

ALERT

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OneWest Bank President to Chair CalChamber Board



Joseph M. Otting

Joseph M. Otting, president and chief executive officer of OneWest Bank, N.A., has been elected as 2015 chair of the California Chamber of Commerce Board of Directors.

"I look forward to the next year as we continue to work together to make Cali-

fornia the best state in the nation for innovation, commerce and job creation," said Otting. "CalChamber will celebrate its 125th anniversary year in 2015 and it is an honor to lead our efforts as we build on past successes to continue to move the state's economy forward."

Serving with Otting as 2015 officers of the CalChamber Board are:

- **First Vice Chair Michael W. Murphy**, president and chief executive officer, Sharp Health Care;
- **Second Vice Chair Susan Corrales-Diaz**, president, Systems Integrated;

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Fox News Analyst Gives CalChamber Board Overview of Changing Voter Demographics



Juan Williams, a Fox News contributor and best-selling author, summarizes changing voter demographics at the December dinner gathering of the CalChamber Board of Directors. Not only is there a great divide between those who vote and those who don't, Williams said, but studies show people are more polarized than decades earlier, describing their political positions as either liberal or conservative, rather than moderate.

California Ranks as No. 2 'Judicial Hellhole'

California was identified as the No. 2 "Judicial Hellhole" in the nation, after two years of taking the No. 1 spot, in the latest ranking of the "most unfair" civil litigation courts by the American Tort Reform Foundation (ATRF).

The state was narrowly beaten by New York, but the report's authors state that "there are so many things wrong" with the administration of civil justice in California that a third consecutive No. 1 ranking "would have been perfectly justifiable."

More than 1 million new lawsuits are filed in the state every year and California is so large that court rulings invariably affect people across the nation who are trying to do business in the state.

Lead Paint, Painkillers

According to the report, the public nuisance theory of liability as applied to lead paint has been tried by personal injury lawyers for years as a means of trying to slip under the higher burden of proof required by products liability law. This tactic had failed everywhere, until last year, when Santa Clara Superior Court Judge James Kleinberg ordered three paint companies to pay \$1.15 billion to plaintiff counties in a lead paint-as-public nuisance case.

The ruling inspired the Santa Clara County, Orange County and private-sector contingency-fee lawyers to sue narcotics makers in 2014, alleging the makers have caused an epidemic of addiction to painkillers with a "campaign of deception" designed to boost profits. Rather than pursue the litigation under strict products

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Clued In—Employment Laws in California: Pages 4-5

Labor Law Corner

Updates Mandated in 2015 to California Employment Posters, Pamphlets



Erika Frank
Vice President,
Legal Affairs and
General Counsel

Are there 2015 poster and pamphlet updates I should know about?

Yes.

The paid sick leave law signed by the Governor on September 10, 2014, contains a new mandatory posting requirement, effective January 1, 2015. The notice required by the new law (the Healthy Workplaces, Healthy Families Act of 2014) was released by the California Labor Commissioner and is included

in the California Chamber of Commerce all-in-one [2015 California and Federal Employment Notices](#) poster.

While July 1, 2015 is the effective date for employers to begin providing the paid sick leave benefit, the posting requirement is effective January 1, 2015.

Effective January 1, 2015, there are mandatory changes to the Department of Fair Employment and Housing (DFEH) Discrimination and Harassment notice (California Law Prohibits Workplace Discrimination and Harassment). These updates reflect new legislation (AB 1443) that expands anti-harassment protections to unpaid interns and volunteers.

Effective February 2014, the Cal/OSHA notice (Safety and Health Protection on the Job) was updated to reflect revised federal Hazard Communications Program regulations issued by the federal Occupational Safety and Health Administration.

notice (Notice B), as well as to the Workers' Compensation notice (Notice to Employees-Injuries Caused by Work).

Pamphlet Updates

There are updates to the [Sexual Harassment pamphlet](#) that reflect recent changes in legal protections against harassment. Every California employee and independent contractor must receive a sexual harassment information sheet from his/her employer.

There also were mandatory changes, effective July 1, 2014, to two pamphlets: [Paid Family Leave](#), which must be given to new employees and employees requesting time off for a covered reason, and [Workers' Compensation Rights & Benefits](#), which must be given to all new employees when they are hired.

Note: Regulatory changes continue as a result of workers' compensation reform measures.

