COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS DEPARTMENT OF LABOR ADMINISTRATIVE HEARING OFFICE

In the Matter of: Pandiyan K. Sevugan,) Labor Case No. 16-017
Complai	nant,)
) ADMINISTRATIVE ORDER
V.)
ABO International Corporation, dba ABO Rent-a-Car,)))
Respond	ent.

This case was heard on November 22, 28, 29 and 30, 2016, in the Administrative Hearing Office of the CNMI Department of Labor. Complainant Pandiyan Sevugan appeared without counsel. Respondent ABO International Corporation, *dba* ABO Rent-a-Car, appeared through its President, Bo Zhong, and its legal counsel, George Hasselback. The Department of Labor appeared through investigator Ben Castro and Asst. Attorneys General Michael Witry and Martin De Los Angeles. Ms. Yu, Xue Mei and Ms. Elvira Atalig testified in support of the Respondent. Ms. Teresita Reyes testified in support of Complainant. Lin Kai Qi served as translator for Ms. Yu, Xue Mei. Hearing Officer Jerry Cody, presiding.

After hearing the testimony and reviewing the record, the Hearing Officer makes the following Findings of Fact and Conclusions of Law:

Complainant Pandiyan K. Sevugan ("Employee") filed this labor complaint against ABO International Corporation, *dba* ABO Rent-a-Car ("Employer" or "ABO"), on August 29, 2016, alleging that Employer had failed to pay thousands of dollars in wages owed to Employee for work he performed for Employer. [A copy of the complaint was entered into evidence as Hearing Exhibit 1 – Sevugan.] ²

¹ On November 28, 29 and 30, 2016, the hearing of this Labor Case (L.C. No. 16-017) was consolidated with the hearing of L.C. No. 16-018, *Teresita Reyes v. ABO International Corporation, dba ABO Rent-a-Car.* On November 28, 2016, Mr. Hasselback was hired to represent Respondent in L.C. No. 16-018.

² Exhibits were entered and separately numbered in each labor case. By stipulation of the parties, all exhibits entered in one case were deemed usable and entered into evidence in the other case. In this Order, exhibits from the Sevugan Exhibit List will contain the designation "Sevugan;" whereas exhibits without a named designation are from the Reyes Exhibit List (L.C. No. 16-018).

FINDINGS OF FACT

Employee was hired by ABO's President, Mr. Bo Zhong, to work for ABO in the summer of 2015, as a driver and a "supervisor." This was an oral agreement of employment: Employee agreed to work as a driver on an open-ended, "on call" schedule in exchange for ABO's promise to pay Employee a salary of \$1,500 per month. The oral agreement was not put in writing and no term or period of employment was specified. [Testimony of Mr. Sevugan and Mr. Zhong.]

Prior to working for Employer, Employee worked as a driver for American CM Real Estate Development Co., Ltd. ("American CM"). Mr. Bo Zhong, who is President of both companies, hired Employee for both jobs. As the one job ended, the new job began. ³ As Employee moved from American CM to ABO, his job assignments, which he received exclusively from Mr. Zhong, remained the same. [Testimony of Mr. Sevugan and Mr. Zhong.]

Employer operated a car rental business and a tourist business; it also maintained several apartments which were used by its tourist clients. In addition, Employer leased or rented two houses in Saipan. [Testimony of Mr. Zhong.]

Employee's duties consisted of driving clients in support of ABO's rental car business, picking up tourists and driving them to various locations in support of ABO's tourist business, supervising construction workers who were renovating several apartments owned or operated by Employer and running personal errands for President Zhong and his girlfriend. [Testimony of Mr. Sevugan.]

Employee's work hours changed every day and his driving tasks were varied. Sometimes, Mr. Zhong would ask Employee to pick up tourists at the airport during both day and night. At other times, Employee was told to check on renovations at several of Employer's apartments that were being renovated. On other occasions, he was told to take Mr. Zhong's girlfriend shopping, or to run errands for other friends of Mr. Zhong. *Id*.

