

California Restaurant Managers get Second Chance at Class Action

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By: Peter J. Felsenfeld

In *Martinez v. Joe's Crab Shack Holdings*, the [California Court of Appeal for the Second Appellate District](#) reversed an order denying class certification to a group of managerial restaurant employees allegedly misclassified as exempt.

The case was brought by lower-level managers at Joe's Crab Shack restaurants throughout California who complained that they performed many of the same tasks as hourly employees but did not qualify for overtime pay due to their managerial status.

In support of their case, Plaintiffs filed declarations from 22 managers who reported routinely working up to 70 hours per week, often filling in where needed as cooks, servers, bussers, hosts, stockers, bartenders, and kitchen staff. The declarants reported that they received no overtime for working these positions that were normally staffed by hourly employees.

The question at issue was whether the managers met the requirements for class certification. Under California law, class treatment is appropriate where:

1. common questions of law or fact predominate;
2. class representatives have claims or defenses typical of the class; and
3. the class representatives can adequately represent the class.

The application of these factors is not always simple.

The trial court denied class certification, holding that Plaintiffs failed to establish that their claims were typical of the class and that common questions predominated. The Second Appellate District reversed.

In so holding, the court criticized the lower court for focusing on the plaintiffs' varying damages rather than on common issues of liability. Thus, the court noted that plaintiffs may have satisfied the "typicality" requirement because they all claimed (1) their tasks did not change once they became managers and (2) they were not paid

overtime for performing utility functions normally reserved for hourly employees. The fact that the managers alleged varying degrees of damages should not defeat class certification, the court held.

“[T]he fact finder here will ultimately have to decide whether [the employer] properly classified the members of the class as exempt from overtime requirements,” the court stated.”

Accordingly, the court remanded the case for a new determination on class certification.

Employee classification can present challenging questions for employers. [Barger & Wolen](#) attorneys are available to answer any questions you may have.

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