The Labor Law Helpline is a service to California Chamber of Commerce preferred and executive members. For expert explanations of labor laws and Cal/OSHA regulations, not legal counsel for specific situations, call (800) 348-2262 or submit your question at www.hrcalifornia.com.

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Home page: www.calchamber.com.*

Pending

There are pending mandatory updates to the federal Family and Medical Leave Act (FMLA) notice, defining the term "spouse" under the act.

Also, there are pending regulations that may result in changes in 2015 to the California Family Rights Act (CFRA)

CalChamber-Sponsored Seminars/Tradeshows

More information: calchamber.com/events.

Labor Law

2015 Employment Law Update. CalChamber. January 7, 2015, Sacramento; January 9, 2015, Fresno; January 13, 2015, Los Angeles; January 14, 2015, Long Beach; January 15, 2015, Costa Mesa; January 16, 2015, San Diego; January 21, 2015, Emeryville; January 28, 2015, San Jose (800) 331-8877.

HR Boot Camp. CalChamber. January 8, 2015, Fresno; January 27, 2015, San Jose; February 26, 2015, Redding; March 4, 2015, Los Angeles; April 23, 2015, San Diego. (800) 331-8877.

Business Resources

Visit California's Outlook Forum 2015. Visit California. February 23-24, 2015, Greater Palm Springs. (916) 444-0410.

Responsible Sourcing Summit 2015. UL. March 3-4, 2015, West Hollywood. (310) 215-0554.

International Trade

InvestHub Mongolia 2015. Mongolia Ministry of Foreign Affairs and Economic Cooperation. January 14-15, 2015, Ulaanbaatar, Mongolia. Discover Sustainable Solutions. U.S. Commercial Service. February 9-11, 2015, Santa Clara. SelectUSA Investment Summit. Select USA. March 23-24, 2015, National Harbor, Maryland. (202) 482-6800.

Next Alert:
January 9, 2015



Community College, Federal Reserve Bank Give Updates to CalChamber



Brice Harris, chancellor of the California Community Colleges and a member of the CalChamber Board of Directors, describes at the December 5 meeting how the community colleges are preparing students for the increasing number of jobs requiring education beyond high school. He also called attention to LaunchPath, a program to help employers identify students for on-the-job internships. More information at www.launchpath.com.



Reuven Glick, group vice president of the International Research Department at the Federal Reserve Bank of San Francisco, outlines how the bank views foreign conditions when formulating its outlook for the U.S. economy. Glick said he foresees moderate growth into next year with inflation remaining relatively low and increasing slowly for the next two years.

California Ranks as No. 2 ‘Judicial Hellhole’ in Nation

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liability law, *Judicial Hellholes* states, county prosecutors and lawyers are relying on the easily exploited false advertising and unfair competition law, and more adaptable law of public nuisance.

Asbestos Hot-Zones

California continues to be a hotbed for asbestos lawsuits. This area was cited last year in *Judicial Hellholes*, and it continues to be an issue. In 2014, an award of \$18 million in punitive damages to a single plaintiff and his wife was affirmed by the California Second District Court of Appeal. In *Whalen v. John Crane Inc.*, No. RG14711964, an Alameda County jury rendered a nearly \$71 million verdict for another single asbestos plaintiff and his wife against a gasket manufacturer.

ADA, Proposition 65 Lawsuits

More than 40% of all Americans with Disabilities Act (ADA) lawsuits in the country occur in California. Most troubling is that a finite group of plaintiffs specialize in “disability-access” lawsuits, and exploit federal ADA and state civil rights laws for personal profit. In fact, four of the most active plaintiffs have filed 820 ADA lawsuits throughout the state, affecting an estimated 35,000 shops

and restaurants, according to the report.

“California has been home to a growing wave of often ridiculous consumer class actions that target the labeling and marketing of various food and beverage products,” the report states. It remains highly critical of the abuse of Proposition 65, a voter-passed referendum that requires business and public establishments to post warning signs when even trace amounts of some 800 different chemicals may be present. The report highlights the cases of *Cortina v. PepsiCo, Inc.* and *Cortina v. Goya Foods, Inc.*, filed in January 2014 by a personal injury lawyer, Jack Fitzgerald, alleging that a byproduct of caramel coloring in soft drinks and other products is harmful, even though the Food and Drug Administration has stated it is not.

Good News

The report also highlights four bright spots that surfaced during the year in:

- **Wage and Hour Litigation:** The California Supreme Court in *Duran v. U.S. Bank National Association* reversed a \$15 million plaintiffs’ verdict in the class action that had been tried in Alameda County Superior Court.