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³ Sometime between June and August 2015, Employee was moved from working for American CM to working for ABO; however, his paychecks continued to come from American CM because of a lack of funds at ABO. [Testimony of Mr. Zhong.] Employee produced a copy of a salary check for \$3,000, issued to him by American CM in December 2015; the American CM check (Hearing Exhibit 8 – Sevugan) to Employee states that it is for two months' salary (Oct. 1-Nov. 30).

Neither Employer nor Employee ever kept track of Employee's actual work hours or work schedule. In essence, there was no schedule, except that Employee was expected to be "on call" at all hours of the day and night for various driving assignments. Employee often spent time at the ABO Rent-a-Car office; yet, he noted that there was no set time in which he was expected to show up at the office. Employee arrived at the car rental office at different times, stayed for several hours, then left the office to check on the renovations, run errands for Mr. Zhong or do some other task. [Testimony of Mr. Sevugan.]

Even though Employer listed Employee as a "manager" or "supervisor" in official documents (See Total Workforce Listing at Hearing Exhibit 17), Employee testified that he did not supervise the people who worked at ABO's car rental office; the only supervision he did was to oversee the renovations being done by workers at Employer's apartments. *Id*.

Employee received a salary of \$1,500 per month from February through December 2015. As stated earlier, when Mr. Zhong hired Employee to work for ABO, he hired Employee at the same monthly salary - \$1,500 per month – that Employee had made at American CM. [Testimony of Mr. Sevugan and Mr. Zhong.]⁴

Beginning in January 2016, Employer failed to pay the full amount of Employee's agreed-upon salary of \$1,500. Instead, Employer gave him a check for \$1,000. [See copy of check at Hearing Exhibit 8 – Sevugan.] In the months that followed (February through June 2016), Employee received only \$500 per month, paid in cash, from Employer. When Employee complained to Mr. Zhong, Zhong promised that when he received money from a certain transaction in Greece, he would pay Employee for amounts that he owed. In July 2016, Employee received no wages whatsoever, despite the fact that he was working. Finally, Employee quit his job on July 24, 2016, due to the non-payment of his wages. On August 29, 2016, Employee came to the Hearing Office and filed this case. [Testimony of Mr. Sevugan.]

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⁴ Mr. Zhong has changed his story over time as to when ABO was formed. He told investigator Ben Castro during investigation that ABO was formed in January 2016, but at hearing he testified that ABO started in the summer of 2015. In any event, Zhong admitted that when Employee was first hired to work for ABO, he was offered and accepted a monthly salary of \$1,500 per month. [Testimony of Mr. Zhong.]

The Complaint:

In his labor complaint (Ex. 1 – Sevugan), filed *pro se*, Employee complained that he worked more than 8 hours per day and additional hours at night, but he was not paid even the minimum wage for his work. Later, in investigation, Employee amended his claim, asserting that he was owed \$1,500 for each month he worked from January through July 2016. He bases the claim on his contention that his salary remained \$1,500 per month throughout his employment with ABO. In his investigation, the Department's investigator agreed and found that Employee was owed \$6,500 in unpaid salary for the period from January to July 2016. [See Determination, entered into evidence as Hearing Exhibit 2- Sevugan.]

Employer's Defense:

Employee's actual hours worked could never be ascertained because neither Employee nor Employee kept track of his hours. Second, as to any claim based on unpaid monthly salary, Employer argued, as a legal matter that the Hearing Office lacks jurisdiction over such a contractual claim. [See Conclusions of Law, *infra*, at Section I.] Third, as a factual matter, Employer contended that in January and March 2016, Mr. Zhong had indicated that he was reducing Employee's monthly wages from \$1,500 down to \$800, then down to \$600. Employer's defense centers on two staff meetings that President Zhong claims he held in January 2016 and March 2016.

