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ORIGINAL FILED
Superior Court of California
County of Los Angeles

JAN 04 2021

Sherri R. Carter, Executive Officer/Clerk of Court

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

EVA PACHECO, as an aggrieved employee
and private attorney general,

Plaintiff,

vs.

HUGS HEALTHCARE, INC. also known as
HCFS, INC., a Texas corporation;
CENTAURI HEALTH SOLUTIONS, INC.,
a Delaware corporation; and DOES 1
through 50, inclusive,

Defendants.

Case No.:

21STCV00277

**REPRESENTATIVE ACTION
COMPLAINT**

DEMAND FOR TRIAL BY JURY

**(1) VIOLATION OF CALIFORNIA
LABOR CODE § 2699, ET SEQ.
(PRIVATE ATTORNEYS
GENERAL ACT)**

1 Plaintiff EVA PACHECO (“Plaintiff”), as an aggrieved employee and as a private
2 attorney general, based upon facts that either have evidentiary support or are likely to have
3 evidentiary support after a reasonable opportunity for further investigation and discovery, alleges
4 as follows:

5 **JURISDICTION AND VENUE**

6 1. Plaintiff brings this action against Defendants HUGS HEALTHCARE, INC. also
7 known as HCFS, INC., CENTAURI HEALTH SOLUTIONS, INC., and DOES 1 THROUGH 50
8 (hereinafter also collectively referred to as “Defendants”) as a representative action on behalf of
9 himself and certain other current and former non-exempt employees of Defendants against whom
10 one or more of the alleged violations was committed (hereinafter collectively referred to as the
11 “Aggrieved Employees”) pursuant to California Labor Code sections 2698, et seq. Plaintiff is an
12 aggrieved employee against whom one or more of the alleged violations was committed. The civil
13 penalties sought by Plaintiff exceed the minimal jurisdiction limits of the Superior Court and will
14 be established according to proof at trial.

15 2. The Court has jurisdiction over this action pursuant to the California Constitution,
16 Article VI, Section 10, which grants the superior court “original jurisdiction in all other causes”
17 except those given by statute to other courts. The statutes under which this action is brought do
18 not specify any other basis for jurisdiction.

19 3. This Court has jurisdiction over Defendants because, upon information and belief,
20 Defendants are citizens of California, have sufficient minimum contacts in California, or
21 otherwise intentionally avail themselves of the California market so as to render the exercise of
22 jurisdiction over them by the California courts consistent with traditional notions of fair play and
23 substantial justice.

24 4. Venue is proper in this Court because, upon information and belief, Defendants
25 maintain offices, have agents, and/or transact business in the State of California, County of Los
26 Angeles.

26 **PARTIES**

27 5. Plaintiff EVA PACHECO is an individual residing in the State of California,
28

County of San Bernardino.

6. Defendant HUGS HEALTHCARE, INC. also known as HCFS, INC., is and at all times herein mentioned was, a corporation organized and existing under the laws of the State of Texas, and registered to do business in the state of California.

7. Defendant CENTAURI HEALTH SOLUTIONS, INC., is and at all times herein mentioned was, a corporation organized and existing under the laws of the State of Delaware, and registered to do business in the state of California.

8. Plaintiff is ignorant of the identities of defendants Does 1 through 50, inclusive, and therefore sues these defendants by such fictitious names. The Doe defendants may be individuals, partnerships, or corporations. Plaintiff is informed and believe, and thereon alleges, that, at all times mentioned herein, each of the Doe defendants was the parent, subsidiary, agent, servant, employee, co-venturer, and/or co-conspirator of each of the other defendants, and was at all times mentioned acting within the scope, purpose, consent, knowledge, ratification and authorization of such agency, employment, joint venture and conspiracy. Plaintiff will amend this Complaint to allege their true names and capacities when ascertained. Plaintiff is informed and believes and thereon alleges that each of the fictitiously named Doe defendants is responsible in some manner for the occurrences herein alleged, and that Plaintiff's damages as herein alleged were proximately caused by its conduct.

