

PAGA Victimizes Workers, Rewards Trial Lawyers

WHAT happens when a state labor law no longer protects the employees who do the laboring?

This describes the sad situation in California, where the state legal code is best understood by the trial attorneys who work day in and day out to profit off its complexity. Perhaps the most-abused section of the code's 1,000-plus pages is the Private Attorneys General Act.



Manzo

Like so many misguided laws, PAGA started with good intentions: The state lacked the resources to investigate every bad-apple employer, so it deputized employees to bring complaints before the state. For trial attorneys, this law's creation was the equivalent of a winning Powerball ticket – a chance to obtain massive settlements from well-meaning employers who are too busy trying to keep their doors open to notice every nook and cranny of the legal code.

Consider the story of Santa Fe Importers, a

family-owned meat wholesaler based in Long Beach since 1947. The owner, Vincent Passanisi, recently was forced to settle a lawsuit that included a PAGA claim for \$285,000 – a sizable

sum that could have been as high as \$3.5 million.

Passanisi's offense that warranted this penalty? He allowed his employees to have a flexible work schedule and decide what time to take their lunch. That probably sounds to most observers like a perk of the job rather than a penalty. But the state's labor law requires that employees must take lunch within five hours of punching in – a detail seized upon by the attorneys who led the raid on Santa Fe Importers.

A story in the Business Journal on the case ("PAGA Suits Raise Employer Stakes," Aug. 21) included one attorney's contention that he was looking out for the employees' best

interests. But even according to the state, this five-hour rule isn't a matter of life and death. For instance, the attorneys who worked the case are considered professionals exempt from this rule, as are union members whose collective-bargaining agreements can exempt them from such a requirement.

I empathize with Passanisi's plight – in fact, it was recently my own. The company that I'm president of, Timely Industries, was hit with

its own PAGA lawsuit because we allowed our employees the flexibility to take lunch breaks together. Subsequent conversations I had with other affected employers led me to found the California Business and Industrial Alliance, a trade association with a laserlike focus on reforming the most-onerous provisions of the state's labor code – starting with PAGA.

Less flexibility

The real tragedy here is that employees shoulder the cost. At Passanisi's business, and at my company, employees now have less flexibility than they did before – forced to take lunch at a time determined by the state, rather than their own choice. Instead of rewarding hard-working business owners like Passanisi who invest their time and money in the state and its residents, we're rewarding the lawyers who siphon money away from them.

It's time to change this status quo, and the California Business and Industrial Alliance is determined to lead that charge.

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