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LABOR & EMPLOYMENT

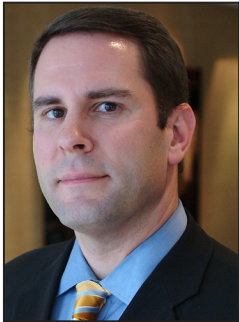
Employment law has always represented a significant portion of legal work done in California. The practice has become even more crucial as California continues to build on its reputation as one of the nation's most employee-friendly states. As a result, some

of the nation's most sophisticated employment lawyers are based here. In this issue we highlight the very top practitioners in the field, and the cutting-edge cases they are handling across the state, the nation and even internationally.

— Editor's Note

EMPLOYMENT DEFENSE

California lawyers companies turn to first



MALCOLM A. HEINICKE

Munger, Tolles & Olson
San Francisco

Year in Review: In December, the 9th U.S. Circuit Court of Appeals affirmed summary judgment on behalf of Heinicke's client Guardsmark in a class action that alleged the private security provider failed to provide workers proper meal periods. The appellate court held an on-duty meal period is not a waived

meal period and thus a second meal period can be on-duty. The court adopted Heinicke's argument despite a contrary opinion from the California Labor commissioner. In another class action against a major financial services provider spanning more than a decade, Heinicke obtained an outright dismissal of wage-and-hour claims that threatened to cost the client millions of dollars in damages for thousands of class members. He successfully argued a novel statute of limitations theory, and the judge's opinion in the case was the first to distinguish recent appellate precedent on the application of California's equitable tolling doctrine in the class context.

Next challenge: When a well-established group of plaintiffs' lawyers filed suits against several of the biggest retailers in California, including Target Corp., The Home Depot Inc., Wal-Mart Stores Inc., Rite Aid Corp. and Blockbuster Inc. seeking to recover massive penalties over the practice of having cashiers stand at their work stations instead of providing seats, Heinicke led a team that won a unique dismissal of a similar putative class action against client 99 Cents Only Stores. Now that case is headed for appeal and the other suits are stayed while Heinicke works to have his victory affirmed.



TERRY E. SANCHEZ

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Los Angeles

Year in Review: Sanchez obtained a settlement of a California class action that set an industry-wide standard, then he obtained a final settlement of a national class action covering more than 21,000 financial advisers against a major securities firm. The settlements he obtained were

substantially less expensive to the client than similar lawsuits brought against other securities firms. This summer, Sanchez settled a multimillion-dollar claim in California against a major utility that was being sued for failing to pay overtime. The plaintiffs argued they primarily performed inspection duties and were misclassified as exempt. In February, he settled a wage-and-hour misclassification federal lawsuit against a large mortgage loan company.

Last year, Sanchez obtained summary judgment against wrongful-discharge claims seeking millions in damages against a major aerospace client. A former employee claimed he was fired after he identified an alleged latent defect in a product. Sanchez successfully argued the employee's actions were not protected under the False Claims Act and did not qualify as wrongful termination in violation of California law. The case is currently being appealed.

Next challenge: Sanchez says one of the biggest challenges he faces every day is determining the financial cost of litigation versus amounts of money in dispute. "Clients want to know how much they're going to spend on a case even if they're going to win," he said. "It's a real concern for in-house counsel and clients."