9. Defendants are and at all times herein mentioned were, (a) conducting business in the County of Los Angeles, State of California, and (b) the employer of Plaintiff consistent with the California Labor Code and Industrial Welfare Commission Wage Orders ("Wage Orders").

10. Plaintiff further alleges that Defendants, directly or indirectly controlled or affected the working conditions, wages, working hours, and conditions of employment of Plaintiff and Aggrieved Employees so as to make each of said Defendants employers and employers jointly liable under the statutory provisions set forth herein.

GENERAL ALLEGATIONS

11. Defendants provide a self-pay management service throughout California, assisting healthcare providers and hospitals recover costs and payments from patients by linking

1 patients to proper insurance entities.

2 12. Defendants employed Plaintiff to work as a Traveling Patient Account
3 Representative (Operations Support Specialist) from approximately September 2013 to present
4 day.

5 13. At all relevant times set forth herein, Defendants employed Plaintiff and
6 Aggrieved Employees as hourly-paid or non-exempt employees.

7 14. Throughout the time period involved in this case, Defendants had the authority to
8 hire and terminate Plaintiff and Aggrieved Employees; to directly or indirectly control work rules,
9 working conditions, wages, working hours, and conditions of employment of Plaintiff and
10 Aggrieved Employees; and to hire and terminate the employment of Plaintiff and Aggrieved
11 Employees.

12 15. At all times herein mentioned, Defendants were subject to the Labor Code of the
13 State of California and the applicable Industrial Welfare Commission Orders.

14 16. Plaintiff is informed and believes, and thereon alleges that Defendants engaged in
15 an ongoing and systematic scheme of wage abuse against their hourly-paid or non-exempt
16 employees. As set forth in more detail below, this scheme involved, *inter alia*, regularly requiring
17 Plaintiff and Aggrieved Employees to work off the clock without compensation, thereby failing
18 to pay them for all hours worked, including minimum and overtime wages. Defendants also
19 implemented time rounding practices that resulted in the systematic underpayment of wages to
20 Plaintiff and the Aggrieved Employees, including minimum and overtime wages. Defendants also
21 implemented policies that prohibited Plaintiff and the Aggrieved Employees from accurately
22 recording the actual time worked, resulting in a failure to pay Plaintiff and the Aggrieved
23 Employees all wages owed. In addition, Defendants routinely failed to permit Plaintiff and the
24 Aggrieved Employees to take timely and duty-free meal periods and rest periods in violation of
25 California law. Defendants also failed to reimburse Plaintiff and the Aggrieved Employees for all
26 necessary business-related expenses and failed to pay wages owed for accrued vacation time upon
27 termination of employment.

28 17. Throughout the time period involved in this case, Defendants have implemented

1 policies and practices which failed to provide Plaintiff and Aggrieved Employees with timely and
2 duty-free meal periods. Defendants routinely failed to relieve Plaintiff and Aggrieved Employees
3 of all duties during their meal periods, regularly failed to relinquish control over Plaintiff and
4 Aggrieved Employees during their meal periods, regularly failed to permit Plaintiff and
5 Aggrieved Employees a reasonable opportunity to take their meal periods, and regularly impeded
6 or discouraged Plaintiff and Aggrieved Employees from taking thirty (30) minute uninterrupted
7 meal breaks no later than the end of their fifth hour of work and/or from taking a second thirty
8 (30) minute uninterrupted meal break no later than their tenth hour of work for shifts lasting more
9 than ten (10) hours. Defendants also failed to maintain accurate records of meal periods taken by
10 Plaintiff and Aggrieved Employees.

11 18. Throughout the time period involved in this case, Defendants did not adequately
12 inform Plaintiff and Aggrieved Employees of their right to take meal periods under California
13 law. Moreover, Defendants systematically disregarded their own written policies regarding the
14 provision and timing of meal periods for Plaintiff and Aggrieved Employees. Instead,
15 Defendants' actual policy and practice was to schedule Plaintiff and Aggrieved Employees in a
16 way the prohibited them from taking timely and duty-free meal periods, and to require Plaintiff
17 and Aggrieved Employees to work through their meal periods, for which they were not
18 compensated. Defendants required employees to: (1) carry and monitor cell phones and their
19 computers at all times including during meal periods; and (2) stay on premises during meal
20 periods.

