

UNITED STATES COURT OF APPEALS FOR THE SECOND CIRCUIT

Li v. Chinatown Take-Out, Inc.

No. Nos. 19-78-cv, 19-2628-cv, United States Court of Appeals for the Second Circuit (May 7, 2020)

SUMMARY

Second Circuit affirmed bench trial award for FLSA and NYLL wage-and-hour claims, holding that district court's credibility determinations regarding compensable hours, meal periods, and straight-time wages were not clearly erroneous. The court upheld damages calculation using a 40-hour divisor for overtime rate and capped statutory damages for wage notice violations at the pre-2015 amendment maximum of \$2,500. Denial of Rule 60(b)(3) motion based on alleged perjury was affirmed because defendants were not prevented from fully presenting their case.

CASE DETAILS

COURT	United States Court of Appeals for the Second Circuit
WRITING FOR THE COURT	Guido Calabresi; Richard C. Wesley; Richard J. Sullivan
JURISDICTION	Federal
DECIDED	May 7, 2020
DOCKET	Nos. 19-78-cv, 19-2628-cv
DISPOSITION	affirmed
PROCEDURAL POSTURE	Appeal from a judgment of the United States District Court for the Southern District of New York following a bench trial.
STANDARD OF REVIEW	Clear error for factual findings, de novo for legal questions, abuse of discretion for Rule 60(b) motion.
PRECEDENTIAL VALUE	unpublished
PARTIES	Shanfa Li and Guiming Shao v. Chinatown Take-Out Inc. and Yechiel Meiteles

TOPICS

[employment law](#)[wage and hour](#)[flsa](#)[standard of review](#)[appellate procedure](#)

PRACTICE AREAS

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QUESTIONS PRESENTED

1. Whether the district court clearly erred in its credibility determinations regarding Plaintiffs' compensable hours.
2. Whether the district court erred in calculating damages, including straight time, overtime, and statutory damages for wage notice violations.
3. Whether the district court abused its discretion in denying Defendants' Rule 60(b)(3) motion.

HOLDINGS

1. The district court's credibility determinations were not clearly erroneous because the court was entitled to credit Defendants' testimony over Plaintiffs' recollection.
2. The district court's calculation of damages was not clearly erroneous; the court properly applied the law.
3. The district court did not abuse its discretion because Defendants were not prevented from presenting their case.

KEY QUOTATIONS

"The court, however, was entitled to credit Defendants' testimony over Plaintiffs' recollection and determine that as to these issues, '[Plaintiffs'] testimony did not sufficiently show the amount and extent of their claimed work.'" (at 3)

"Given that '[w]e are not allowed to second-guess the court's credibility assessments,' we do not find the district court's findings to be clearly erroneous." (at 4)

"To succeed on a Rule 60(b)(3) motion, Defendants 'must show that the conduct complained of prevented [them] from fully and fairly presenting [their] case.'" (at 7)

FACTUAL BACKGROUND

Plaintiffs Shanfa Li and Guiming Shao worked as delivery drivers for Chinatown Take-Out Inc. and Yechiel Meiteles. They alleged they were not paid minimum wage and overtime, and that they were not provided wage notices and statements as required by New York law. The district court conducted a bench trial and made credibility determinations about the number of hours worked and meal periods, ultimately awarding damages.

PROCEDURAL HISTORY

Plaintiffs brought FLSA and NYLL claims for unpaid minimum wage, overtime, and wage notice violations. The district court (McCarthy, M.J.) held a bench trial and awarded damages. Both sides appeal.

DISPOSITION

affirmed

CASES CITED

- Design Strategy, Inc. v. Davis, 469 F.3d 284 (2d Cir. 2006)

- Diesel Props S.r.l. v. Greystone Bus. Credit II LLC, 631 F.3d 42 (2d Cir. 2011)
- Anderson v. Mt. Clemens Pottery Co., 328 U.S. 680 (1946)
- Tho Dinh Tran v. Alphonse Hotel Corp., 281 F.3d 23 (2d Cir. 2002)
- Bessemer Tr. Co. v. Branin, 618 F.3d 76 (2d Cir. 2010)
- Stevens v. Miller, 676 F.3d 62 (2d Cir. 2012)
- State Street Bank & Tr. Co. v. Inversiones Errazuriz Limitada, 374 F.3d 158 (2d Cir. 2004)
- Serzysko v. Chase Manhattan Bank, 461 F.2d 699 (2d Cir. 1972)

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