



MARRON LAWYERS

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Franchisee Not an Employee of Franchisor: Marron Lawyers Achieves Big Win for Franchisor Before California Court



Attorneys Paul Marron and Jaime B. Laurent sealed a victory in a discrimination case brought by a franchisee against a large national franchisor. With implications for the Federal Department of Labor and other agencies' efforts to assault the franchise industry on joint employer and other theories, the franchisee claimed that because of franchisor's supposed "excessive" and "employer-like" control. He was franchisor's employee and could sue for religious and national origin discrimination under California's Fair Employment and Housing Act ("FEHA"), which only covers employees, and not independent franchisees.

This win comes at a time when the franchise business model is facing destabilizing pressure on a national scale from joint employer and independent misclassification claims brought by various government agencies and plaintiff attorneys. At the forefront of these attacks is the general counsel of the National Labor Relations Board ("NRLB") who issued a consolidated complaint against McDonald's, the largest franchisor in the world, and approximately 30 of its franchisees, alleging that McDonald's is jointly liable for the unfair labor practices of its franchisees. Hearings before a NRLB administrative law judge began in March of 2016.

California has also seen a drastic increase in the number of independent contractor misclassification claims brought before state employment agencies like the California Labor Commissioner's office and class actions filed by various plaintiffs' attorneys. The franchising industry has been one of the hardest hit with such claims. "Franchisors

must take every opportunity, whether in litigation or through the legislative process, to reinforce the distinction between the 'controls' required by a franchise business model and those imposed by an employer" said Paul Marron, Principal of Marron Lawyers. "Every decision matters if we want to protect the franchise business model as a viable means of conducting business" commented Jaime Laurent, Associate at the Firm and a chief architect of the victory.

Messrs. Marron and Laurent are associate members of the International Franchise Association (IFA). They have been prevailing in "I'm your employee" claims brought by franchisees and their workers since 2007. They have a deep working knowledge of joint employer theories that currently are putting the franchising industry under assault.

Marron also has tried over 40 cases to verdict and when representing defendants has defeated claims for as much as \$30 million. On the plaintiff's side for business clients, Marron is a member of the Multi-Million Dollar Advocates Forum, an exclusive group of attorneys who have obtained jury trial judgments in the multiple seven figures. His practice focuses on business litigation, franchise litigation, labor and employment, and the on-demand transportation industry. Jaime B. Laurent has extensive experience in labor and employment matters, business litigation, commercial contracts and legal issues related to franchises and the transportation industry.

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