- **Limiting Liability for Commercial Property Owners:** the U.S. Court of

Appeals for the Ninth Circuit held in *Verdugo v. Target Corporation* that a business does not owe a duty to its customers to obtain and make available an automated external defibrillator (AED) for use in a medical emergency. In 2013, the California Chamber of Commerce filed an amicus brief in the case in support of the defendant.

- **GMO Lawsuits:** California lawmakers rejected CalChamber-opposed SB 1381 (Evans; D-Santa Rosa), which would have imposed a California-only labeling requirement.

- **CalChamber opposed-Propositions 45 and 46** were rejected by California voters. Proposition 45 would have required the Insurance Commissioner to approve rates for all health insurance coverage before it can be sold to consumers; and Proposition 46 was a trial lawyer-sponsored measure that sought to increase the cap on noneconomic damages for medical malpractice lawsuits.

ATRF was founded in 1997 to educate the public about the impact of liability law on the private, public and business sectors. Since 2002, it has published annual reports documenting abuse within the civil justice system.

To view the full *Judicial Hellholes* report, visit www.judicialhellholes.org.

CLUED IN

ABOUT NEW 2015

EMPLOYMENT LAWS IN CALIFORNIA



WHO DOESN'T WANT TO KEEP ONE STEP AHEAD OF COMPLIANCE?

Unless otherwise specified, new legislation takes effect January 1, 2015

NOW THAT YOU'RE HOT ON THE TRAIL

CalChamber's done some detective work for you. Learn more about these new employment laws by downloading our free white paper:

"An Overview of New 2015 Laws Affecting California Employers"

calchamber.com/newlaws2015

WAGE AND HOUR



Increased Liability for Employer Contractors (AB 1897)

Paid Heat Illness Recovery Periods (SB 1360)

Waiting Time Penalties: Wage Violations (AB 1723 and AB 2743)

Protections for Labor Code Complaints (AB 2751)

Recovery of Wages: Timeframes (AB 2074)

Child Labor Law Violations: Additional Penalties (AB 2288)

Foreign Labor Contractors (SB 477)

Prevailing Wages

Six new laws relating to prevailing wages on public works projects
(AB 26, AB 1870, AB 1939, AB 2272, AB 2744, SB 266)

PAID SICK LEAVE

Mandatory Paid Sick Leave (AB 1522)
Benefits by July 1, 2015



BACKGROUND CHECKS

Criminal History Requests:

Public Contracts (AB 1650)

Services to Minors (AB 1852)



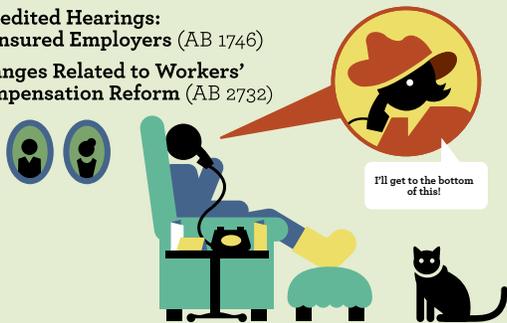
DISCRIMINATION, HARASSMENT AND RETALIATION PROTECTIONS

- Protections for Unpaid Interns and Volunteers (AB 1443)
- Nondiscrimination: Driver's Licenses for Undocumented Persons (AB 1660)
- Immigration-Related Protections (AB 2751)
- Nondiscrimination: Public Assistance Recipients (AB 1792)
- Harassment Prevention Training: Abusive Conduct in the Workplace (AB 2053)
- Harassment Prevention Training for Farm Labor Contractors (SB 1087)



WORKERS' COMPENSATION

- Death Benefits Collection for Specified Groups (AB 1035)
- Expedited Hearings: Uninsured Employers (AB 1746)
- Changes Related to Workers' Compensation Reform (AB 2732)



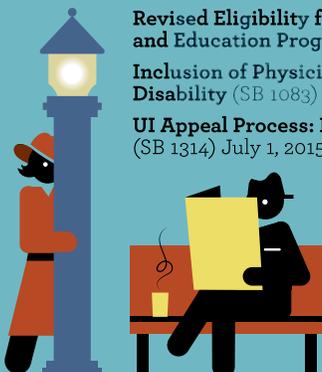
HEALTH CARE

90-Day Waiting Periods: Health Care Coverage (SB 1034)



