

Larry W. Lee (State Bar No. 228175)
Max Gavron (State Bar No. 291697)
DIVERSITY LAW GROUP, P.C.
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

WILLIAM L. MARDER, ESQ. (CBN 170131)
Polaris Law Group LLP
501 San Benito Street, Suite 200
Hollister, CA 95023
Tel: (831) 531-4214
Fax: (831) 634-0333

Attorneys for Plaintiff and the Class
* ADDITIONAL COUNSEL LISTED ON FOLLOWING PAGE

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF STANISLAUS

ANA ARREOLA, as an individual and on
behalf of all others similarly situated,

Plaintiffs,

vs.

RESTORATION HARDWARE, INC., a
Delaware corporation; and DOES 1
through 50, inclusive,

Defendants.

Case No.: CV-20-002386

**CLASS ACTION COMPLAINT FOR
DAMAGES FOR:**

- (1) FAILURE TO PAY WAGES IN
VIOLATION OF CAL. LABOR CODE
§§ 201-204, 510, 558, 1194, 1197 AND
1197.1;**
- (2) VIOLATION OF CAL. LABOR CODE
§ 226(a);**
- (3) VIOLATION OF CAL. BUS. & PROF.
CODE § 17200, ET SEQ.**
- (4) VIOLATION OF CAL. LABOR CODE
§§ 2698, ET. SEQ.**

DEMAND OVER \$25,000.00

Electronically Filed
5/22/2020 2:48 PM
Superior Court of California
County of Stanislaus
Clerk of the Court
By: Mouang Saechao, Deputy

\$435 PAID

\$1000 PAID

This case has been assigned to Judge Freeland, John D,
Dept. 23
Department , for all purposes including Trial.

Dennis S. Hyun (State Bar No. 224240)
HYUN LEGAL, APC
515 S. Figueroa Street, Suite 1250
Los Angeles, CA 90071
(213) 488-6555
(213) 488-6554 facsimile

1 Plaintiff Ana Arreola (“Plaintiff”) hereby submits this Class Action Complaint
2 (“Complaint”) against Defendants Restoration Hardware, Inc. and Does 1 through 50
3 (hereinafter collectively referred to as “Defendants”) as an individual and on behalf of the class
4 of all other similarly situated current and former employees of Defendants for minimum wages,
5 overtime wages, and penalties under the California Labor Code, and for restitution as follows:

6 **INTRODUCTION**

7 1. This class action is within the Court’s jurisdiction under California Labor Code
8 §§ 201-204, 226, 510, 558, 1194, 1197, and 1197.1, 2698, *et seq.* the applicable Wage Orders of
9 the California Industrial Welfare Commission (“IWC”), and the California Unfair Competition
10 Law (the “UCL”), Business and Professions Code § 17200, *et seq.*

11 2. This complaint challenges systemic illegal employment practices resulting in
12 violations of the California Labor Code and the UCL against individuals who worked for
13 Defendants.

14 3. Plaintiff is informed and believes, and based thereon alleges, that Defendants,
15 jointly and severally, have acted intentionally and with deliberate indifference and conscious
16 disregard to the rights of all employees in receiving wages for all hours worked, including
17 minimum wages and overtime wages, and timely payment of wages.

18 4. Plaintiff is informed and believes, and based thereon alleges, that Defendants
19 have engaged in, among other things a system of willful violations of the California Labor Code
20 and the UCL by creating and maintaining policies, practices and customs that knowingly deny
21 employees the above stated rights and benefits.

22 5. The policies, practices and customs of defendants described above and below
23 have resulted in unjust enrichment of Defendants and an unfair business advantage over
24 businesses that routinely adhere to the strictures of the California Labor Code and the UCL.

25 **JURISDICTION AND VENUE**

26 6. The Court has jurisdiction over the violations of the California Labor Code
27 §§ 201-204, 226, 510, 558, 1194, 1197, 1197.1, 2698, *et seq.*, and the UCL.

28 7. Venue is proper in Stanislaus County because Plaintiff is a resident of this County

1 and performed work for Defendant at its Distribution Center/Warehouse in Patterson, California,
2 which is located in this County.

3 **PARTIES**

4 8. In or around November of 2019, Plaintiff was hired by Defendant to work as a
5 shipping auditor. On or about April 6, 2020, Plaintiff was laid off. Plaintiff worked for
6 Defendants in Patterson, California.

7 9. Defendant is a retail company which operates retail stores and distribution
8 centers/warehouses throughout the United States, including in the State of California.

