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and all other aggrieved employees

SUPERIOR COURT OF CALIFORNIA

FOR THE COUNTY OF SACRAMENTO

BETHANY A. BUTLER, on behalf of herself
and all other aggrieved employees,

Plaintiff,

v.

POWERSCHOOL GROUP LLC, a Delaware
Limited Liability Company; and DOES 1
through 10, Inclusive,

Defendants.

**PRIVATE ATTORNEYS GENERAL ACT
("PAGA") COMPLAINT [Labor Code §§ 2698,
et seq.]**

1. PAGA Civil Penalties for Failure to Pay Minimum, Regular, and Overtime Wages
2. PAGA Civil Penalties for Failure to Provide Meal Periods
3. PAGA Civil Penalties for Failure to Authorize and Permit Paid Rest Periods
4. PAGA Civil Penalties for Failure to Reimburse Business-Related Expenses;
5. PAGA Civil Penalties for Failure to Provide Accurate, Itemized Wage Statements; and
6. PAGA Civil Penalties for Failure to Timely Pay Wages Due Upon Separation of Employment

COHELAN KHOURY & SINGER
605 C Street, Suite 200
San Diego, CA 92101

BY FAX

NATURE OF CLAIM

1. Plaintiff Bethany A. Butler (“Plaintiff”) brings this representative action under the Private Attorneys General Act of 2004 (“PAGA”), Labor Code sections 2698, *et seq.*, against POWERSCHOOL GROUP LLC, a Delaware Limited Liability Company, and DOES 1 through 10, Inclusive (collectively, “Defendants”) to recover civil penalties arising out of Defendants’ failure to: pay minimum, regular, and overtime wages; provide meal periods; authorize and permit paid rest periods; reimburse business-related expenses; provide accurate itemized wage statements; and timely pay wages due upon separation of employment.

2. Plaintiff gave written notice of these claims to the California Labor and Workforce Development Agency (“LWDA”) on February 16, 2021 per Labor Code section 2699.3, and there has been no LWDA intervention within 65 days of her notice. A true and correct copy of Plaintiff’s Notice is attached as **Exhibit 1**. Plaintiff seeks civil penalties under the PAGA as a representative of the State of California and has standing as an aggrieved non-exempt employee. Plaintiff seeks to represent all current and former non-exempt employees of Defendants who suffered one or more of the violations alleged (“aggrieved employees”) during the “PAGA Period” (one year and 65 days before this complaint filing date until the start of trial). Labor Code §§ 2698, *et seq.*, 2699.3(a)(2)(C).

JURISDICTION AND VENUE

3. Venue as to each Defendant is proper in this judicial district. Code of Civil Procedure § 395. Defendants conduct business and commit Labor Code violations in Sacramento County, California.

4. This Court has jurisdiction over Plaintiff’s and other aggrieved employees’ claims because Defendants regularly conduct business in California and are alleged to have violated the law in California. Plaintiff’s claims raise no federal question and PAGA civil penalty actions are not subject to federal jurisdiction.

THE PARTIES

5. Defendant POWERSCHOOL GROUP LLC (“PowerSchool”) is a Delaware limited liability company doing business throughout the State of California. PowerSchool provides cloud-based software for K-12 education, connecting students, teachers, administrators, and parents, and helping

1 teachers and administrators manage instruction, learning, grading, attendance, assessment, analytics,
2 state reporting, special education, student registration, talent, finance, and human resources.
3 PowerSchool serves over 45 million students and 12,000+ districts, schools, and other education
4 institutions in over 90 countries.

5 6. Plaintiff Bethany A. Butler is a resident of Sacramento County, California. Plaintiff
6 worked as a non-exempt, hourly-paid employee for Defendants from approximately August 13, 2018
7 through July 2, 2020. Plaintiff held the positions of Senior Client Operations Manager and Senior
8 Customer Success Manager, and her duties included maintaining an excel spreadsheet with each of her
9 many clients' first and last names and the products they had purchased; programming fill-in-the-blank
10 scripts to inform clients of billing and other account matters; hosting strategy meetings with co-
11 workers; calling and emailing with clients and acting as a middleman between clients and Defendants'
12 support team members when necessary; communicating with Defendants' support team members on
13 an instant message application called "Slack;" and periodically presenting business reviews to clients
14 and Defendants' executives, utilizing self-made graphs and charts.