21 19. Throughout the time period involved in this case, Defendants failed to pay Plaintiff
22 and Aggrieved Employees premium wages for meal periods that were missed, late, interrupted,
23 or shortened in violation of California law. Defendants knew or should have known that Plaintiff
24 and Aggrieved Employees were entitled to receive all meal periods or payment of one additional
25 hour of pay at their regular rate of pay when a meal period was missed, short, late, and/or
26 interrupted. Notwithstanding this knowledge, Defendants routinely failed to provide legally
27 compliant meal periods to Plaintiff and Aggrieved Employees, and routinely failed pay one
28 additional hour of pay to Plaintiff and Aggrieved Employees at their regular rate of pay when a

meal period was missed, short, late, and/or interrupted.

20. Throughout the time period involved in this case, Defendants have implemented policies and practices which prohibited Plaintiff and Aggrieved Employees from taking timely and duty-free rest periods. Defendants regularly failed to provide, authorize, and permit Plaintiff and Aggrieved Employees to take full, uninterrupted, off-duty rest periods for every shift lasting three and one-half (3.5) to six (6) hours and/or two full, uninterrupted, off-duty rest periods for every shift lasting six (6) to ten (10) hours, and failed to make a good faith effort to authorize, permit, and provide such rest breaks in the middle of each work period.

21. Throughout the time period involved in this case, Defendants did not adequately inform Plaintiff and Aggrieved Employees of their right to take rest periods under California law. Moreover, Defendants systematically disregarded their own written policies regarding the provision and timing of rest periods for Plaintiff and Aggrieved Employees. Instead, Defendants' actual policy and practice was to schedule Plaintiff and Aggrieved Employees in a way that regularly prohibited them from taking timely and duty free rest periods, and to regularly require Plaintiff and Aggrieved Employees to work through their rest periods. Defendants required employees to: (1) carry and monitor cell phones and their computers at all times including during rest periods; and (2) stay on premises during rest periods.

22. Throughout the time period involved in this case, Defendants failed to pay Plaintiff and Aggrieved Employees premium wages for rest periods that were missed, late, interrupted, or shortened in violation of California law. Defendants knew or should have known that Plaintiff and Aggrieved Employees were entitled to receive all rest periods or payment of one additional hour of pay at their regular rate of pay when a rest period was missed, short, late, and/or interrupted. Notwithstanding this knowledge, Defendants routinely failed to authorize and permit Plaintiff and Aggrieved Employees to take duty-free rest periods, and failed to pay one additional hour of pay to Plaintiff and Aggrieved Employees at their regular rate of pay when a rest period was missed, short, late and/or interrupted.

23. Throughout the time period involved in this case, Defendant regularly required Plaintiff and Aggrieved Employees to perform work off-the-clock. Although Defendants

1 prohibited overtime, Defendants still regularly required Plaintiff and Aggrieved Employees
2 complete all of their assigned duties. To do so, Plaintiff and Aggrieved Employees were regularly
3 required to perform work off-the-clock for which they were not compensated.

4 24. Throughout the time period involved in this case, Defendants employed a time
5 rounding policy that was not neutral and designed to consistently round time in Defendants' favor,
6 ensuring that Plaintiff and the Aggrieved Employees were oftentimes not paid for all time worked.

7 25. Throughout the time period involved in this case, Defendants implemented policies
8 that prohibited Plaintiff and the Aggrieved Employees from accurately recording the actual time
9 worked, resulting in a failure to pay Plaintiff and the Aggrieved Employees all wages owed.

10 26. Throughout the time period involved in this case, Plaintiff and Aggrieved
11 Employees worked more than eight (8) hours in a day, and/or forty (40) hours in a week.