January 2016 Meeting: Mr. Zhong claims he held a staff meeting on January 15, 2016, in which he told the staff that ABO was having severe financial difficulties; therefore, he would need to cut employee salaries. Zhong testified that he distributed a letter to staff (Hearing Exhibit 9) which reads, in part:

"After the typhoon basically useless in the business, we do not need a full-time job, please be sure to follow these part-time and **organize job by yourself** or wait for boss call beyond this time, the company does not pay any wages, please remember this." [Emphasis added.]

The letter was written by Zhong in Mandarin, then translated into English using a computer program, which resulted in some curious language. ⁵ The letter ends, somewhat cryptically, by listing "Pan: \$800, Lv: \$600, Tere: \$600." Mr. Zhong

That would explain some of the disjointed, almost surreal language such as this example from Exhibit 9: "The company complaint is without warning, time is not uniform, dilatory; (of course this may be native common problem, but I hope we can re-engage change over time, we have no idea if we'll do time calling, you; we want to come come and want to stay away, undisciplined me frustrated...."

testified that he was referring to reduced salary for Pandiyan Sevugan, Elvira Atalig and Teresita Reyes, respectively. [Testimony of Mr. Zhong.; Ex. 9.] Two weeks after the meeting, Employee received a paycheck for \$1,000 (not \$800), stating that it was a salary payment for "Jan. 1–Jan. 31." [Hearing Exhibit 8 – Sevugan.]

March 2016 Meeting. Mr. Zhong claims he held another staff meeting on March 4, 2016. He testified that the meeting was attended by Employee, Teresita Reyes, Ms. Atalig, and John Castro. [Testimony of Mr. Zhong and Ms. Atalig.] Evidently, other ABO employees (?) were also present, who were told to "go home and rest for the summer season." Zhong claims that he discussed having certain workers, including Employee, work part-time rather than full-time.

Mr. Zhong claims he distributed a letter to those who attended the meeting, but evidently, the Employer did not maintain a sign-in sheet to document attendees or employees who received the letter. [A copy of the letter was entered into evidence as Hearing Exhibit 18.] In the letter's somewhat "broken" English, Mr. Zhong appeared to be releasing certain foreign staff members for an extended vacation, while other employees were going to be kept employed. The letter ended by stating, "Some employees are part-time treatment....Pan: \$600...Lv: \$300...Tere: \$300." [Testimony of Mr. Zhong; Hearing Exhibit 18.]

At Hearing, the meetings of January 15 and March 4, 2016, were the subject of much conflicting testimony. Mr. Zhong and Ms. Atalig testified that Employee and Ms. Reyes were present at the meetings; Employee and Ms. Reyes denied attending either meeting and both denied ever receiving the January letter (Ex. 9) or the March letter (Ex. 18). [Testimony of Zhong, Atalig, Sevugan and Reyes.]

Time Period from April to July 2016:

At Hearing, there was sparse testimony regarding Employee's work in the months of April, May, June and July 2016. Employee testified that his driving duties did not diminish during this period. He testified credibly that he was never informed by Mr. Zhong to reduce his hours and never told that he was now working on a part-time schedule. He remained available "on call" both day and night. Mr. Zhong continued to give him assignments as he always had done. [For his part, Mr. Zhong never testified that he ever spoke, one on one, with Employee during this period (January through July 2016) about reducing his work hours.] During the period from March through July 2016, Employee was still spending time each day at ABO's car rental office, still picking up and driving ABO's clients in its car

rental and tourist-related businesses, and still running various errands for President Zhong and serving, at times, as his personal driver. Indeed, on Employee's last day of work at ABO (7/24/2016), Employee's last assignment before he quit was to drive Mr. Zhong to lunch. [Testimony of Mr. Sevugan.]

DISCUSSION

The Complaint

Employee's complaint for unpaid salary is based on an oral agreement that he and President Zhong entered into at the time he was hired as an employee of ABO. The terms of the agreement were as follows: Employee would work for Employer, performing services as a driver for Employer's car rental and tourist businesses, and also supervising renovations of several apartments owned by Employer. Employee would work under an open-ended schedule that meant he was "on-call" and available to work seven days per week, available both daytime and at night. In exchange, Employer would pay Employee a monthly salary of \$1,500 per month.