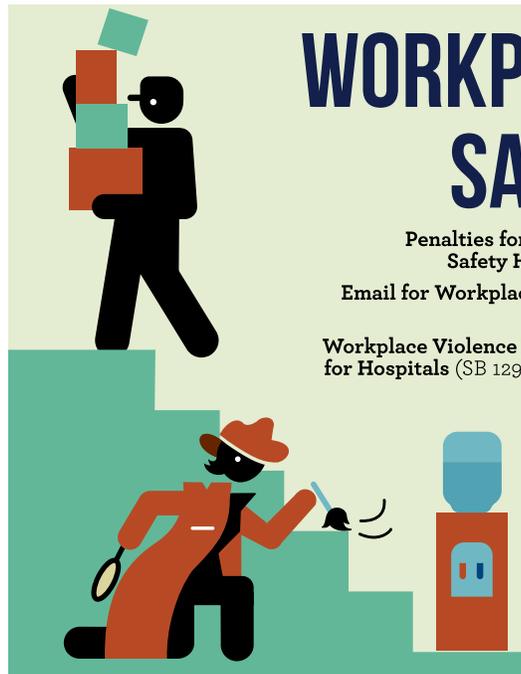
UNEMPLOYMENT INSURANCE

- Revised Eligibility for Training and Education Programs (AB 1556)
- Inclusion of Physician Assistants in Certifying Disability (SB 1083) January 1, 2017
- UI Appeal Process: Deadline Extensions (SB 1314) July 1, 2015



WORKPLACE SAFETY

- Penalties for Failure to Abate Safety Hazards (AB 1634)
- Email for Workplace Safety Reports (AB 326)
- Workplace Violence Prevention Plans for Hospitals (SB 1299) January 1, 2016



OneWest Bank President to Chair CalChamber Board in 2014

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• **Third Vice Chair Terry MacRae**, chief executive officer, president and founder, Hornblower Cruises & Events.

Otting succeeds Anne L. Buettner, senior vice president at The Walt Disney Company, in the CalChamber's top volunteer position.

Joseph Otting

Otting became president, chief executive officer and a member of the board of OneWest Bank, FSB, in October 2010.

Before joining OneWest Bank, Otting served as vice chairman of U.S. Bancorp, where he managed the Commercial Bank Group and served on the Bancorp's managing committee. He also served as a member of U.S. Bank's main subsidiary banks' board of directors.

From 1994–2001, Otting was with Union Bank of California, where he was executive vice president and group head of commercial banking.

Before joining Union Bank, he was with Bank of America, where he held positions in branch management, private banking and commercial lending.

Otting holds a bachelor of arts degree from the University of Northern Iowa and is a graduate of the School of Credit and Financial Management at Dartmouth College.

In addition to his position on the CalChamber Board, he serves on the boards of the Killebrew-Thompson Memorial and Jonathan Club. He is a member of The 100 Club and the Financial Services Roundtable.

He also has served as a board member for Associated Oregon Industries, Oregon Business Council, Portland Business Alliance, Minnesota Chamber of Commerce and Blue Cross Blue Shield of Oregon, and was a member of the SOLV Founders' Circle, the Los Angeles Area

2015 Officers of CalChamber Board of Directors



Michael W. Murphy



Susan Corrales-Diaz



Terry MacRae

2015 At-Large Members of CalChamber Executive Committee



Grace Evans Cherashore



Kent Savagian

Chamber of Commerce, and board and Executive Committee of the Los Angeles Economic Development Corporation.

Executive Committee

The CalChamber Executive Committee also named its two at-large members. Serving in the rotating position for 2015 will be:

- **Grace Evans Cherashore**, chief executive officer, Evans Hotels; and
- **Kent Savagian**, managing director,

Moelis & Company.

In addition to the at-large members and current officers, the Executive Committee includes the last three Board chairs. The Executive Committee works with the CalChamber's top management to determine policy, financial and program direction, including, when necessary, providing policy guidance between the Board's regular quarterly meetings.

Staff Contact: Dave Kilby

Coming Soon
CalChamber **Alert** App 2.0
New Look, New Search Function



International Breakfast Gathering Highlights Trade, Trade Agreements Link to U.S. Jobs

The importance of trade agreements and their impact on U.S. jobs was the focus of a recent international breakfast hosted by the California Chamber of Commerce.

