft* that employees and their attorneys with overlapping PAGA claims have no right to intervene in another PAGA action at the trial court.

Recommendation: The regulations should include provisions protecting against abuse by firms seeking to disrupt good faith settlements.

We recommend further modifications to Section 17461(c)(2), as follows:

§ 17461. Submitting Proposed Settlements of Civil Actions to the Agency; Notice to Other Persons with Pending Actions.

(c)(2)(A) Any person entitled to notice of a proposed settlement agreement under subdivision (b) may submit comments to the Agency in support of or against the proposed settlement. Comments concerning a proposed settlement must be submitted to the Agency via email to <PAGAInfo@dir.ca.gov> within 21 days of the date of the notice described in subdivision (b). Any comments against the proposed settlement shall state the reasons therefor.

(B) In evaluating any comments submitted under subdivision (c)(2)(A), the Agency will consider whether the person, attorney, or law firm submitting the comments is designated as a "high-frequency filer" or "non-compliant filer"; whether the person, attorney, or law firm filing the comments has submitted three or more comments concerning other proposed settlements within the preceding 12-month period; whether the comments submitted appear frivolous or appear intended to harass; and whether the comments are being presented for an improper purpose.

Recommendations:

- Notice of other PAGA actions should only be required where there is overlap in (1) the claims asserted and (2) the group of alleged employees at issue.
- Notice should be given to the plaintiffs' counsel of record in overlapping PAGA civil actions.
- The obligation on counsel for employers should be limited to their knowledge after exercising reasonable diligence to identify overlapping PAGA actions.
- Inadvertent omissions should not invalidate settlement approval.

We recommend further modifications to Section 17461(b)(1), as follows:

§ 17461. Submitting Proposed Settlements of Civil Actions to the Agency; Notice to Other Persons with Pending Actions.

(b)(1) A plaintiff proposing to settle claims under PAGA must provide notice by email to *counsel of record* for all plaintiffs with civil actions asserting PAGA claims pending against the same employer at the time the proposed settlement is filed in court, *to the extent the pending civil actions involve overlapping alleged Labor Code violations and overlapping groups of alleged aggrieved employees*. Counsel for the settling defendant employer shall verify the list of other plaintiffs who have *overlapping* pending actions against the employer under PAGA is accurate and complete *to the best of their knowledge after exercising reasonable diligence to identify pending civil actions with overlapping PAGA claims*. *Inadvertent omissions from the plaintiff's notice to other plaintiffs who have overlapping pending actions shall not be a basis for the court to deny settlement approval.*

The Regulations Should Permit Individual, Private Releases of Individual PAGA Claims

Section 17462, which prohibits settlement of any PAGA claims, including individual PAGA claims, without court approval, could have a chilling effect on settlements in individual employee disputes and separation agreements unrelated to PAGA. The Agency's clarification that pre-litigation individual, private settlements of "the individual employee's own underlying individual claims" are not foreclosed is not a solution. Section 17462 still risks interference with parties' ability to contract regarding employment disputes unrelated to PAGA and encourages abuse of PAGA by plaintiffs' attorneys and law firms, by creating scenarios where a settling employee could resolve their individual claims in an individual settlement or separation agreement only to turn around and immediately commence a PAGA representative action against the employer. Many employers will be unwilling to take such risks, and the barriers and burdens that Section 17462 imposes on parties' ability to negotiate full, fair, and final resolutions of individual claims, potential individual PAGA claims, will have detrimental effects on employees, employers, and the courts.

We submit that narrower language can adequately safeguard the Agency's interests in preventing individual employees and plaintiffs' firms from abusing PAGA by purporting to settle groupwide PAGA claims without requiring court oversight or by filing PAGA notices to gain settlement leverage in pre-litigation individual disputes.

Recommendation: The regulations should make clear that they do not foreclose individual, private releases of an employee's individual PAGA claims, where the employee has not filed a PAGA notice against the employer.

We recommend further modifications to Section 17462, as follows:

§ 17462. Proposed Settlements Before Commencement of a Civil Action; Release of Claims Against the Employer.

No settlement agreement between an employer and an employee except for a settlement reached pursuant to the procedures set forth in Labor Code section 2699.3, subdivision (c)(2) and subchapter 3 of these regulations (commencing with regulation 17430) or a settlement agreement subject to approval pursuant to Labor Code section 2699, subdivision (s)(2), may purport to release the employer from any PAGA claims belonging to ~~the employee~~, the state, or any other person, or any other claims belonging to the state or any other person. Nothing herein shall preclude an employee and employer from reaching a

private settlement releasing the employee's own underlying, individual claims in the period after *the employee has filed* a PAGA notice ~~is filed~~ but before *the employee has filed* any civil action under PAGA ~~has been filed~~. *Nothing herein shall preclude an employee and employer from reaching a private agreement that releases the employee's individual claims, including the employee's individual PAGA claims, where the employee has not filed a PAGA notice or a PAGA civil action against the employer. Nothing herein shall preclude an employee and employer from reaching a private agreement that the employee will not file a PAGA notice or a PAGA action against the employer on behalf of the state or any other person, where the employee has not filed a PAGA notice or a PAGA civil action against the employer.*

The Regulations Should Require Claimants to Provide DOSH with Sufficient Information Regarding Alleged Violations of Division 5

As stated in our March 23 comments, we appreciate that the proposed regulations provide important guidance to claimants who seek to bring PAGA actions alleging violations of Division 5. As the Agency has recognized, to give adequate notice to DOSH and to employers regarding the specific purported violations at issue, PAGA notices alleging Division 5 violations must provide sufficient information and specificity to enable DOSH to commence an investigation as Labor Code Section 2699.3(b)(2)(A) requires.

Of particular importance is that a claimant's PAGA notice must advise DOSH regarding the specific location(s) where and date(s) when the alleged Division 5 violations purportedly occurred. Otherwise, DOSH cannot know where to commence its investigation or inspection.

Recommendation: Revise Section 17410(a)(1)(C) to add that the filer must identify the location(s) and date(s) of the alleged violations when the filer is submitting a PAGA notice alleging a Division 5 violation.

We recommend further revisions to proposed regulation 17410(a)(1)(C), as follows:

§ 17410. Filing Via the Online PAGA Filing Portal.

(a)(1)(C) If a PAGA notice or amended PAGA notice alleges safety and health violations subject to the requirements of subdivision (b) of Labor Code section 2699.3, when submitting the notice or amended notice using the online PAGA filing portal, the filer must (i) indicate the filing of such a claim by checking the field "Notice asserts one or more OSHA violations subject to requirements 2699.3(b)," ~~and~~ (ii) list the applicable specific Labor Code sections or regulations the employer allegedly violated in the accompanying field, *(iii) identify the address or a specific description of the location where the claimant works or worked and where the safety and health violations personally suffered by the claimant allegedly exist or existed, and (iv) identify the date or dates of the alleged violations.* Absent compliance with these requirements, an alleged safety and health violation subject to the requirements of subdivision (b) of Labor Code section 2699.3 is not deemed filed with or properly submitted to the Division.

We commend the Agency's recognition of the need for appropriate PAGA regulations, and we appreciate the opportunity to submit these further comments for the Agency's consideration.

Thank you for your consideration.

Sincerely,



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