

Companies Can't Contract Around WARN Act Sale of Business Exception

In a rare case interpreting the Worker Adjustment and Retraining Notification Act "sale of business" exception, the 8th U.S. Circuit Court of Appeals recently held in *Day v. Celadon Trucking Servs., Inc.* that a buyer of a business remained liable under WARN to the seller's employees to whom the buyer did not make offers of employment, despite provisions in the asset purchase agreement that placed all WARN Act liability on the seller, according to **Epstein Becker & Green**.

In the firm's **Financial Services Employment Law** blog, **Marc A. Mandelman** wrote that the case involved a typical asset purchase transaction between Continental Express, Inc. and Celadon. Plaintiffs were a class of 449 former Continental employees who were not offered jobs with Celadon after the purchase of Continental's trucking business.

"The key takeaway of the *Day* case for parties to a corporate transaction is that WARN liabilities are governed by statute, and the implications of WARN obligations and the sale of business provision of WARN must be carefully evaluated," according to Mandelman.

Read the article.