12 27. Throughout the time period involved in this case, Defendants regularly failed to
13 pay overtime compensation to Plaintiff and Aggrieved Employees when they worked in excess
14 of eight (8) hours in a single work day and/or forty (40) hours in a single work week, or in excess
15 of twelve (12) hours in a single work day and/or eighty (80) hours in a single work week.
16 Defendants knew or should have known that Plaintiff and Aggrieved Employees were entitled to
17 receive certain wages for overtime or double overtime compensation and that they were not
18 receiving wages for overtime or double overtime compensation.

19 28. Throughout the time period involved in this case, Defendants failed to pay
20 overtime to Plaintiff and the Aggrieved Employees for all overtime hours worked based on
21 regular rates of pay correctly calculated to include all applicable remuneration.

22 29. Throughout the time period involved in this case, Defendants regularly failed to
23 pay Plaintiff and Aggrieved Employees at least minimum wages for all hours worked. Defendants
24 knew or should have known that Plaintiff and Aggrieved Employees were entitled to receive at
25 least minimum wages for all hours worked and that they were not receiving at least minimum
26 wages for all hours worked. Defendants' failure to pay minimum wages included, *inter alia*,
27 failing to pay Plaintiff and Aggrieved Employees at the required minimum wage pursuant to
28 California law, and requiring Plaintiff and Aggrieved Employees to perform work off the clock.

1 30. Throughout the time period involved in this case, Defendants regularly failed to
2 pay Plaintiff and the Aggrieved Employees at least minimum wages for all hours worked.
3 Defendants knew or should have known that Plaintiff and the Aggrieved Employees were entitled
4 to receive at least minimum wages for all hours worked and that they were not receiving at least
5 minimum wages for all hours worked. Defendants' failure to pay minimum wages included, *inter*
6 *alia*, failing to pay Plaintiff and the Aggrieved Employees at the required minimum wage pursuant
7 to California law, requiring Plaintiff and the Aggrieved Employees to perform work off the clock,
8 implementing time rounding policies that resulted in the systematic underpayment of wages to
9 Plaintiff and the Aggrieved Employees.

10 31. Throughout the time period involved in this case, Defendants regularly failed to
11 pay Plaintiff and the Aggrieved Employees all wages owed to them upon discharge or resignation.
12 Defendant knew or should have known that Plaintiff and the Aggrieved Employees were entitled
13 to receive all wages owed to them upon termination within the time permissible under California
14 Labor Code section 202. Plaintiff and the Aggrieved Employees did not receive payment of all
15 final wages owed to them upon discharge or resignation, including overtime compensation and
16 minimum wages within any time permissible under California Labor Code section 202.

17 32. Throughout the time period involved in this case, Defendants regularly failed to
18 pay Plaintiff and Aggrieved Employees all wages within any time permissible under California
19 law, including, *inter alia*, California Labor Code section 204. Defendants knew or should have
20 known that Plaintiff and Aggrieved Employees were entitled to receive all wages owed to them
21 during their employment. Plaintiff and Aggrieved Employees did not receive payment of all
22 wages, including overtime compensation, minimum wages, and meal and rest period premiums,
23 within any time permissible under California Labor Code section 204.

24 33. Throughout the time period involved in this case, Defendants regularly failed to
25 provide complete or accurate wage statements to Plaintiff and Aggrieved Employees. Defendants
26 knew or should have known that Plaintiff and Aggrieved Employees were entitled to receive
27 complete and accurate wage statements in accordance with California law, but, in fact, they did
28 not receive complete and accurate wage statements from Defendants. The deficiencies included,

1 *inter alia*, the failure to include the total number of hours worked and the actual gross wages
2 earned.

3 34. Throughout the time period involved in this case, Defendants regularly failed to
4 keep complete or accurate payroll records for Plaintiff and Aggrieved Employees. Defendants
5 knew or should have known that Defendants were required keep complete and accurate payroll
6 records for Plaintiff and Aggrieved Employees in accordance with California law, but, in fact, did
7 not keep complete and accurate payroll records.