The agreement was an oral agreement – not reduced to writing – and it was of indefinite duration. Furthermore, this was at-will employment that could be terminated by either party, with or without cause.

Any attempt to prove that Employer failed to pay Employee lawful minimum wages fails for lack of specificity for the simple reason that Employer failed to keep track of Employee's actual work hours, even in a general sense. Therefore, it is impossible to calculate, using the minimum wage as a standard, the minimum amount of wages that Employee earned as a result of his labor.

Likewise, any attempt by Employee to enforce the oral agreement for a \$1,500 per month salary, may fail as well unless an equitable remedy is adopted to prevent injustice. [See discussion regarding Promissory Estoppel, *infra*, at p. 7.]

The Defense

Employer stated at closing argument that the central question of both cases amounted to: Were complainants (Sevugan and Reyes) paid enough to satisfy CNMI minimum wage laws? That involved two determinations: (1) How much did they work; and (2) how much were they paid? Employer's counsel noted that Mr. Sevugan had not given testimony establishing how many hours he had worked and therefore, there was no basis for awarding him wages. [Hearing on 11/30/16.]

In response, the Hearing Officer noted to counsel that he was inclined to view the case differently; more as an oral agreement to pay wages that Employee Sevugan may have relied upon to his detriment. The Hearing Officer put counsel on notice that he would consider the issue of "detrimental reliance" on the part of Employee.

Employer's counsel noted that he believed the Hearing Office lacked jurisdiction to consider contractual violations, whether the dispute concerned an oral or written employment contract. Counsel noted his objection for the record but declined an offer to allow him to submit a legal brief on the issue. [For discussion of the jurisdiction issue, see Conclusions of Law at Section I. For the recording of closing argument, see digital record on 11/30/2016 at 3:22:00 – 3:29:00.]

Promissory Estoppel and Detrimental Reliance

As to the oral agreement to pay \$1,500 in monthly salary, Employer could argue that Mr. Zhong's promise to pay a certain monthly salary to Employee was not an enforceable contractual term, i.e., not a binding promise; therefore, the promise could be cancelled or amended in the future. The counter-argument to be made by Employee is an equitable argument based on promissory estoppel and/or detrimental reliance.

Under the promissory estoppel doctrine, under certain circumstances, if one party reasonably relies on another's promise to his detriment, a court in equity might enforce the promise, particularly if enforcement would be necessary to avoid an unjust result. The doctrine of promissory estoppel, is set forth in Section 90 of the Restatement (Second) of Contracts, as follows:

A promise which the promisor should reasonably expect to induce action or forbearance of a definite and substantial character on the part of the promisee and which does induce such action or forbearance is binding if injustice can be avoided only by enforcement of the promise.

Where the equitable principle is applied, promissory estoppel is adopted to enforce a promise which otherwise would be unenforceable. (Henderson, <u>Promissory Estoppel and Traditional Contract Doctrine</u>, 78 Yale L.J. 343, 379-380 (1969).

This equitable doctrine has been judicially adopted in most, if not all, jurisdictions in the United States, including the courts of the Northern Mariana Islands and in federal courts of the Ninth Circuit. See, e.g., O'Connor v. Dev. Of Pub. Lands,

1999 MP 5 ¶ 9; Aguilar v. International Longshoremen's Union Local #10, 966 F. 2d 443 (9th Cir. 1992).

The elements of promissory estoppel are: (1) a clear and definite agreement; (2) proof that the party urging the doctrine acted to its detriment in reasonable reliance on the agreement; and (3) a finding that the equities support enforcement of the agreement. Restatement (Second) of Contracts at § 90; *Aguilar v. International Longshoremen's Union Local #10*, 966 F. 2d 443 (9th Cir. 1992).

(1) A clear and definite agreement.

Employee and ABO, through ABO's President, had an oral agreement that was made at the time Employee was hired to work for ABO. Employee would perform certain services (driving, etc.) and agree to be "on call" both day and night, seven days per week, and in exchange, Employer would pay him a salary of \$1,500 per month.