9 10. Plaintiff was and is the victim of the policies, practices, and customs of
10 Defendants complained of in this action in ways that have deprived her of the rights guaranteed
11 by California Labor Code §§ 201-204, 226, 510, 558, 1194, 1197, 1197.1, 2698, *et seq.*, and the
12 UCL.

13 11. Plaintiff is informed and believes, and based thereon alleges, that Defendant is an
14 Ohio corporation, which provides shipping services throughout the United States, including
15 numerous locations in the State of California and in the County of Stanislaus.

16 12. Plaintiff is informed and believes, and based thereon alleges, that at all times
17 herein mentioned Defendant and Does 1 through 50, are and were corporations, business entities,
18 individuals, and partnerships, licensed to do business and actually doing business in the State of
19 California. As such, and based upon all the facts and circumstances incident to Defendants'
20 business, Defendants are subject to California Labor Code §§ 201-204, 226, 510, 558, 1194,
21 1197, 1197.1, 2698, *et seq.*, and the UCL.

22 13. Plaintiff does not know the true names or capacities, whether individual, partner
23 or corporate, of the Defendant sued herein as Does 1 through 50, inclusive, and for that reason,
24 said Defendants are sued under such fictitious names, and Plaintiff prays for leave to amend this
25 complaint when the true names and capacities are known. Plaintiff is informed and believes and
26 based thereon alleges that each of said fictitious Defendants was responsible in some way for the
27 matters alleged herein and proximately caused Plaintiff and members of the general public and
28 class to be subject to the illegal employment practices, wrongs and injuries complained of herein.

1 14. At all times herein mentioned, each of said Defendants participated in the doing
2 of the acts hereinafter alleged to have been done by the named Defendants; and furthermore, the
3 Defendants, and each of them, were the agents, servants and employees of each of the other
4 Defendants, as well as the agents of all Defendants, and at all times herein mentioned, were
5 acting within the course and scope of said agency and employment.

6 15. Plaintiff is informed and believes, and based thereon alleges, that at all times
7 material hereto, each of the Defendants named herein was the agent, employee, alter ego and/or
8 joint venturer of, or working in concert with each of the other co-Defendants and was acting
9 within the course and scope of such agency, employment, joint venture, or concerted activity.
10 To the extent said acts, conduct, and omissions were perpetrated by certain Defendants, each of
11 the remaining Defendants confirmed and ratified said acts, conduct, and omissions of the acting
12 Defendants.

13 16. At all times herein mentioned, Defendants, and each of them, were members of,
14 and engaged in, a joint venture, partnership and common enterprise, and acting within the course
15 and scope of, and in pursuance of, said joint venture, partnership and common enterprise.

16 17. At all times herein mentioned, the acts and omissions of various Defendants, and
17 each of them, concurred and contributed to the various acts and omissions of each and all of the
18 other Defendants in proximately causing the injuries and damages as herein alleged. At all times
19 herein mentioned, Defendants, and each of them, ratified each and every act or omission
20 complained of herein. At all times herein mentioned, Defendants, and each of them, aided and
21 abetted the acts and omissions of each and all of the other Defendants in proximately causing the
22 damages as herein alleged.

23 **CLASS ACTION ALLEGATIONS**

24 18. **Definition:** The named individual Plaintiff seeks class certification, pursuant to
25 California Code of Civil Procedure § 382. Plaintiff proposes the following Class:

- 26 a. All current and former non-exempt employees who were employed by
27 Defendants and worked at and/or out of Distribution Centers/Warehouses
28

1 in the State of California at any time from April 6, 2016, through the
2 present (the "Class").

3 19. **Numerosity and Ascertainability:** The members of the Class are so numerous
4 that joinder of all members would be impractical, if not impossible. The identity of the members
5 of the Class is readily ascertainable by review of Defendants' records, including payroll records.
6 Plaintiff is informed and believes, and based thereon alleges, that Defendants: (a) failed to
7 provide accurate itemized wage statements in violation of Labor Code § 226(a); (b) failed to pay
8 employees wages for all hours worked, including minimum and overtime wages, for time spent
9 undergoing security checks after they were clocked-out in violation of Labor Code §§ 204, 510,
10 558, 1194, 1197, and 1197.1; (c) violated Labor Code §§ 201-203 by failing to pay all wages
11 owed and due to employees within the time requirements set forth in these statutes; and (d)
12 engaged in unfair business practices in violation of the California Labor Code, the applicable
13 IWC Wage Orders, and the UCL.

14 20. **Adequacy of Representation:** The named Plaintiff is fully prepared to take all
15 necessary steps to represent fairly and adequately the interests of the class defined above.
16 Plaintiff's attorneys are ready, willing and able to fully and adequately represent the class and the
17 individual Plaintiff. Plaintiff's attorneys have prosecuted and settled wage-and-hour class
18 actions in the past and currently have a number of wage-and-hour class actions pending in
19 California state and federal courts.

