STATE OF CALIFORNIA

PETE WILSON, Governor

DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF LABOR STANDARDS ENFORCEMENT
LEGAL SECTION
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H. THOMAS CADELL, JR., *Chief Counsel*

August 9, 1994

Eugene M. Kline, Esq.
Phillips, Nizer, Benjamin,
Krim & Ballon
31 West 52nd Street
New York, N.Y. 10019-6167

Re: **Contracting In California**

Dear Mr. Kline:

This letter is intended to confirm our telephone conversation of this date regarding your letter of August 3, 1994.

In your letter you state that "the stated purpose of the Act is to protect California workers by having competent, responsible employers." Actually, the stated intent of the Legislature is found at Labor Code § 2670:

> It is the intent of the Legislature, in enacting this part, to establish a system of registration, penalties, confiscation, bonding requirements, and misdemeanors for the imposition of prompt and effecitve criminal and civil sanctions against violations of, and especially patterns and practices of violations of, any of the laws as set forth herein and regulations of this state applicable to the employment of workers in the garment industry. The civil penalties provided for in this part are in addition to any other penalty provided by law. This part shall be deemed an exercise of the police power of the state for the protection of the public welfare, prosperity, health, safety, and peace of the people of the State of California.

In furtherance of this intent, the legislation requires that every "person[1] engaged in the business of garment manufucturing[2] shall register with the commissioner." (Labor Code § 2675(a))

In your letter you state that you represent New York dress

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[1]Person is defined at Labor Code § 2671 and includes "manufacturers" whether operating as an individual, partnership, corporation or association.

[2]Garment manufacturing is defined at Labor Code § 2672(b) and includes "any persons contracting to have the above operations performed."

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manufacturer (A) who desires to work with a California factory (B) for the manufacture of his garments. In discussing with you the fact situation to which you were addressing your letter, I found that you were concerned about clients (A) who shipped the materials (either directly or indirectly) to sewing contractors (B) in California and contracted with those sewing shops to produce the finished product. As I explained to you, the manufacturer (A) contracting to have the services performed under those circumstances must be registered in California.

The reason for the registration is amply evidenced by the statement in your letter to the effect that "I assume that B is registered under the Garment Registration Act." The whole rationale for the registration process is to insure that one or the other of the parties to the contract to produce the finished product is responsible for the wages of the workers hired to perform the contract.

I would also suggest that you check the New York laws regarding garment manufacturing as we understand that your state has copied the California statute almost verbatim.

Yours truly,

H. THOMAS CADELL, JR.
Chief Counsel

c.c. Victoria Bradshaw, State Labor Commissioner