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Prevailing-Party Attorneys' Fees Include Reasonable Paralegal Fees (And AI-Hallucinations Are Bad!)

California Employment Law on **September 22, 2026**

Del Biaggio v. Bansen, 121 Cal. App. 5th 831 (2026)

Daniel Del Biaggio sued Pete and Mary Bansen for breach of a personal services contract when they allegedly failed to provide the full benefit of the bargain under the contract after Del Biaggio worked for them for four years at Bancrest Dairy. The jury awarded Del Biaggio $52,850. As the prevailing party, Del Biaggio also sought recovery of $115,533 in attorneys' fees and paralegal fees under a contractual provision authorizing reasonable "attorneys' fees." The trial court reduced the number of compensable hours of attorney time and denied reimbursement for the paralegal hours. Although the Court of Appeal upheld a substantial reduction in the attorneys' hours based on the use of block billing, duplication, and work on unsuccessful and unsupported claims, it held that the ordinary contractual language allowing attorneys' fees encompasses reasonable paralegal fees. The Court held that excluding paralegal time would discourage cost-effective delegation and increase litigation costs and remanded the case for the trial court to determine a reasonable award for the paralegal time spent. Although the court vacated a sanctions award against Del Biaggio for filing an unauthorized reconsideration motion, it sanctioned his attorney for filing a brief containing AI-fabricated case quotations and ordered notification to the State Bar (Cal. Bus. & Prof. Code § 6086.7(a)(3)) and the client.

Related Professionals

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