

SUPREME COURT OF THE STATE OF NEW YORK, APPELLATE DIVISION,
FIRST DEPARTMENT

Alvarado v. Local 1549—N.Y.C. Clerical Administrative Employees,
et al.

2026 NY Slip Op 00969 (Supreme Court of the State of New York Appellate Division First Department 2026) ·
No. Index No. 155407/24; Appeal No. 5896; Case No. 2025-02827 · Decided February 19, 2026

SUMMARY

The New York Appellate Division, First Department, unanimously affirmed dismissal of Oscar Alvarado's claims for unpaid severance pay against his union employer and related defendants. The court held that New York Labor Law § 198-c provides no private right of action and is preempted by ERISA, and that the contract and quasi-contract claims were barred because the plaintiff did not satisfy the pleading requirements applicable to suits against unincorporated associations.

CASE DETAILS

COURT	Supreme Court of the State of New York, Appellate Division, First Department
WRITING FOR THE COURT	Manzanet-Daniels, J.P.; Scarpulla, J.; Friedman, J.; Chan, J.; Hagler, J.
JURISDICTION	New York Appellate Division, First Department
DECIDED	February 19, 2026
DOCKET	Index No. 155407/24; Appeal No. 5896; Case No. 2025-02827
DISPOSITION	affirmed
PROCEDURAL POSTURE	Plaintiff appealed from an order granting defendants' motion to dismiss his complaint seeking severance pay and related relief.
STANDARD OF REVIEW	De novo review of dismissal of the complaint for failure to state a cause of action.
PRECEDENTIAL VALUE	Published opinion; precedential
PARTIES	Oscar Alvarado v. Local 1549—N.Y.C. Clerical Administrative Employees, DC 37, AFSCME, Federation of Field Representatives, et al.

TOPICS

wage and hour

severance agreements

employment contracts

appellate procedure

contracts

PRACTICE AREAS

employment law

contracts

labor law

appellate procedure

QUESTIONS PRESENTED

1. Whether New York Labor Law § 198-c provides plaintiff with a private right of action for unpaid severance pay.
2. Whether plaintiff's Labor Law § 198-c claim is preempted by ERISA.
3. Whether plaintiff adequately pleaded contract and quasi-contract claims against union defendants that were unincorporated associations.
4. Whether plaintiff's claims fell within the narrow exception to the Martin rule for suits by union members against unions arising from wrongful expulsion.

HOLDINGS

1. New York Labor Law § 198-c does not create a private right of action, so plaintiff's claim under that provision was properly dismissed.
2. In any event, plaintiff's claim under Labor Law § 198-c was preempted by ERISA.
3. Plaintiff's contract and quasi-contract claims were properly dismissed because he failed to plead that the entire membership of the unincorporated associations authorized and later ratified the defendants' actions.
4. Plaintiff's contract and quasi-contract claims against his union employer did not fall within the narrow exception to the Martin rule for suits by union members against a union arising from wrongful expulsion.

KEY QUOTATIONS

*"Plaintiff was required to, but did not, plead 'that the entire membership authorized and later ratified [defendants'] actions'" ([*1])*

*"Plaintiff's contract and quasi-contract claims against his union employer do not fall within the 'narrow exception to the Martin rule' for 'suit[s] by a union member against a union arising from wrongful expulsion'" ([*1])*

FACTUAL BACKGROUND

Plaintiff alleged that Local 1549, under the purview of DC 37 and AFSCME, hired him as a Coordinator of Strategic Planning and Special Projects and later terminated him without explanation or severance pay. He alleged that a collective bargaining agreement and the DC 37 Employee Manual provided severance pay to discharged employees based on length of service. He asserted claims under New York Labor Law § 198-c for breach of contract, implied contract, promissory estoppel, and quantum meruit.

PROCEDURAL HISTORY

The Supreme Court, New York County, granted defendants' motion to dismiss the complaint in an order entered on or about April 7, 2025. The Appellate Division, First Department, unanimously affirmed, without costs, on grounds including the absence of a private right of action under New York Labor Law § 198-c, ERISA preemption, and plaintiff's failure to satisfy the pleading requirements applicable to suits against unincorporated associations.

DISPOSITION

affirmed

CASES CITED

- Stoganovic v. Dinolfo, 92 A.D.2d 729, 729 (4th Dep't 1983), aff'd, 61 N.Y.2d 812 (1984)
- Gilbert v. Burlington Industries, Inc., 765 F.2d 320, 327-328 (2d Cir. 1985)
- J. Remora Maintenance LLC v. Efromovich, 103 A.D.3d 501, 501 (1st Dep't 2013), lv. denied, 21 N.Y.3d 862 (2013)
- Dowlah v. American Arbitration Association, 221 A.D.3d 426, 427 (1st Dep't 2023), lv. denied, 41 N.Y.3d 910 (2024)
- Martin v. Curran, 303 N.Y. 276, 280 (1951)
- Palladino v. CNY Centro, Inc., 23 N.Y.3d 140, 146-148 (2014)

OPINION

PER CURIAM.