8 35. Throughout the time period involved in this case, Defendants regularly failed to
9 maintain accurate records relating to Plaintiff's and the Aggrieved Employees' work periods,
10 meal periods, total daily hours and hours per pay period.

11 36. Throughout the time period involved in this case, Defendants regularly failed to
12 pay Plaintiff and Aggrieved Employees for vested but unused vacation time. Defendants knew or
13 should have known that Plaintiff and Aggrieved Employees were entitled to receive all wages
14 owed to them, including vested and unused vacation time. Plaintiff, the Class, and Aggrieved
15 Employees did not receive payment of all final wages owed to them upon discharge or resignation,
16 including vested and unused vacation time.

17 37. Throughout the time period involved in this Case, Defendants failed to reimburse
18 Plaintiff and the Aggrieved Employees for all necessary business-related expenses, including but
19 not limited to personal cellular phone use. Defendants knew or should have known that
20 Defendants were required to reimburse Plaintiff and the Aggrieved Employees for all necessary
21 business-related expenses and costs, but, in fact, failed to do so in violation of California law.

22 38. Throughout the time period involved in this case, Defendants knew or should have
23 known that they had a duty to compensate Plaintiff and Aggrieved Employees pursuant to
24 California law. Defendants had the financial ability to pay such compensation, but willfully,
25 knowingly, and intentionally failed to do so, and falsely represented to Plaintiff and Aggrieved
26 Employees that they paid all wages owed to them, all in order to increase Defendants' profits.

27 39. On or about October 29, 2020, Plaintiff notified Defendants via certified mail and
28 filed an online PAGA claim notice with the California Labor and Workforce Development

Agency (“LWDA”) identifying Defendants’ violations of the California Labor Code identified in this Complaint and Plaintiff’s intent to bring a claim for civil penalties under California Labor Code section 2698 *et seq.* in accord with Cal. Lab. Code section 2699.3. As of the filing of this Complaint, the LWDA has not responded to Plaintiff’s PAGA claim notice.

FIRST CAUSE OF ACTION

(Violation of California Labor Code § 2699, Et Seq.)

(Against All Defendants)

40. Plaintiff incorporates by reference and re-alleges as if fully stated herein each and every allegation set forth above.

41. Plaintiff brings her first and only cause of action as a representative action on behalf of herself and similarly Aggrieved Employees in the capacity as a private attorney general pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”).

42. PAGA specifically provides for a private right of action to recover civil penalties for violations of the Labor Code as follows: “Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in Section 2699.3.” Cal. Lab. Code § 2699(a).

43. Plaintiff was employed by Defendants and the Labor Code violations alleged above were committed against her during her time of employment. Plaintiff and the other non-exempt employees of Defendants are therefore “aggrieved employees” as defined by California Labor Code section 2699(c) in that they are all current or former employees of Defendants, and one or more of the alleged violations were committed against them.

44. As set forth in detail above, during all times relevant to this Action, Defendant has routinely subjected Plaintiff and the Aggrieved Employees to violations of California Labor

Codes by:

- a. Failing to pay Plaintiff and the Aggrieved Employees all earned minimum wage compensation in violation of Labor Code §§ 1194 and 1198 *et seq.*
 - b. Failing to pay Plaintiff and the Aggrieved Employees all earned overtime compensation in violation of Labor Code §§ 204, 510, 1194, and 1198 *et seq.*
 - c. Failing to provide legally required meal periods to Plaintiff and the Aggrieved Employees, and failing to pay Plaintiff and the Aggrieved Employees an additional hour of premium pay for meal period violations in violation of Labor Code §§ 226.7 and 512.
 - d. Failing to provide authorize and permit Plaintiff and the Aggrieved Employees to take duty-free rest periods, and failing to pay Plaintiff and the Aggrieved Employees an additional hour of premium pay for rest period violations in violation of Labor Code §§ 226.7 and 512.
 - e. Failing to timely pay Plaintiff and the Aggrieved Employees all wages at end of their employment in violation of Labor Code § 203.
 - f. Failing to timely pay Plaintiff and the Aggrieved Employees all wages owed during employment in violation of Labor Code § 204.
 - g. Failing to furnish Plaintiff and the Aggrieved Employees with complete, accurate, itemized wage statements in violation of Labor Code § 226.
 - h. Failing to maintain accurate records relating to Plaintiff and the Aggrieved Employees' work periods, meal periods, total daily hours, hours per pay period and total wages and compensation in violation of Labor Code § 1174(d) and the applicable IWC Wage Order.
 - i. Failing to reimburse Plaintiff and the Aggrieved Employees for necessary business-related expenses in violation of Labor Code §§ 2800 and 2802.
 - j. Failing to pay Plaintiff and the Aggrieved Employees for all vested but unused vacation time in violation of Labor Code § 227.3.
45. Pursuant to California Labor Code sections 2699 and 2699.5, Plaintiff,

