

UNITED STATES DISTRICT COURT FOR THE CENTRAL DISTRICT OF
CALIFORNIA

Trustees of the Southern California IBEW-NECA Pension Plan v.
JAM Fire Protection

718 F. Supp. 2d 1176 (C.D. Cal. 2009) · No. CV 08-2357 ABC (JWJx) · Decided November 3, 2009

SUMMARY

The United States District Court for the Central District of California resolved cross-motions for summary judgment in an ERISA action concerning allegedly underpaid pension and other benefit contributions. The court held that the applicable project stabilization and collective bargaining agreements defined apprentices as employees enrolled in jointly managed apprenticeship programs, and that seventeen employees enrolled in a unilateral program were therefore improperly classified as apprentices. The court granted the plaintiffs' motion, denied the defendant's motion, and awarded unpaid contributions, interest, liquidated damages, and auditor fees.

CASE DETAILS

COURT	United States District Court for the Central District of California
WRITING FOR THE COURT	Audrey B. Collins
JURISDICTION	California
DECIDED	November 3, 2009
DOCKET	CV 08-2357 ABC (JWJx)
DISPOSITION	other
PROCEDURAL POSTURE	The parties filed cross-motions for summary judgment in an ERISA action seeking unpaid multiemployer-plan contributions. The court granted the Union plaintiffs' renewed motion and denied JAM's cross-motion.
STANDARD OF REVIEW	Summary judgment is appropriate when there is no genuine dispute as to any material fact and the moving party is entitled to judgment as a matter of law. The court views the nonmovant's evidence and justifiable inferences in the nonmovant's favor, while applying the applicable substantive evidentiary burden.
PRECEDENTIAL VALUE	Published federal district court opinion

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QUESTIONS PRESENTED

1. Whether the Project Stabilization Agreement and incorporated Local 11 Inside Wiremen's Agreement limited the term "apprentice" to employees enrolled in jointly managed labor-management apprenticeship programs.
2. Whether JAM was liable under ERISA for unpaid contributions because it paid benefits for the seventeen workers at apprentice rather than journeyman rates.
3. Whether the Union was entitled to mandatory statutory interest and liquidated damages, as well as auditor fees, under 29 U.S.C. § 1132(g)(2).

HOLDINGS

1. The agreements defined "apprentice" to include only employees enrolled in jointly managed apprenticeship programs. Employees enrolled solely in a unilaterally managed program did not qualify as apprentices under the agreements.
2. Because the seventeen workers were not apprentices under the governing agreements, they had to be treated as journeymen for contribution purposes. JAM therefore breached the PSA and violated ERISA by paying contributions at apprentice rates.
3. Upon judgment for the plan in an action enforcing delinquent contributions, the Union was entitled to unpaid contributions, interest, liquidated damages equal to the accrued interest, and auditor fees because the statutory prerequisites were met.

KEY QUOTATIONS

"Thus, the Court concludes, based on undisputed evidence, that the PSA and IWA defined apprentices as only employees enrolled in jointly managed apprenticeship programs." (1184)

"Having concluded that the Seventeen were not classified as apprentices under the PSA, JAM breached the PSA and violated ERISA, so the Court must calculate the amount to which the Union is now entitled." (1185)

"The Court GRANTS the Union's motion for summary judgment and DENIES JAM's motion for summary judgment." (1186)

FACTUAL BACKGROUND

JAM performed electrical work for the Los Angeles Unified School District and was bound by a Project Stabilization Agreement and a Local 11 Inside Wiremen's Agreement governing employee classifications and benefit contributions. JAM employed seventeen workers enrolled in a state-approved, unilaterally managed apprenticeship program after Local 11 allegedly failed to dispatch apprentices, classified them as apprentices, and paid benefit contributions at apprentice rates. The governing agreements required lower contributions for

apprentices than for journeymen, and the Union sought the difference, calculated as \$272,738.63, plus statutory and contractual amounts.

PROCEDURAL HISTORY

The Union brought an ERISA contribution action against JAM based on alleged underpayment of employee-benefit contributions for seventeen workers classified as apprentices. The court previously denied the Union's first summary-judgment motion without prejudice because the parties had focused on hiring procedures rather than the proper classification of the workers and corresponding contribution rates. On the renewed motions, the court resolved the classification issue and entered judgment for the Union, directing it to lodge a proposed judgment.

DISPOSITION

other

CASES CITED

- *Schembre v. AGR Constr. Co.*, Case No. CV 06-943, 2007 U.S. Dist. LEXIS 82817, at *8-9 (E.D. Mo. May 22, 2007)
- *Painters Dist. Council No. 30 Pension Fund v. Reece Servs.*, Case No. 87 C 2156 (N.D. Ill. Dec. 6, 1989)
- *Trustees of the S. Cal. IBEW-NECA Pension Trust Fund v. Flores*, 519 F.3d 1045, 1047 (9th Cir. 2008)
- *Pace v. Honolulu Disposal Serv., Inc.*, 227 F.3d 1150, 1157-58 (9th Cir. 2000)
- *Pierce County Hotel Employees & Restaurant Employees Health Trust v. Elks Lodge*, 827 F.2d 1324, 1327 (9th Cir. 1987)
- *United Steelworkers of Am. v. Warrior & Gulf Navigation Co.*, 363 U.S. 574, 580-81 (1960)
- *Pac. Nw. Bell Tel. Co. v. Commc'n Workers of Am.*, 310 F.2d 244, 247 (9th Cir. 1962)
- *Syufy Enters. v. N. Cal. State Ass'n of IATSE Locals*, 631 F.2d 124, 126 & n.1 (9th Cir. 1980) (per curiam)
- *Cappa v. Wiseman*, 469 F. Supp. 437, 440 (N.D. Cal. 1979), *aff'd* and opinion adopted by 659 F.2d 957, 960 (9th Cir. 1981)
- *Nw. Adm'rs, Inc. v. Albertson's, Inc.*, 104 F.3d 253, 257 (9th Cir. 1996)
- *Kemmis v. McGoldrick*, 706 F.2d 993, 997 (9th Cir. 1983)
- *San Pedro Fishermen's Welfare Trust Fund Local 33 v. Di Bernardo*, 664 F.2d 1344, 1346 (9th Cir. 1982)
- *Alexander v. Gardner-Denver Co.*, 415 U.S. 36, 60 (1974)
- *Graef v. Chem. Leaman Corp.*, 106 F.3d 112, 118 (5th Cir. 1997)
- *Schneider Moving & Storage Co. v. Robbins*, 466 U.S. 364, 376 (1984)
- *Carpenters Health & Welfare Trust Fund for Cal. v. Bla-Delco Constr., Inc.*, 8 F.3d 1365, 1367-69 (9th Cir. 1993)
- *Lewis v. Benedict Coal Corp.*, 361 U.S. 459, 467-70 (1960)
- *Southern Cal. Retail Clerks Union & Food Employers Joint Pension Trust Fund v. Bjorklund*, 728 F.2d 1262, 1266 (9th Cir. 1984)

- Celotex Corp. v. Catrett, 477 U.S. 317, 322-23 (1986)
- Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 254-55, 262 (1986)
- Gates v. Deukmejian, 987 F.2d 1392, 1400 (9th Cir. 1993)

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