It is undisputed that Employer initially agreed to pay, and paid Employee a salary of \$1,500 per month for about the first six months of his employment with ABO. Employee received the promised salary, even though Mr. Zhong often paid him from the bank account of American CM because of a cash-flow problem. [Testimony of Mr. Zhong and Mr. Sevugan; Hearing Ex. 8 - Sevugan.]

(2) Employee continued working to his detriment, while reasonably relying on assurances from Mr. Zhong that the unpaid salary would be repaid.

Beginning in January 2016, and continuing through July 2016, Employee was paid less than the agreed-upon amount; first - \$1,000, then only \$500 per month according to his own credible testimony. Employee testified that during the months from January through July 2016, he continued working for Employer under the belief that Employer would abide by that initial promise to pay him a monthly salary of \$1,500. [Testimony of Mr. Sevugan.]

⁶ The doctrines of promissory estoppel and detrimental reliance are closely related. The essential elements of a detrimental reliance theory of recovery are: (1) a representation by conduct or word; (2) justifiable reliance thereon; and (3) a change of position to one's detriment because of the reliance (*citing Martin v. Schluntz*, 589 So. 2d 1208, 1211 (La. Ct. App. 1991)." *Commonwealth Dev. Auth. v. Tenorio*, Civ. Action No. 97-0341 (Order Granting Plaintiff's Motion For Summary Judgment On Plaintiff's Complaint and Defendants' Counterclaim), aff'd in part and remanded for other reasons by CNMI Supreme Court at *Commonwealth Dev. Auth. v. Tenorio*, 2004 MP 22.

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Employer never established a set work schedule for Employee or his co-workers. Employee was expected to be on call whenever he was needed; he was never given paystubs that tied his wage to any set number of hours. Employer made no effort to keep track of his hours. In this environment, Employee relied on assurances from Mr. Zhong that he was expecting more money to arrive from his business transactions in Greece and then, Employee would be repaid the salary that was being withheld. Employee made his dissatisfaction with the situation known, yet Mr. Zhong assured him that the financial situation would improve. *Id.*

Into the vacuum created by Employer's inconsistent and unsettled management, Employee kept working his usual disjointed schedule of random assignments called in by President Zhong. (There is no evidence that ABO management ever told Employee to curtail his office time, stop or reduce doing any specific task, or stop coming to the office on weekends.) While continuing to work, Employee continued pressing President Zhong for more compensation. In May 2016, when Employee told Mr. Zhong that he needed more money, Zhong responded with words to the effect that money was coming – just wait. [Testimony of Mr. Sevugan.] Based on the credible testimony of Employee as well as the other evidence presented, the Hearing Officer finds that Employee's reliance on such promises was reasonable under the circumstances.

(3) Relying on equity to avoid an unjust result.

Employer's failure to keep track of Employee's work hours and to provide him with a paystub with hours, rates and deductions, clearly violated the CNMI Minimum Wage and Hour Act, as cited below (see Conclusions). Moreover, Employer's erratic, random management, in which Employee was expected to work without an actual work schedule, coupled with the employer's continued promises that wages would improve in the future, created an environment that kept Employee guessing as to the nature of his employment and the status of his salary.

For many months, Employee continued to service the needs of Mr. Zhong while relying on his positive assurances that more money was coming. When Employee could wait no longer, he quit his employment and filed this labor complaint at the Department of Labor to obtain a legal remedy to reimburse what he had lost. Now, the same Employer who failed its legal obligation to keep track of Employee's hours, argues that the lack of specificity makes any award of unpaid wages (i.e., a legal remedy using Wage and Hour laws), speculative.

The Hearing Officer believes it would be unjust to allow Employer to benefit, in effect, from its own wrongdoing. This case justifies an equitable remedy where the legal remedy would result in injustice.

(4) The Elements of Promissory Estoppel Have Been Met.