1 individually and on behalf of the Aggrieved Employees and the State of California, requests and
2 is entitled to recover penalties against Defendants for the Labor Code violations described above,
3 including but not limited to penalties under California Code of Regulations Title section 11010,
4 penalties under California Labor Code sections 2699, 558, 210, 1197.1, 226, 226.3, 1174.5 and
5 1197.1, and any and all additional penalties and sums as provided by the California Labor Code
6 and/or other statutes. The exact amount of the applicable penalties, in all, is in an amount to be
7 shown according to proof at trial.

8 46. Plaintiff has exhausted her administrative remedies pursuant to Labor Code §
9 2699.3. On October 29, 2020, Plaintiff, through her counsel of record, by online filing with the
10 Labor and Workforce Development Agency (“LWDA”) and by certified mail to the Defendants,
11 notified Defendants and the LWDA of the specific provisions of the Labor Code and IWC Wage
12 Orders that Defendants have violated, including the facts and theories to support the violations,
13 and of Plaintiff’s intent to bring a claim for civil penalties under PAGA. Plaintiff also paid the
14 filing fee required under Labor Code § 2699.3. As of the filing of this Complaint, more than 65
15 days have elapsed since the mailing of Plaintiff’s October 29, 2020 notice, and the Labor and
16 Workforce Development Agency has not indicated that it intends to investigate the violations
17 discussed in the notice. Accordingly, Plaintiff may commence a civil action to recover penalties
18 for herself and other Aggrieved Employees pursuant to Labor Code § 2699.3.

19 47. Plaintiff was compelled to retain the services of counsel to file this court action to
20 protect his interests and the Aggrieved Employees, and to assess and collect the civil penalties
21 owed by Defendants. Plaintiff therefore seeks an award of reasonable attorney’s fees and costs
22 pursuant to Labor Code § 2699(g)(1), and any other applicable statute.

23 **PRAYER FOR RELIEF**

24 WHEREFORE, Plaintiff, individually and on behalf of all other aggrieved employees, and
25 as a private attorney general, prays for relief and judgment against Defendants, jointly and
26 severally, as follows:

27 **As to the First Cause of Action**

- 28 1. For statutory attorneys’ fees and costs pursuant to 2699(g)(1) of California Labor

1 Code;

2 2. For the imposition of civil penalties pursuant to California Labor Code §§ 2699,
3 210, 558, 226, 226.3, 1174.5, 1197.1 and all other penalties allowed by the California Labor Code
4 and/or other applicable statutes; and

5 3. For such other relief as the Court deems just and proper

6 Dated: January 4, 2021

PROTECTION LAW GROUP

7
8 By: 

9 Amir Nayebdadash
10 Heather Davis
11 Melissa Newman Avila

12 Attorneys for Plaintiff
13 EVA PACHECO
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DEMAND FOR TRIAL BY JURY

Plaintiff demands a trial by jury as to all causes of action triable by a jury.

Dated: January 4, 2021

PROTECTION LAW GROUP

By: 

Amir Nayebdadash
Heather Davis
Melissa Newman Avila

Attorneys for Plaintiff
EVA PACHECO

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