

What Calif. Appeals Split Means For Litigating PAGA Claims

By **Graham Lambert and Rochelle Calderon** (June 20, 2025)

Two recent decisions in the California Court of Appeal, Second Appellate District — *Williams v. Alacrity Solutions Group LLC*[1] and *Osuna v. Spectrum Security Services Inc.*[2] — have highlighted the thorniest issues in Private Attorneys General Act litigation: standing and timeliness.

Both cases involve former employees who filed PAGA claims more than one year after their employment ended, yet the courts reached opposite conclusions about whether those claims could proceed.

On April 22, the Second Appellate District affirmed in *Williams* that a PAGA plaintiff must have suffered a Labor Code violation within the one-year statute of limitations to have standing to bring a valid PAGA claim.

Shortly thereafter, in *Osuna*, a different division of the Second Appellate District allowed a former employee to proceed with a representative PAGA claim even though his own claims were untimely.

As California's appellate courts issue conflicting rulings on whether a former employee with untimely individual claims can maintain a representative PAGA action, the sharp divide between the decisions in *Williams* and *Osuna* exposes a fundamental tension in PAGA's architecture.

This not only unsettles pre-reform litigation, but also creates immediate strategic risks and procedural ambiguities for both sides until the California Supreme Court provides definitive guidance.

A Win for Employers: *Williams v. Alacrity Solutions Group*

In *Williams v. Alacrity Solutions Group*, the appeals court held that a PAGA plaintiff must have suffered a Labor Code violation within the one-year limitations period prescribed by the Code of Civil Procedure, Section 340(a).

The plaintiff had ended his employment more than a year before filing his PAGA notice. The court rejected his argument that he could pursue claims on behalf of others without asserting a timely individual claim, even under the pre-2024 amendment of PAGA.

Critically, the court emphasized that timeliness is a threshold requirement for the plaintiff's individual claim — and not merely relevant to damages. In doing so, it rejected the notion of "headless" PAGA actions, where a plaintiff seeks to recover solely on behalf of others without alleging a timely individual violation.

The court distinguished standing from timeliness, holding that the statute of limitations operates independently and must be satisfied by the named plaintiff.

A Cautionary Contrast: *Osuna v. Spectrum Security Services*



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By contrast, on May 27 in *Osuna v. Spectrum Security Services*, a different division of the Second Appellate District reached the opposite conclusion and took a more expansive view of standing.

The court found that the plaintiff, who also filed a PAGA notice more than one year after his last day of work, still had standing under the pre-2024 PAGA statute. It reasoned that because he had once experienced a Labor Code violation, his claim could proceed — even though it was untimely for the purpose of recovering penalties.

The court reasoned that PAGA's standing requirement is satisfied if the plaintiff was employed by the defendant and suffered a Labor Code violation at any time during their employment. This interpretation reflects a broader view that treats the statute of limitations as applicable to recovery of penalties, not standing.

2024 Legislative Reform

In 2024, the California Legislature amended PAGA to clarify that plaintiffs must have experienced each alleged violation within the applicable one-year statute of limitations period.

However, by its terms, this amendment only applies to PAGA notices that were filed on or after June 19, 2024, leaving an open question about what to do with cases involving PAGA notices that predate June 19, 2024. Both *Williams* and *Osuna* fall into the pre-June 19, 2024 framework.

The current statute aligns with the stricter approach taken in *Williams*, ensuring that newly filed PAGA actions are premised on timely individual claims.

Older rulings, however, align more closely with *Osuna*, allowing plaintiffs with time-barred individual penalty claims to nonetheless represent other allegedly aggrieved employees in representative actions.^[3]

Statute of Limitations Split and Headless PAGA Divide

At the heart of the decisions in *Williams* and *Osuna* lies a fundamental disagreement about how the one-year statute of limitations under the Code of Civil Procedure, Section 340(a), applies in PAGA litigation.

The *Williams* court treats the limitations period as a prerequisite for standing, requiring both a timely individual claim and for the named plaintiff to allege an individual Labor Code violation within the applicable one-year statute of limitations.

The *Osuna* court, by contrast, views it as a limit on recoverable penalties, not the ability to bring a representative action.

This divergence gives rise to the headless PAGA claim: A lawsuit in which the named plaintiff is not pursuing penalties on their own behalf, but nonetheless seeks to pursue penalties on behalf of other current or former employees.

While the *Williams* decision attempts to close the door on such cases, the *Osuna* decision preserves them under pre-reform law, leaving litigants in a procedural gray zone.

Why the Split Matters: Judicial Uncertainty and Strategic Risk

The divergence between the Williams and Osuna decisions signals deep judicial uncertainty about the fundamental architecture of PAGA claims.

One view demands that plaintiffs demonstrate a timely individual violation to have standing, as in Williams, while the other permits litigation based on historical violations alone, as in Osuna.

This clash injects instability into pending cases that were filed under pre-reform PAGA, as outcomes may now depend more on appellate venue than legal merits.

For employers, this split increases litigation risk and complicates early resolution strategies. For plaintiffs, it creates inconsistent access to PAGA's enforcement mechanism.

Until the California Supreme Court resolves the issue, potentially through the pending review of *Leeper v. Shipt Inc.*,^[4] forum shopping and inconsistent outcomes will likely persist across jurisdictions.

Practical Takeaways

Use the statute of limitations strategically in early motion practice.

Where courts are inclined to follow the decision in Williams, practitioners should move early to dismiss headless PAGA claims by asserting the one-year statute of limitations as a bar to any action lacking a timely individual component. Doing so may result in an early dismissal or a substantial narrowing of the claims before expensive discovery begins.

Leverage arbitration agreements to challenge individual claims first.

Compelling arbitration of the individual component of a PAGA claim may provide an avenue to defeat or narrow PAGA claims.

If the individual claim is time-barred or otherwise defective in arbitration, the Williams decision suggests that the representative portion cannot proceed, potentially disposing of the entire case, as would be the case under the new PAGA framework, which requires a plaintiff to have suffered the violations of which they complain.

Employers should ensure that their arbitration agreements are enforceable, as compelling PAGA claims to arbitration can be tricky owing to the current PAGA landscape.

Reinforce recordkeeping and compliance audits.

With timing now being central to PAGA viability, it is critical to maintain accurate employment records, particularly around final wages, wage statements and termination dates.

Businesses should proactively audit their practices and documentation to ensure statutory compliance and to position themselves defensively in litigation.

Conclusion

In this unsettled environment, practitioners should be prepared to assert both procedural and substantive defenses early, while remaining agile as the legal landscape continues to evolve.

With conflicting rulings now on record, strategic agility will be key to managing risk and achieving favorable outcomes in PAGA litigation.

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[1] Williams v. Alacrity Sols. Grp., LLC (2025) 110 Cal.App.5th 932, <https://www4.courts.ca.gov/opinions/documents/B335445.PDF>.

[2] Osuna v. Spectrum Security Services, Inc. No. 2D CIV. B338047 (Cal. Ct. App. May 27, 2025), <https://www4.courts.ca.gov/opinions/documents/B338047.PDF>.

[3] (See e.g. Johnson v. Maxim Healthcare Services, Inc. (2021) 66 Cal.App.5th 924 [holding an employee whose individual PAGA claim was time-barred may nonetheless pursue a PAGA representative claim on behalf of other employees.], superseded by statute as stated in Osuna, supra.).

[4] See Leeper v. Shipt, Inc., No. S289305 (B339670, 107 Cal. App. 5th 1001, Court of Appeal Opinion here: <https://www4.courts.ca.gov/opinions/archive/B339670.PDF>).