In conclusion, the Hearing Officer finds that the elements of promissory estoppel have been met. First, there was a clear initial promise to pay Employee a monthly salary of \$1,500 per month, as well as conduct for six months in conformity with that promise. Second, faced with a chaotic and confusing work environment, Employee reasonably relied on his Employer's assurances that finances would be improving and that he would be repaid his salary that he had been missing. (The fact that Employee's work schedule remained the same also misled him into believing he was entitled to the former salary.) Third, if no equitable relief were invoked, Employee would be unable to obtain any legal redress for most likely being grossly underpaid for many months, and an injustice would result whereby Employer would benefit, in effect, from its own wrongful failure to keep track of Employee's time, in accordance with the law. In short, the equities weigh in favor of enforcing the oral agreement and reimbursing Employee at the rate of \$1,500 per month for the applicable period.

CONCLUSIONS OF LAW

I. The Hearing Office has original jurisdiction to adjudicate the labor complaint filed by Employee, pursuant to 3 CMC § 4942(a).

The Commonwealth Employment Act of 2007 ("Act") vests broad jurisdiction in the Administrative Hearing Office to resolve labor and wage disputes brought by U.S. citizens as well as by foreign workers. The Act states, in part, that: "The Administrative Hearing Office shall have original jurisdiction to resolve all actions involving alleged violations of the labor and wage laws of the Commonwealth..." [3 CMC § 4942(a).]

The Hearing Officer finds that this employment dispute is based on an oral promise by Employer to pay a certain monthly salary to Employee. The dispute has been analyzed and adjudicated according to common law contract principles, including equitable principles of equitable estoppel and detrimental reliance.

The Hearing Officer finds the Commonwealth Legislature's grant of jurisdiction to be broad enough to encompass common law claims arising out of, and related to, the employment relationship. This would include jurisdiction to adjudicate disputes regarding employment contracts, both oral and written, that pertain to an employee's rights to be paid by an employer for work performed. The present case is well within the above-cited jurisdiction of the Administrative Hearing Office.

II. Employer Failed to Follow CNMI Law Requiring Employers To Issue Detailed Time and Payroll Information To Employees.

The CNMI Minimum Wage and Hour Act at 4 CMC § 9232(c), requires employers to provide detailed information to employees when wages are being paid. The statute states:

Every employer <u>shall furnish</u> each employee <u>at every pay period</u> a written statement showing the employee's total hours worked; overtime hours; straight-time compensation; overtime compensation; other compensation; total gross compensation; amount and purpose of each deduction; total net compensation; date of payment; and pay period covered. (Emphases added.)

For many months in 2016, Employer paid Employee in cash and provided no detail whatsoever to him regarding the number of hours being compensated, hourly rate of pay, deductions taken, etc. In addition, Employer utterly failed to make *any* effort whatsoever to keep track of the actual hours being worked by Employee. Such conduct violated the CNMI Minimum Wage and Hour Act, as cited above.⁷

Employer's failure to keep time records regarding Employee also made it impossible for Employee to prevail on a legal claim based on the number of hours he had worked. Employer's conduct in this regard should be considered a factor in providing an equitable remedy for Employee's claim.

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⁷ Procedural Note: The Determination did not include a charge against Employer alleging a violation of this statute. At Hearing, Employer objected that its due process rights would be violated if the Hearing Officer imposed a sanction for a charge that had not been filed against it prior to the Hearing. On the final day of testimony (11/30/2016), the Department counsel and Employer's counsel agreed to meet and confer on this issue as to whether the Department would seek to amend its Determination to add the charge. The Department never filed any motion to address this matter after the hearing ended. Based on these facts, the Hearing Officer will not assess any sanction against Employer in this case for its violation of the CNMI Minimum Wage and Hour Act.

III. The Statute of Limitations For Administrative Labor Claims Limits the Period In Which Unpaid Wages May Be Recovered by Employee.

