

NLRB Disregards Corporate Entity And Holds Individual Owners Liable For CBA Violations

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In a case from earlier this week, Bella Masonry LLC was held to be the alter ego of Ace Masonry Inc. dba Ace Unlimited and both companies were found to have violated Section 8(a)(5) of the Labor Management Relations Act. Accordingly, the two companies were ordered by the National Labor Relations Board (NLRB) to make whole the employees for any differences in their pay resulting from the employer's violations and also to make whole certain union benefit funds where the two companies had defaulted on their contractually obligated contributions. However, both companies – who had ceased doing operations – failed to comply with the board's order. The failure by the two companies to comply with the order teed up the ultimate question: ***can individuals connected with these corporate entities be held personally liable for the amounts owed per the board's order?*** Not surprisingly, the board answered this question in the affirmative and held that certain owners (and non-owners) were financially responsible for making the employees and benefit funds whole per the board's order. In short, the board found that the owners and non-owner commingled personal assets with corporate entities and transferred funds amongst the companies to avoid liability. The board's analysis can be found [here](#).

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