

Paul Plevin & Sullivan LLP

Serving California Employers

Recent
Developments

JURY RETURNS \$90 MILLION OVERTIME VERDICT (July 11, 2001)

A jury issued a verdict yesterday that we felt compelled to circulate because it illustrated some of the points we raised in our *Avoiding Wage and Hour Timebombs* seminar two weeks ago. As we discussed during that seminar, misclassifying employees as exempt can be a very expensive proposition. Yesterday, an Oakland jury awarded **\$90 million** to a class of 2,400 Farmers Insurance claims adjusters whom the court had earlier ruled were improperly misclassified as exempt.

This case reinforced some of our main teaching points: that merely because an employee has a certain title, or does "white collar"-type work, does *not* necessarily mean that that employee is exempt. Rather, an employee is *only* exempt if he or she meets the specific tests laid down in federal and, often more stringently, in state law. Those tests are explained in our seminar materials; if you were unable to attend the seminar but would be interested in receiving a copy of these materials, please send your request to: info@paulplevin.com. If you would be interested in having our *Avoiding Wage and Hour Timebombs* seminar presented to your company in-house, or if you have any other questions on these issues, please e-mail jconnaughton@paulplevin.com or call Joe Connaughton at (619) 744-3645.

This E-Update is offered as general information to our clients and friends. The Update is not intended as legal advice applicable to any specific situation and should not be taken as such.

Send comments to info@paulplevin.com. Last modified 07/18/01