15 7. Does 1 through 10, inclusive, are persons or entities whose true names and identities are
16 now unknown to Plaintiff, and who are sued by such fictitious names. Plaintiff will amend this
17 complaint to allege their true names and capacities when known. Plaintiff is informed and believes each
18 Doe defendant is the agent, representative, or parent or subsidiary corporation of PowerSchool, is
19 responsible in some manner for the occurrences and injuries alleged, and that harm suffered by Plaintiff
20 and other aggrieved employees was proximately caused by them in addition to PowerSchool.

21 **FACTUAL ALLEGATIONS**

22 8. During the PAGA Period, Defendants conducted business in California and Sacramento
23 County and employed Plaintiff and other aggrieved employees in the State of California.

24 9. During the PAGA Period, Plaintiff and other aggrieved employees of Defendants worked
25 under the same policies, practices, and procedures relating to their employment.

26 10. During the PAGA Period, Plaintiff and other aggrieved employees were not paid all
27 minimum, regular, and overtime wages they were owed for all time worked or spent under Defendants'
28 control. Defendants failed to track Plaintiff and other aggrieved employees' time with a system for

1 clocking in and out. Rather, Defendants asked these employees to self-report their hours worked.
2 Plaintiff and other aggrieved employees were discouraged from recording overtime and were told by
3 Defendants to think of their positions as salaried. Plaintiff and other aggrieved employees did not
4 actually track their hours, and only recorded their hours worked every week or every two weeks as
5 required by Defendants. Due to pressure not to report the correct number of hours actually worked,
6 Plaintiff and other aggrieved employees routinely reported only working approximately 40 hours per
7 week. In reality, Plaintiff estimates that she worked approximately 50 hours per week, often needing to
8 work after-hours and on weekends, including to attend to client emergencies. Based on her
9 observations, Plaintiff believes other aggrieved employees were required to do the same.

10 11. During the PAGA Period, Defendants failed to pay Plaintiff and other aggrieved
11 employees overtime wages at the correct rate because Defendants did not properly calculate these
12 employees' regular rates of pay. Plaintiff and other aggrieved employees earned hourly wages and
13 production bonuses based on an "Incentive Plan." These production bonuses were paid to employees
14 only if they met certain objective criteria related to customer satisfaction, retention, and contract
15 renewal. These production bonuses were not factored into these employees' regular rates of pay for the
16 purpose of calculating their overtime rates in weeks they earned overtime pay, so their overtime wages
17 were underpaid.

18 12. During the PAGA Period, Plaintiff and other aggrieved employees were not regularly
19 provided 30-minute, uninterrupted meal periods for shifts of five hours or more, which began before
20 the end of the fifth hour of work, nor second such meal periods for shifts of ten hours or more, before
21 the end of the tenth hour of work, nor paid one hour of pay at their regular rate of compensation for
22 each day they did not receive a compliant meal period. Defendants did not provide Plaintiff and other
23 aggrieved employees a system for clocking in and out for meal periods. Rather, Defendants only
24 required employees to report whether they had taken meal periods in a computer system when they
25 reported their hours allegedly worked every week or every two weeks. Defendants discouraged Plaintiff
26 and other aggrieved employees from taking 30-minute, uninterrupted meal periods. Further, due to the
27 demand of the job, these employees often worked through meal periods.

28 13. During the PAGA Period, Plaintiff and other aggrieved employees were not authorized or

permitted to take duty-free 10-minute rest periods for every four (4) hours or major fraction thereof worked, nor paid one hour of pay at their regular rate of compensation for each day they did not receive a compliant rest period. Further, Defendants did not inform Plaintiff and other aggrieved employees of their right to take these rest periods.

14. During the PAGA period, Defendants failed to reimburse Plaintiff and other aggrieved employees for business-related expenses incurred in direct consequence of the discharge of their duties. Defendants required Plaintiff and other aggrieved employees to use their personal cell phones to do work, but did not reimburse Plaintiff and other aggrieved employees for this business-related cell phone use. Before the coronavirus pandemic hit, Plaintiff and other aggrieved employees worked in an office building. After, they worked from home. When Plaintiff and other aggrieved employees worked in an office, they used employer-provided office phones for work while at the office, but had to use their personal cell phones when working from home. When Plaintiff and other aggrieved employees began working from home due to coronavirus, they were required to use their personal cell phones to conduct work, as they had no employer-provided phones to use.

