

One Minute Memo®



Fictitious Business Name Suffices for Compliant Wage Statement

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Seyfarth Synopsis: *The Court of Appeal, in Savea v. YRC Inc., held that an employer complies with Labor Code section 226(a)(8) when the employing entity lists its fictitious business name on a wage statement rather than the entity's legal name registered with the California Secretary of State. And the wage statement need not list the complete legal mailing address to comply with the statute's address requirement.*

The Trial Court Decision

Vaiula Savea sued his employer, YRC Inc., on a claim that YRC failed to provide the correct employer name and address on its wage statements, as required by Labor Code section 226(a)(8). YRC's wage statements listed only YRC's fictitious business name, "YRC Freight," and did not provide a mail stop code or YRC's ZIP+4 Code.

YRC demurred to the complaint on the grounds that listing the fictitious business name was proper, and that an employer's address need not contain a mail stop code or a ZIP+4 Code. YRC introduced evidence that its fictitious business name was registered with at least one county when the complaint was filed.

The trial court sustained YRC's demurrer without leave to amend, holding that even if YRC "did not strictly comply [with Section 226(a)(8)] ..., it substantially complied by identifying its correct name, and a correct address where it could be reached."

The Appellate Decision

The Court of Appeal granted review and affirmed the trial court's decision. The Court of Appeal held that because the name listed on the wage statement was YRC's actual, recorded fictitious business name in California at the time that Savea sued, YRC had complied with the Labor Code. The Court of Appeal agreed with the analysis of three federal district court cases, all holding that employers listing the fictitious business name, instead of the name registered with the Secretary of State, did not violate Section 226(a)(8).

The Court of Appeal further concluded that YRC complied with the requirement of providing the employer address on the wage statements, noting that Savea cited no authority for the proposition that the mail stop code or ZIP+4 Code is somehow required.

Because the Court of Appeal affirmed the trial court decision that YRC strictly complied with the requirements of the Labor Code, it did not reach the question whether Section 226 requires “strict” or “substantial” compliance.

What Savea Means For Employers

The Court of Appeal’s decision, representing one some might consider a relatively rare instance of judicial common sense prevailing over a hyper-technical Labor Code argument, is a small win for employers. While the Court of Appeal did not conclude whether “substantial” compliance with Section 226 will suffice, employers who operate under fictitious business names can now sleep a little better at night.

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