Alvarado v Local 1549 N.Y.C. (2026 NY Slip Op 00969) Alvarado v Local 1549 N.Y.C. 2026 NY Slip Op 00969 Decided on February 19, 2026 Appellate Division, First Department Published by New York State Law Reporting Bureau pursuant to Judiciary Law § 431. This opinion is uncorrected and subject to revision before publication in the Official Reports. Decided and Entered: February 19, 2026 Before: Manzanet-Daniels, J.P., Scarpulla, Friedman, Chan, Hagler, JJ. Index No. 155407/24|Appeal No. 5896|Case No. 2025-02827| [*1]Oscar Alvarado, Plaintiff-Appellant, v Local 1549 — N.Y.C.

Clerical Administrative Employees, et al., Defendants-Respondents. Ballon Stoll P.C., New York (Marshall B. Bellovin of counsel), for appellant. Cohen, Weiss and Simon LLP, New York (Melissa S. Woods of counsel), for respondents. Order, Supreme Court, New York County (Arthur F. Engoron, J.), entered on or about April 7, 2025, which granted defendants' motion to dismiss the complaint, unanimously affirmed, without costs.

In this action for unpaid wages, plaintiff alleges that he was "hired by Local 1549 under the purview of [defendant DC 37] and AFSCME as a Coordinator of Strategic Planning and Special Projects," and that "[d]efendants terminated [p]laintiff without explanation and refused to pay him

any severance pay." Plaintiff alleges that he was a member of DC 37's professional employees' union, the Federation of Field Representatives (FFR), "which has a [CBA] with...

DC 37." The CBA provides that "[s]everance pay shall be paid to an employee...who is discharged," and that employees hired after 2005 "accrue severance pay of one week's pay for every 12 months of service." Plaintiff further alleges that the DC 37 Employee Manual similarly states that "[s]everance pay shall be paid to employees who are discharged" and "shall amount to one week's pay for each full year of service."

Plaintiff specifically alleges that his "employment relationship" with defendants "was governed by [the] Employee Manual with DC 37 and a Union Contract [i.e., the CBA] between DC 37, AFSCME, and [FFR]." In his complaint plaintiff asserts causes of action for violation of New York Labor Law § 198-c, breach of contract, implied contract, promissory estoppel, and quantum meruit.

Plaintiff's cause of action pursuant to Labor Law § 198-c was properly dismissed because that specific provision of the Labor Law does not create a private right of action (see e.g. *Stoganovic v Dinolfo*, 92 AD2d 729, 729 [4th Dept 1983], *affd* 61 NY2d 812 [1984]).

In any event, the claim pursuant to § 198-c is preempted by the federal Employee Retirement Income Security Act (see *Gilbert v Burlington Indus., Inc.*, 765 F2d 320, 327-328 [2d Cir 1985]). We affirm the dismissal of plaintiff's contract and quasi-contract claims "for reasons other than those stated by the motion court" (*J. Remora Maintenance LLC v Efromovich*, 103 AD3d 501, 501 [1st Dept 2013], *lv denied* 21 NY3d 862 [2013]).

While the court did not reach defendants' argument based on the unions' status as unincorporated associations, we affirm on that ground. Plaintiff was required to, but did not, plead "that the entire membership authorized and later ratified [defendants'] actions" (*Dowlah v Am. Arbitration Assn.*, 221 AD3d 426, 427 [1st Dept 2023], *lv denied* 41 NY3d 910 [2024]), as required by *Martin v Curran* (303 NY 276, 280 [1951]; see *Palladino v CNY Centro, Inc.*, 23 NY3d 140, 146 [2014]).

Plaintiff's contract and quasi-contract claims against his union employer do not fall within the "narrow exception to the Martin rule" for "suit[s] by a union member against a union arising from wrongful expulsion" (*id.* at 147-148).

We have considered plaintiff's additional arguments and find them unavailing. THIS CONSTITUTES THE DECISION AND ORDER OF THE SUPREME COURT, APPELLATE DIVISION, FIRST DEPARTMENT. ENTERED: February 19, 2026

PER CURIAM.

Alvarado v Local 1549 N.Y.C. (2026 NY Slip Op 00969) Alvarado v Local 1549 N.Y.C. 2026 NY Slip Op 00969 Decided on February 19, 2026 Appellate Division, First Department Published

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