15. During the PAGA Period, Defendants knowingly and willfully failed to provide accurate itemized wage statements to Plaintiff and other aggrieved employees, which did not include, among other things, the name of the legal entity that was the employer and the correct total hours worked. Wage statements Defendants issued to Plaintiff and other aggrieved employees listed the employer as “PowerSchool.” However, the legal entity that employed Plaintiff and other aggrieved employees and continues to employ aggrieved employees is PowerSchool Group LLC. Additionally, because Defendants failed to compensate Plaintiff and other aggrieved employees for all hours worked and for any non-compliant meal or rest period, the itemized wage statements provided by Defendants to Plaintiff and other aggrieved employees were inaccurate.

16. During the PAGA Period, because Defendants failed to pay all wages owed to Plaintiff and other aggrieved employees, Defendants had a consistent policy and practice of failing to timely compensate Plaintiff and other aggrieved employees for all wages owed upon separation of employment.

17. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law, any

1 provision of this code that provides for a civil penalty to be assessed and collected by the Labor and
2 Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies,
3 or employees, for a violation of this code, may, as an alternative, be recovered through a civil action
4 brought by an aggrieved employee on behalf of himself or herself and other current or former
5 employees pursuant to the procedures specified in Section 2699.3.”

6 18. Labor Code section 2699(f)(2) states: “For all provisions of this code except those for
7 which a civil penalty is specifically provided, there is established a civil penalty for a violation of these
8 provisions, as follows... (2) If, at the time of the alleged violation, the person employs one or more
9 employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period
10 for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for
11 each subsequent violation.”

12 19. Plaintiff, as a representative of the general public and State of California, seeks to recover
13 all civil penalties under the PAGA for violations of sections 201-203, 218.5, 226, 226.7, 510, 512,
14 1194, 1197, 1197.1, 1198, and 2802 shown to have occurred, in an amount according to proof, as to
15 those penalties that are otherwise only available in public agency enforcement actions. The funds
16 recovered will be distributed in accordance with the PAGA, with 75% of penalties recovered distributed
17 to the LWDA and 25% distributed to the aggrieved employees, subject to Court approval.

18 CAUSES OF ACTION

19 FIRST CAUSE OF ACTION

20 **PAGA Civil Penalties for Failure to Pay Minimum, Regular, and Overtime Wages** 21 **(By Plaintiff and Aggrieved Employees against Each Defendant)**

22 20. Plaintiff re-alleges all preceding paragraphs.

23 21. “Notwithstanding any agreement to work for a lesser wage, any employee receiving less
24 than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled
25 to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime
26 compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.” Labor Code §
27 1194(a).

28 22. “[A]ny 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.” Labor Code § 2699(a).

23. “For all provisions of this code except those for which a civil penalty is specifically provided, there is established a civil penalty for a violation of these provisions [] (2) If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.” Labor Code § 2699(f)(2).

24. Section 2699.3(a) applies to any alleged violation of Labor Code sections 510, 1194, and 1194.1, and allows for recovery of PAGA civil penalties. Labor Code § 2699.5.

25. Defendants failed to pay minimum, regular, and overtime wages during the PAGA Period. Plaintiff will seek \$100 for the initial pay period an employee was underpaid, and \$200 for each subsequent violation.

26. Defendants’ conduct violates the applicable Wage Order(s) by failing to pay minimum wages to employees. Plaintiff will also seek \$50 for the initial pay period an employee was underpaid, and \$100 for each subsequent violation.

SECOND CAUSE OF ACTION
PAGA Civil Penalties for Failure to Provide Meal Periods
(By Plaintiff and Aggrieved Employees against Each Defendant)

27. Plaintiff re-alleges all preceding paragraphs.

28. By failing to provide uninterrupted meal periods of at least 30 minutes for shifts of five hours or more, which began before the end of the fifth hour of work, and a second meal period at least 30 minutes for shifts of ten hours or more, which began before the end of the tenth hour of work, Defendants willfully violated Labor Code sections 226.7 and 512 and the applicable Wage Order(s).

29. By failing to pay employees one hour of pay at their regular rate of compensation for each workday a meal period was not provided, Defendants willfully violated Labor Code sections 226.7 and 512, and the applicable Wage Order(s).

30. During the PAGA Period, Defendants failed to provide compliant meal periods. Plaintiff

will seek penalties of \$100 for the initial pay period an employee was underpaid, and \$200 for each subsequent violation. Labor Code § 2699(f)(2).

THIRD CAUSE OF ACTION

PAGA Civil Penalties for Failure to Authorize and Permit Paid Rest Periods (By Plaintiff and Aggrieved Employees against Each Defendant)

31. Plaintiff re-alleges all preceding paragraphs.

32. By failing to authorize and permit a rest period of at least 10 minutes for every four (4) hours or major fraction thereof worked per day, Defendants willfully violated provisions of Labor Code section 226.7 and the applicable Wage Order(s).

