

California Court Of Appeals Overturns Superior Court Denial Of Class Certification

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A California Court of Appeal issued a decision that should serve as a cautionary tale for defendants in California class actions. The appellate court overturned a Superior Court judge's decision denying class certification in an alleged misclassification case where the judge found that plaintiffs had **failed to establish** that:

1. their claims were typical of the class;
2. they could adequately represent the class;
3. common questions predominated the claims; *and*
4. a class action is the superior means of resolving the litigation.

In *Martinez v. Joe's Crab Shack Holdings, et al.*, a group of salaried managerial employees claimed to have been misclassified as exempt, and denied rightful overtime pay. In denying the motion for class certification, the Superior Court relied on the fact that the different managers could not show that they shared common facts, including whether they performed exempt tasks more than 50 percent of the time (the defense submitted evidence impeaching statements made by the class representatives, who admitted at deposition that they were unable to estimate the amount of time spent on

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exempt vs. nonexempt duties and that their duties varied daily). The Superior Court found that the variability among the different members of the putative class would require a time and resource-consuming process by which every putative class member's exemption would have to be adjudicated and, accordingly, denied certification.

Despite acknowledging that it could be difficult for the plaintiffs to prove their case, the Court of Appeals overturned the denial of certification based on the supposition that California courts post-*Brinker* have “*a renewed direction that class-wide relief remains the preferred method of resolving wage and hour claims, even those in which the facts appear to present difficult issues of proof.*” In overturning the underlying decision, the appellate court stated that the trial court should re-focus “its analysis on the policies and practices of the employer and the effect those policies and practices have on the putative class, as well as narrowing the class if appropriate” and that, in so doing, the court “may in fact find class analysis a more efficient and effective means of resolving plaintiffs’ overtime claim.” This statement by the Court of Appeals is alarming because it is stating a judicial preference for finding certification regardless of the existence of highly diverse facts between different putative class members.

While the case does not necessarily reflect the views of the California Supreme Court and may yet be appealed further, it provides some insight into some of the difficulties in defending class actions in California state court.