20 21. Defendants uniformly administered a corporate policy, practice of: (a) failing to
21 provide accurate itemized wage statements in violation of Labor Code § 226(a); (b) failing to pay
22 employees wages for all hours worked, including minimum and overtime wages, for time spent
23 undergoing security checks after they were clocked-out in violation of Labor Code §§ 204, 510,
24 558, 1194, 1197, and 1197.1; (c) violating Labor Code §§ 201-203 by failing to pay all wages
25 owed and due to employees within the time requirements set forth in these statutes; and (d)
26 engaging in unfair business practices in violation of the California Labor Code, the applicable
27 IWC Wage Orders, and the UCL.

28 22. Plaintiff is informed and believes, and based thereon alleges, that this corporate

1 conduct is accomplished with the advance knowledge and designed intent to willfully and
2 intentionally fail to accurately record proper rates of pay, hours worked, net wages, and
3 deductions.

4 23. **Common Question of Law and Fact:** There are predominant common questions
5 of law and fact and a community of interest amongst Plaintiff and the claims of the Class
6 concerning Defendant's policy and practice of: (a) failing to provide accurate itemized wage
7 statements in violation of Labor Code § 226(a); (b) failing to pay employees wages for all hours
8 worked, including minimum and overtime wages, for time spent undergoing security checks after
9 they were clocked-out in violation of Labor Code §§ 204, 510, 558, 1194, 1197, and 1197.1;
10 (c) violating Labor Code §§ 201-203 by failing to pay all wages owed and due to employees
11 within the time requirements set forth in these statutes; and (d) engaging in unfair business
12 practices in violation of the California Labor Code, the applicable IWC Wage Orders, and the
13 UCL.

14 24. **Typicality:** The claims of Plaintiff are typical of the claims of all members of the
15 Class in that Plaintiff suffered the harm alleged in this Complaint in a similar and typical manner
16 as the Class members. As with all other non-exempt employees in the State of California who
17 worked at and/or out of Distribution Centers/Warehouses, Plaintiff was required to undergo
18 security checks after she clocked-out, *i.e.*, being required to clock-out and undergo the security
19 check after Plaintiff's shift ended. Although Plaintiff was required to stay at work to undergo
20 these checks, Plaintiff was not paid any wages, including applicable minimum and/or overtime
21 wages, for these security checks. Although it is well-settled that Defendants should have paid
22 applicable wages for time spent in these security checks, Defendants failed to do so. Given that
23 Defendants willfully failed to pay Plaintiff and Class Members all wages owed, Defendants are
24 liable for waiting time-penalties pursuant to Labor Code §§ 201-203, including with respect to
25 Plaintiff. Therefore, Plaintiff is a member of the Class and have suffered the alleged violations
26 of California Labor Code §§ 201-204, 226, 510, 558, 1194, 1197, 1197.1, and the UCL.

27 25. The California Labor Code and upon which Plaintiff bases these claims are
28 broadly remedial in nature. These laws and labor standards serve an important public interest in

1 establishing minimum working conditions and standards in California. These laws and labor
2 standards protect the average working employee from exploitation by employers who may seek
3 to take advantage of superior economic and bargaining power in setting onerous terms and
4 conditions of employment.

5 26. The nature of this action and the format of laws available to Plaintiff and
6 members of the Class identified herein make the class action format a particularly efficient and
7 appropriate procedure to redress the wrongs alleged herein. If each employee were required to
8 file an individual lawsuit, the corporate Defendants would necessarily gain an unconscionable
9 advantage since it would be able to exploit and overwhelm the limited resources of each
10 individual plaintiff with their vastly superior financial and legal resources. Requiring each Class
11 member to pursue an individual remedy would also discourage the assertion of lawful claims by
12 employees who would be disinclined to file an action against their former and/or current
13 employer for real and justifiable fear of retaliation and permanent damage to their careers at
14 subsequent employment.

15 27. The prosecution of separate actions by the individual class members, even if
16 possible, would create a substantial risk of (a) inconsistent or varying adjudications with respect
17 to individual Class members against the Defendants and which would establish potentially
18 incompatible standards of conduct for the Defendants, and/or (b) adjudications with respect to
19 individual Class members which would, as a practical matter, be dispositive of the interest of the
20 other Class members not parties to the adjudications or which would substantially impair or
21 impede the ability of the Class members to protect their interests. Further, the claims of the
22 individual members of the Class are not sufficiently large to warrant vigorous individual
23 prosecution considering all of the concomitant costs and expenses.

