

**BLOGS**

Employment

New York Federal Court Rejects Former Employees' Attempt to Apply Single Integrated Enterprise Doctrine to Franchisor

A federal district court in New York granted franchisor Just Salad's motion for summary judgment on all claims against it and against various franchisees who never employed the plaintiffs. *Tecocoatzzi-Ortiz, v. Just Salad, LLC*, 2022 WL 596831 (S.D.N.Y. Feb. 25, 2022).

A federal district court in New York granted franchisor Just Salad's motion for summary judgment on all claims against it and against various franchisees who never employed the plaintiffs. *Tecocoatzzi-Ortiz, v. Just Salad, LLC*, 2022 WL 596831 (S.D.N.Y. Feb. 25, 2022). A group of former employees brought a putative class action against franchisor Just Salad and various franchisees, alleging violations of federal and state labor laws. The former employees alleged that Just Salad and its franchisees should be held liable as a single employer under the "single integrated enterprise" theory because certain human resource functions were centralized across locations, district managers worked with the general managers of certain locations, and various policies applied across all locations. The plaintiffs moved for class certification, and the defendants moved for summary judgment.

The court granted summary judgment to Just Salad and the franchisees who had never employed the plaintiffs, rejecting the single integrated enterprise theory. The court held that the employees failed to demonstrate how the stores where the employees did not work had any control or supervision over them, how the operations of different stores were interrelated, or that all the Just Salad stores are part of the same corporate structure or under common ownership or management. The court also denied plaintiffs' motion for class certification, concluding it failed to meet any of the requirements for class certification. In particular, there was a lack of commonality in the class's claim. Because the plaintiffs could not show that the franchisor and franchisees formed a single integrated enterprise, they were unable to show the requisite commonality to their claims against their various employers. The court did, however, permit the plaintiffs' claims to proceed against their individual franchisee employers.

Related People

Eli Bensignor

Partner

Minneapolis

612.632.3438

eli.bensignor@lathropgpm.com

Related Services

[Franchise & Distribution](#)