Nearly 40 CalChamber Board members attended the December 5 breakfast to hear Ambassador Islam Siddiqui, senior advisor, global food security at the Center for Strategic and International Studies, and Brian Peck, deputy director of international affairs at the Governor's Office of Business and Economic Development (GO-Biz).

CalChamber Board member Mark Jansen, chair of the CalChamber Council for International Trade and president and CEO of Blue Diamond Growers, served as the master of ceremonies at the breakfast.

He thanked Susan Corrales-Diaz, president and CEO of Systems Integrated and 2015 CalChamber second vice chair, for serving as the previous council chair since the beginning of the century.

Peck opened with a brief update on current GO-Biz activities, and once again thanked the CalChamber for its support and organization of the July 2014 Gubernatorial Trade Mission to Mexico.

Trade Supports U.S. Jobs

Ambassador Siddiqui then discussed the importance of exports and trade facilitation for the U.S. economy.

With more than 95% of the population living outside the United States, exporting provides a massive opportunity for U.S. farmers, ranchers, manufacturers and service providers.

The Ambassador noted that "every \$1 billion in U.S. exports in goods support about 5,000 jobs and exports of agricultural products support 7,800 jobs throughout the U.S. economy."

Trade Agreements

Siddiqui stressed the importance of trade agreements to help facilitate an increase in U.S. exports, which is critical to job retention and creation.

• **Trans-Pacific Partnership (TPP).** The TPP, currently being negotiated between the U.S., Australia, Brunei, Chile Malaysia, New Zealand, Peru, Singapore, Vietnam, Canada, Mexico and Japan, would increase economic integration across the Asia Pacific, as well as expand

exports and open new markets to the U.S.

The Ambassador noted that a successful agreement would lead to a higher participation in trade for small and medium businesses. Siddiqui mentioned that the issues TPP is addressing are: regulatory coherence, trade facilitation, food safety, technical barriers to trade, intellectual property rights, and sanitary and phytosanitary barriers to trade.

For more information, see www.calchamber.com/TPP.

• **Transatlantic Trade and Investment Partnership (T-TIP).** The T-TIP would boost economic growth in the United States and Europe, and add to the more than 13 million U.S. and European jobs already supported by transatlantic trade and investment.

The U.S.-European Union economic relationship is already the world's largest, accounting for one-third of total goods and services trade and nearly half of global economic output.

Siddiqui noted that while agriculture and the EU's nontariff trade barriers are currently in the center of the discussions, the negotiations are focusing on elimination, reduction or prevention of barriers to trade in goods, services and investment. Successful negotiations will therefore promote international competitiveness, jobs, and growth in both the U.S. and the EU.

For more information, see www.calchamber.com/TTIP.

Trade Promotion Authority

Siddiqui concluded the trade discussion with a reminder that the success of TPP, T-TIP and all future trade agreements relies heavily on the renewal of trade promotion authority (TPA), granting the U.S. President the authority to negotiate agreements with other countries.

TPA is expected to be considered by Congress in 2015.

For more information, see www.calchamber.com/TPA.

Global Food Security

Siddiqui spent the last portion of the meeting describing his role as a senior advisor for the Global Food Security Project (<http://csis.org/program/food>), provid-



Ambassador Islam Siddiqui



Brian Peck of GO-Biz



Ambassador Islam Siddiqui and Mark Jansen

ing research, analysis and policy recommendations to enhance global food security.

According to Siddiqui, the global food supply will need to more than double in 2050 in order to support the anticipated population of 9 billion.

The global food security project emphasizes agricultural research and development to increase agricultural productivity; engaging the private sector in agribusiness development opportunities; and creating favorable trade and investment climates to improve global access to food.

Staff Contact: [Susanne T. Stirling](mailto:Susanne.T.Stirling@calchamber.com)

Simplify your training requirement and reward supervisors with free coffee.

Regardless of company size, CalChamber recommends harassment prevention training for all supervisors and employees. Just ask any employer blindsided by a workplace harassment lawsuit—the costs are enormous. California requires companies with 50 or more employees to provide two hours of sexual harassment prevention training to all supervisors **within six months of hire or promotion**, and every two years thereafter. CalChamber's online training makes it easy to educate employees and meet your compliance requirements.



CalChamber's two-hour California harassment prevention training course for supervisors meets state requirements. **Now Tablet Ready**



Get a **\$5 Starbucks eGift Card** for every California Harassment Prevention training seat you purchase by 12/31/14.

Use priority code HTSTA. Preferred and Executive members receive their 20% discount in addition to this offer.

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