24 28. Such a pattern, practice and uniform administration of corporate policy regarding
25 illegal employee compensation described herein is unlawful and creates an entitlement to
26 recovery by Plaintiff and the Class identified herein, in a civil action, for unpaid minimum
27 wages, overtime wages, applicable penalties, reasonable attorneys' fees, and costs of suit
28 according to the mandate of California Labor Code §§ 201-204, 218.5, 226, 510, 558, 1194,

1 1197, 1197.1, and Code of Civil Procedure § 1021.5.

2 29. Proof of a common business practice or factual pattern, which the named Plaintiff
3 experienced and is representative of, will establish the right of each of the members of the
4 Plaintiff Class to recovery on the causes of action alleged herein.

5 30. The Plaintiff Class is commonly entitled to a specific fund with respect to the
6 compensation illegally and unfairly retained by Defendants. The Plaintiff Class is commonly
7 entitled to restitution of those funds being improperly withheld by Defendants. This action is
8 brought for the benefit of the entire class and will result in the creation of a common fund.

9 **FIRST CAUSE OF ACTION**

10 **FAILURE TO PAY WAGES**

11 **(BY PLAINTIFF AND THE CLASS AGAINST ALL DEFENDANTS)**

12 31. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 30 as
13 though fully set forth herein.

14 32. This cause of action is brought pursuant to Labor Code §§ 201-204, 510, 558,
15 1194, 1197, and 1197.1 which require an employer to pay employees wages for all hours
16 worked, including minimum and overtime wages.

17 33. As a pattern and practice, Defendants suffered and permitted employees to work
18 without payment of wages for all hours worked in a workday and workweek. Specifically,
19 Defendants failed to pay for time spent by employees undergoing security checks after they had
20 already clocked-out at the end of their shifts. Defendants had a uniform corporate pattern and
21 practice and procedure regarding the above practices in violation of Labor Code §§ 201-204,
22 510, 558, 1194, 1197, and 1197.1.

23 34. Plaintiff is informed and believes and based thereon alleges that Defendants'
24 willful failure to provide Plaintiff and Class Members the wages due and owing them upon
25 separation from employment results in a continued payment of wages up to thirty (30) days from
26 the time the wages were due. Therefore, Plaintiff and Class Members who have separated from
27 employment are entitled to compensation pursuant to Labor Code § 203.

28 35. Such a pattern, practice and uniform administration of corporate policy regarding

1 illegal employee compensation as described herein is unlawful and creates an entitlement to
2 recovery by Plaintiff and the Class in a civil action, for the unpaid balance of the full amount of
3 damages owed, including interest thereon, penalties, attorneys' fees, and costs of suit according
4 to the mandate of California Labor Code §§ 218.5, 1194, 1197, and 1197.1.

5 **SECOND CAUSE OF ACTION**

6 **VIOLATION OF LABOR CODE § 226(a)**

7 **(BY PLAINTIFF AND THE CLASS AGAINST ALL DEFENDANTS)**

8 36. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 35 as
9 though fully set forth herein.

10 37. Defendants failed in their affirmative obligation to provide accurate itemized
11 wage statements. Defendants, as a matter of policy and practice, did not provide accurate
12 records in violation of Labor Code § 226 by failing as a matter of policy and practice to provide
13 accurate payroll records for Plaintiff and the Class.

14 38. Plaintiff and the Class were paid hourly. As such, the wage statements should
15 have reflected the applicable rates of pay and hours worked, total number of hours worked and
16 gross and net wages earned, pursuant to Labor Code § 226(a). The wage statements provided to
17 Plaintiff and the Class failed to identify such information, including without limitation, all wages
18 owed.

19 39. Such a pattern, practice and uniform administration of corporate policy as
20 described herein is unlawful and creates an entitlement to recovery by the Plaintiff and the Class
21 identified herein, in a civil action, for all damages or penalties pursuant to Labor Code § 226,
22 including interest thereon, attorneys' fees, and costs of suit according to the mandate of
23 California Labor Code § 226.

24 **THIRD CAUSE OF ACTION**

25 **VIOLATIONS OF THE UCL, BUSINESS & PROFESSIONS CODE § 17200, *ET SEQ.***

26 **(BY PLAINTIFF AND THE CLASS AGAINST ALL DEFENDANTS)**

27 40. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 39 as
28 though fully set forth herein.

