

PTI Staffing

We have done some more intensive research on the employment-based legal issues that could arise between a company of ICANN's size and a company of PTI's anticipated size, which is anticipated to be far less than 50 people. ICANN had previously noted concerns about potential differences in the legal rights of employees in companies of these different sizes, because of the legal protections that only attach due to company size. Given that PTI would be incorporated in California, there are many California employment protections that become applicable once there are five employees, and so these rights – which are often more expansive than the U.S. Federal laws, would apply (assuming PTI has at least 5 employees). However, the Federal provisions under the Family Medical Leave Act, as well as the Warn Act (which provides certain rights upon layoff), both would not apply to PTI's small employment base. Research indicates that though the exact legal rights and remedies would not be applicable, there is a contract-based solution that can be used that would serve in large part to fill the gap. The remedies available to employees would therefore only be available under contract, as opposed to rights at law.