



MARRON LAWYERS

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*Marron Lawyers Represents
Logistics Company
in EDD Audit and Wins*

Jaime Laurent of Marron Lawyers recently represented a trucking company in an EDD audit where the EDD had to make a determination whether 120 drivers of said client's independent owner-operator fleet were misclassified as independent contractors.

During the audit process, the EDD collected financial, payroll, and operational documentation from the client company, and interviewed executives, as well as a sample of owner-operators. Based on the collected information, the EDD determined whether the owner-operators were correctly categorized as independent contractors, or should be reclassified as employees. Had the owner-operators been reclassified as employees, the EDD would have imposed an assessment against the client company for all unpaid payroll taxes for all independent contractors within the last three years, including penalties. For mid-sized to large fleets, EDD assessments and penalties following reclassification of independent contracts, and can amount to hundreds of thousands of dollars.



With the operational and contractual changes implemented by The Marron Lawyers Independent Contractor Proactive Program and Mr. Laurent prior to the audit and the presentation of the client's operations in a manner that reinforced the independence of all operators, the EDD determined that all of the independent owner-operators were **correctly classified as independent contractors**. Mr. Laurent used the Firm's cutting edge independent contractor agreements and key operational changes to establish that the client was not an employer, but rather a customer of each independent contractor. By using the extensive experience that the Firm has gained in representing clients in such audits, Mr. Laurent obtained a favorable result for the client.

About:

Paul Marron, Jaime Laurent and Paul Arenas, of the Firm, have been leading the Firm's push to review transportation clients' contracts and operations in order to preempt misclassification claims from drivers. They have worked with numerous transportation clients to change how they interact with independent contractors on a contractual and operational basis in order to secure wins in this key area.