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Los Angeles Tops “Judicial Hellhole” List!

California Employment Law Update on **December 12, 2025**

Los Angeles has claimed the top spot on the American Tort Reform Foundation’s (ATRF) annual list of “Judicial Hellholes.” The Report claims that “lawsuit abuse in Los Angeles . . . has propelled the jurisdiction to the very top of the list.” According to the ATRF, the plaintiffs’ bar resorts to various litigation tactics that drive Los Angeles’ notorious nuclear verdicts (i.e., those exceeding $10 million), including:

- “Anchoring tactics” by lawyers who plant extremely high amounts in jurors’ minds to set a base dollar amount for a pain and suffering award;
- Third-party litigation financing, which seeks to maximize profit and discourage reasonable settlement in pursuit of larger damage awards at trial; and
- Use of the so-called “reptile theory”—a tactic that manipulates jurors into deciding cases based on raw emotion and perceived threats rather than evidence presented at trial. For example, some courts routinely permit evidence of a company’s general policies, practices, or alleged lack of compliance with government regulations, even if only remotely related to the plaintiff’s case, in order to portray the business as a threat to public safety.

Other highlights include:

- Abusive ADA litigation in Los Angeles, which often targets small businesses that lack the resources to defend themselves and are more likely to settle;
- A flood of lawsuits under the recently “reformed” Private Attorneys General Act (PAGA), which has done little to help workers in cases in which the bulk of the proceeds paid by employers go to plaintiffs’ lawyers;
- An increase in environmental litigation, which has become an active growth area for the trial bar, especially in California; and
- Los Angeles courts leading the charge to significantly curtail the availability of arbitration as an efficient and effective means of resolving claims.

Economic Impact Data:

According to the ATRF's report, lawsuit abuse and excessive tort costs wipe out billions of dollars of economic activity annually. California residents pay a "tort tax" of $2,458.33 (fifth highest in the nation) and 829,255 jobs are lost each year according to a recent study by The Perryman Group. In Los Angeles, the numbers are even worse. Los Angeles residents pay a "tort tax" of $3,658.00 and over 407,500 jobs were lost. If California enacted specific reforms targeting lawsuit abuse, the state would increase its gross domestic product by $95.8 billion.

Read the ATRF's full report here.

View original.

Related Professionals

- **Anthony J. Oncidi**
  Partner
- **Jennifer J. McDermott**
  Associate
- **Philippe A. Lebel**
  Partner