1 41. Defendants, and each of them, have engaged and continue to engage in unfair and
2 unlawful business practices in California by practicing, employing and utilizing the employment
3 practices outlined above, include, to wit, by failing to pay employees wages for all hours worked,
4 including minimum and overtime wages, for time spent undergoing security checks after they
5 were clocked-out in violation of Labor Code §§ 204, 510, 558, 1194, 1197, and 1197.1.
6 Defendants also failed to pay all employees due and owing them upon separation from
7 employment, in violation of Labor Code §§ 201–203.

8 42. Defendants’ utilization of such unfair and unlawful business practices constitutes
9 unfair, unlawful competition and provides an unfair advantage over Defendants’ competitors.

10 43. Plaintiff seeks individually and on behalf of all other members of the Class
11 similarly situated, full restitution of monies, as necessary and according to proof, to restore any
12 and all monies withheld, acquired and/or converted by the Defendants by means of the unfair
13 practices complained of herein.

14 44. Plaintiff is informed and believes, and based thereon alleges, that at all times
15 herein mentioned Defendants have engaged in unlawful, deceptive and unfair business practices,
16 as proscribed by California Business and Professions Code § 17200, *et seq.*, including those set
17 forth herein above thereby depriving Plaintiff and other members of the class the minimum
18 working condition standards and conditions due to them under the California laws as specifically
19 described therein.

20 **FOURTH CAUSE OF ACTION**

21 **VIOLATION OF LABOR CODE § 2698, *ET SEQ.***

22 **(BY PLAINTIFF, ON BEHALF OF THE STATE AND AGGRIEVED EMPLOYEES,**
23 **AGAINST ALL DEFENDANTS)**

24 45. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 44 as
25 though fully set forth herein.

26 46. Plaintiff brings this cause of action as a proxy for the State of California and in
27 this capacity, seeks penalties on behalf of all Aggrieved Employees from April 30, 2019, through
28 the present, for Defendant’s policy and practice of (a) failing to provide accurate itemized wage

1 statements in violation of Labor Code § 226(a); (b) failing to pay employees wages for all hours
2 worked, including minimum and overtime wages, for time spent undergoing security checks after
3 they were clocked-out in violation of Labor Code §§ 204, 510, 558, 1194, 1197, and 1197.1;
4 (c) violating Labor Code §§ 201-203 by failing to pay all wages owed and due to employees
5 within the time requirements set forth in these statutes.

6 47. On or about April 30, 2020, Plaintiff sent written notice to the California Labor &
7 Workforce Development Agency (“LWDA”) of Defendants’ violations of Labor Code sections
8 201, 202, 203, 204, 226, 510, 558, 1194, 1197, and 1197.1, pursuant to Labor Code section 2698,
9 et seq., the Private Attorney General Act (“PAGA”). To date, the LWDA has not responded to
10 Plaintiff’s written notice.

11 48. As such, pursuant to Labor Code section 2699(a), Plaintiff seeks recovery of any
12 and all applicable civil penalties for Defendants’ violation of Labor Code sections 201, 202, 203,
13 204, 226, 510, 558, 1194, 1197, and 1197.1 for the time period described above, on behalf of
14 himself and other Aggrieved Employees.

15 **PRAYER FOR RELIEF**

16 WHEREFORE, Plaintiff prays for judgment individually and on behalf of all others on
17 whose behalf this suit is brought against Defendants, jointly and severally, as follows:

18 1. For an order appointing Plaintiff as the representative of the classes as described
19 herein;

20 2. For an order appointing Counsel for Plaintiff as class counsel;

21 3. Upon the First Cause of Action, for damages and/or penalties pursuant to statute
22 as set forth in Labor Code §§ 201-204, 1194, 1197, and 1197.1 and for costs and attorneys’ fees;

23 4. Upon the Second Cause of Action, for damages and/or penalties pursuant to
24 California Labor Code §§ 226, and for costs and attorneys’ fees;

25 5. Upon the Third Cause of Action, for restitution to Plaintiff and other similarly
26 effected members of the general public of all funds unlawfully acquired by Defendants by means
27 of any acts or practices declared by this Court to be in violation of Business and Professions
28 Code § 17200, *et seq.*;

1 6. Upon the Fourth Cause of Action, for civil penalties according to proof pursuant
2 to Labor Code section 2698, *et seq.*, and for costs and attorneys' fees;

3 7. On all causes of action for attorneys' fees and costs as provided by California
4 Labor Code §§ 218.5, 226, 510, 558, 1194, 1197, and Code of Civil Procedure § 1021.5; and

5 8. For such other and further relief the Court may deem just and proper.

6
7 DATED: May 22, 2020

DIVERSITY LAW GROUP, P.C.

8
9 By:  _____

10 Larry W. Lee
11 Attorneys for Plaintiff and the Class
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