

## Auto Sales Reps Want Final OK Of \$5.5M Deal In Wage Suit

By **Kelly Knaub**

Law360, New York (April 8, 2016, 9:22 PM ET) -- Nearly 90 current and former sales representatives of car dealers asked a New York federal court Thursday for final approval of a \$5.5 million class action settlement over New York labor law claims, saying the deal is fair, reasonable and adequate.

Under the \$5.5 million deal, which was preliminarily approved in January, class members will each receive an average net payment of about \$38,559.48 with the maximum award amount being \$156,757.84, the 89 sales representatives said in their Thursday memorandum in support of their motion for final approval. The agreement also includes \$1.8 million in attorneys' fees and \$21,892.41 in expenses, as well as service payments of \$20,000 to the seven named plaintiffs, according to settlement documents.

Claims brought under the Fair Labor Standards Act were previously settled by the parties for \$423,569.92, the sales representatives said.

"The instant settlement is procedurally fair because it was reached after class counsel conducted a thorough investigation of the claims and defenses, reviewed hundreds of thousands of documents, conducted numerous depositions, evaluated the strengths and weaknesses of those claims and defenses, and engaged in arm's length negotiations with defendants, including two mediations," the sales representatives said in their memorandum.

The sales representatives initially filed their suit in 2009 against the New York-based Major World car dealership and its executives, along with a slew of dealerships that operated under Major World, including Major Chevrolet Geo, Major Chevrolet Inc., Major Chrysler Jeep Dodge Inc. and others, in New York's Eastern District.

They alleged that the multimillion-dollar dealership failed to pay its commissioned sales representatives commissions, minimum wage and agreed-upon wages.

The suit brought counts of violations of the Fair Labor Standards Act, for failing to pay minimum wage, and violations of several provisions of New York labor law for failing to pay minimum wage, unpaid overtime, failing to pay additional compensation for each day during which the representatives worked more than 10 hours, unpaid commissions, unlawful wage deductions, as well as claims for breach of contract, and others.

The class includes all individuals who were employed by Major World or any of the other car dealerships named in the complaint as new and used auto sales representatives at any time between Dec. 30, 2003, and Nov. 24, 2014, according to court documents.

Attorneys for the parties did not respond on Friday to requests for comment.

The plaintiffs are represented by Joseph A. Fitapelli, Brian S. Schaffer and Frank J. Mazzaferro of Fitapelli & Schaffer LLP.

The defendants are represented by Lee Squitieri and Garry T Stevens Jr. of Squitieri & Fearon LLP.

The case is Karic et al. v. The Major Automotive Cos. Inc. et al., case number 1:09-cv-05708, in the U.S. District Court for the Eastern District of New York.

--Editing by Aaron Pelc.

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