

NOTICE

ATTENTION NEW AND RENEWAL CARWASH APPLICANTS

This is to make you aware of an existing law, Labor Code Section 2066-Liability of Successor to Carwash Employer.

Labor Code Section 2066 states:

A successor to any employer that is engaged in car washing and polishing that owed wages and penalties to the predecessor's former employee or employees is liable for those wages and penalties if the successor meets any of the following criteria:

(a) Uses substantially the same facilities or workforce to offer substantially the same services as the predecessor employer.

(b) Shares in the ownership, management, control of the labor relations, or interrelations of business operations with the predecessor employer.

(c) Employs in a managerial capacity any person who directly or indirectly controlled the wages, hours, or working conditions of the affected employees of the predecessor employer.

(d) Is an immediate family member of any owner, partner, officer, or director of the predecessor employer of any person who had financial interest in the predecessor employer.

Labor Code section 2066 imposes liability upon a successor to a carwash employer for unpaid wages and penalties owed by a predecessor carwash employer as long as the successor meets **any** of the four criteria listed in Section 2066. This means that if you purchase an existing carwash that in some circumstances you can be held responsible for wages owed by a prior owner.

For your protection against unknown liabilities you should conduct thorough due diligence when considering the purchase of an existing carwash.