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BLOGS

Franchisor Ultimately Prevails in Massachusetts Federal Court on Whether Franchisees Are Employees

The summary judgment in *Awuah v. Coverall North America* (summarized in Issue 130 of *The GPMemorandum*) did not result in a victory at trial for the plaintiffs. That much-discussed March ruling by a Massachusetts federal court judge was that Coverall, a janitorial services franchisor, could not classify its franchisees as independent contractors instead of employees. Less than two months later, however, on the eve of trial, the same judge dismissed the claims of the “franchisee/employees” for lack of evidence of damages suffered as a result of any misclassification. The case then went to trial on other claims, and the plaintiffs all lost. Two plaintiffs’ claims were dismissed during the trial, and the jury on May 26, 2010, rendered a verdict against the other two plaintiffs after an 11-day trial.