

PRESS ADVISORY

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COURT OF APPEAL SAYS STATE-WIDE CASE BROUGHT BY SAN LUIS OBISPO NURSING ASSISTANT CAN MOVE FORWARD IN SLO COUNTY SUPERIOR COURT: SIGNIFICANT PUBLISHED OPINION HOLDS A CORPORATE PARENT CAN BE FOUND LIABLE FOR SUBSIDIARY'S MINIMUM WAGE & OVERTIME VIOLATIONS

In August 2011, John Castañeda, a certified nursing assistant, sued his former employer, The Ensign Group, Inc., for wages he never received while working at **Bella Vista Transitional Care Center (formerly Cabrillo Rehabilitation and Care Center)** in San Luis Obispo, California. The Ensign Group, Inc. operates various cluster companies and subsidiaries, which, in turn, operate skilled nursing facilities throughout California. Mr. Castañeda brought a state-wide class action lawsuit to recover unpaid wages on behalf of thousands of certified nursing assistants who work at Ensign's skilled nursing facilities across California.

The San Luis Obispo Court threw out Mr. Castañeda's case on the ground that The Ensign Group is not an "employer" and, therefore, not liable for unpaid wages, but Baltodano & Baltodano LLP, working with appellate attorney Allison Ehlert from Ehlert Appeals, appealed the ruling. "This was an important ruling to appeal: A large corporation simply cannot cheat workers out of wages and evade liability by hiding behind other companies and subsidiaries it owns," said attorney Hernaldo J. Baltodano.

On August 7, 2014, the California Court of Appeal reversed the trial court's ruling, holding that triable issues of material fact exist as to whether The Ensign Group is an employer and liable for the unpaid wages. The appellate decision, which was certified for publication on September 15, 2014, succinctly elaborates on the definition of "employer" as set forth in an earlier California Supreme Court decision and brings clarity to an otherwise little-discussed aspect of employment law.

Ms. Ehlert said, "The appellate decision is unequivocal. We amassed a huge amount of evidence showing The Ensign Group was Mr. Castañeda's employer, we met our burden on appeal, and now Mr. Castañeda will have his day in court." The decision will likely call into question the business model of parent-subsidiary corporate relationships statewide and make it easier for employees to exercise their rights under California law.