



Impact of California's Assembly Bill 5 on Franchisors

October 3, 2019

Webinar

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California Assembly Bill 5 (AB-5), which becomes effective January 1, 2020, makes far-reaching changes in who will be considered an "employee" in California. AB-5 establishes a three-part test ("ABC Test") for determining whether a "worker" is an independent contractor. Unless each element of the ABC Test is satisfied, a "worker" is deemed an employee. Application of AB-5 in the franchise context could result in franchisees, and perhaps their employees, being considered "employees" of franchisors.

This highly publicized law has received national attention because of its objective of characterizing Uber, Lyft, and Grubhub drivers as employees, rather than as independent contractors, and thereby granting them the benefits of all California employment laws. Thus far, efforts to exempt franchising from the scope of the new law have been unsuccessful, so franchisors need to be prepared for the potential consequences.

On October 3, Gray Plant Mooty franchise and employment lawyers Neil Goldsmith, Mike Gray, Erica Tokar, and Carl Zwisler will explain AB-5 and discuss how its standards, when coupled with recent California litigation regarding joint-employer issues, may affect franchising.

Time:

10:00 a.m. - 11:00 a.m. (PST)

11:00 a.m. - 12:00 p.m. (MST)

12:00 p.m. - 1:00 p.m. (CST)

1:00 p.m. - 2:00 p.m. (EST)

Location:

Live Webcast