The applicable statute of limitations for labor claims filed in the Administrative Hearing Office is six months. 3 CMC § 4962(b). This means that a claimant must file his labor claim within 180 days of the "last occurring event" that gave rise to the claim. The Hearing Officer holds that Employer's legal obligation to pay wages for work performed constitutes a "continuing" obligation that arises every day the employee works. Thus, even though Employer's non-payment of Employee's salary began in January 2016, months beyond the statutory period, there is coverage for that part of the claim that took place within 180 days (six months) of the date of filing of the Complaint. As Employee filed his complaint on August 29, 2016, the applicable period runs from March 3, 2016 until August 29, 2016 (filing date).

IV. The Equitable Doctrine of Promissory Estoppel Shall Be Applied to Award Unpaid Salary To Employee Based On The Oral Agreement To Pay A Salary of \$1,500 Per Month.

For the reasons set forth in the above section on Promissory Estoppel, the Hearing Officer finds that the elements of the doctrine of promissory estoppel have been met and the equities favor an award to Employee. Employer's promise to pay a \$1,500 monthly salary to Employee in exchange for his services, shall be enforced. The amount of the award is determined below. 3 CMC § 4947(d)(11).

V. Employee Shall Be Awarded, In Equity, His Unpaid Salary That Amounts to \$5,200.00 For The Applicable Period.

Having concluded, in equity, that Employee is entitled to the promised monthly wages of \$1,500 per month for his services, the Hearing Officer finds that Employee is owed \$5,200 for the period from March 3. through July 24, 2016.

Month	<u>Paid</u>	Valued	Unpaid
March	\$500	\$1,500	\$1,000
April	\$500	\$1,500	\$1,000
May	\$500	\$1,500	\$1,000
June	\$500	\$1,500	\$1,000
July	0	\$1,200	\$1,200
TOTAL:	\$2,000	\$7,200	\$5,200

The wages owed to Employee for the applicable period, minus the amounts that were paid to Employee by Employer, total \$5,200.00. [The monthly payment for July 2016 has been prorated to 4/5ths of the monthly salary.]

VI. Liquidated Damages Shall Be Awarded in This Case.

The Commonwealth Employment Act of 2007 at 3 CMC § 4947(d)(2) authorizes an award of liquidated damages, amounting to twice the amount of unpaid wages, unless the Hearing Officer finds extenuating circumstances. Having fashioned an equitable remedy that awards unpaid salary to Complainant in the interests of justice, the Hearing Officer does not believe that justice would be served by assessing an additional \$5,200.00 in liquidated damages against Respondent. Nevertheless, I believe that some added amount is warranted to compensate Employee for having to file this lawsuit to recover his unpaid wages. Accordingly, the Hearing Officer award liquidated damages in the amount of one thousand dollars (\$1,000.00), which amounts to nearly twenty percent of the underlying equitable award in this case. [3 CMC §§ 4947(d)(2) and 4947(d)(11).]

The Department being fully advised and good cause having been shown, IT IS HEREBY ORDERED:

- 1. **Judgment:** Based on the findings above, judgment is hereby entered against Respondent ABO International Corporation and in favor of Complainant Pandiyan K. Sevugan on his labor claim. Complainant is hereby awarded \$5,200.00 in unpaid wages, as well as the liquidated damages described below. [3 CMC §§ 4947(d)(1) and 4947(d)(11).]
- 2. **Liquidated Damages:** For the reasons set forth above, Complainant Pandiyan K. Sevugan is hereby awarded one thousand dollars (\$1,000.00) in liquidated damages. [3 CMC §§ 4947(d)(2) and 4947(d)(11).]
- 3. **Payment Schedule:** Respondent ABO International Corporation is ORDERED to pay the above-noted amounts (totaling \$6,200.00) by cashier's check or postal money order, payable to Pandiyan K. Sevugan, and delivered to the Administrative Hearing Office no later than **thirty (30) days** after the date of issuance of this Order. 3 CMC § 4947(d)(11).

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[L.C. No. 16-017]

4. **Appeal:** Any person or party aggrieved by this Order may appeal, in writing, to the Secretary of Labor within fifteen (15) days of the date of issuance of this Order. 3 CMC § 4948(a).

DATED: February <u>2</u>, 2018.

Hearing Officer