33. By failing to pay employees one hour of pay at their regular rate of compensation for each day a compliant rest period was not authorized and permitted, Defendants willfully violated the provisions of Labor Code section 226.7 and the applicable Wage Order(s).

34. During the applicable statutory period, Defendants failed to provide rest periods. Plaintiff will seek penalties of \$100 for the initial pay period an employee was underpaid, and \$200 for each subsequent violation. Labor Code § 2699(f)(2).

FOURTH CAUSE OF ACTION

PAGA Civil Penalties for Failure to Reimburse Business-Related Expenses (By Plaintiff and Aggrieved Employees against Each Defendant)

35. Plaintiff re-alleges all preceding paragraphs.

36. By failing to reimburse Plaintiff and other aggrieved employees for their business-related expenses, including personal cell phone expenses, Defendants willfully violation Labor Code section 2802.

37. During the applicable statutory period, Defendants failed to reimburse business-related expenses. Plaintiff will seek penalties of \$100 for the initial pay period an employee was underpaid, and \$200 for each subsequent violation. Labor Code § 2699(f)(2).

FIFTH CAUSE OF ACTION

PAGA Civil Penalties for Failure to Provide Accurate Itemized Wage Statements (By Plaintiff and Aggrieved Employees against Each Defendant)

38. Plaintiff re-alleges all preceding paragraphs.

39. Every employer must, semimonthly or at the time of each payment of wages, furnish each of its employees an accurate itemized statement in writing showing, among other things, total hours

1 worked and the name of the legal entity that is the employer. Labor Code § 226(a).

2 40. Defendants intentionally and willfully violated Section 226 by providing wage statements
3 to employees that did not accurately reflect all required information, including but not limited to total
4 hours worked and the name of the legal entity that is the employer.

5 41. Labor Code section 226.3 provides for civil penalties for violations of Section 226.
6 Plaintiff seeks civil penalties of \$250 for the initial violation and \$1,000 for each subsequent violation.
7 Labor Code § 226.3.

8 **SIXTH CAUSE OF ACTION**
9 **PAGA Civil Penalties for Failure to Timely Pay Wages Due Upon Separation of Employment**
10 **(By Plaintiff and Aggrieved Employees against Each Defendant)**

11 42. Plaintiff re-alleges all preceding paragraphs.

12 43. Labor Code sections 201-202 require employers to pay wages earned by employees within
13 certain times. Defendants had a consistent and uniform policy, practice, and procedure of willfully
14 failing to pay the earned wages of Defendants' former employees. An employer that willfully fails to
15 timely pay all final wages must, as a statutory penalty, pay an employee's wages for 30 days, or until
16 back wages are paid in full. Labor Code section 203.

17 44. Defendants failed to pay Plaintiff and other aggrieved employees all final wages,
18 including minimum, regular, and overtime wages, and meal and rest period premium wages, as required
19 by Labor Code sections 201-202.

20 45. Defendants failed to pay Plaintiff and other aggrieved employees penalties due them based
21 on Defendants' failure to pay all final wages in a timely manner as required by Labor Code section 203.
22 Plaintiff will seek penalties of \$100 for the initial pay period an employee was not reimbursed, and
\$200 for each subsequent violation.

23 **PRAYER FOR RELIEF**

24 Plaintiff prays for judgment as follows:

25 A. That this action be maintained as a Representative Action under the PAGA, and Plaintiff
26 and her counsel be provided with all enforcement capability as if the action were brought by the
27 California Division of Labor Standards Enforcement;

28 B. For recovery of all civil penalties permitted by Labor Code section 2699, for unpaid

1 minimum, regular, and overtime wages pursuant to Labor Code section 1194, according to proof;

2 C. For recovery of civil penalties permitted by Labor Code section 2699, for unpaid meal
3 period premiums earned pursuant to Labor Code section 226.7, according to proof;

4 D. For recovery of civil penalties permitted by Labor Code section 2699 for unpaid rest
5 period premiums earned pursuant to Labor Code section 226.7, according to proof;

6 E. For recovery of all civil penalties as permitted by Labor Code section 2699, for failing to
7 reimburse all necessary business-related expenses incurred, pursuant to Labor Code section 2802;

8 F. For recovery of civil penalties permitted by Labor Code section 2699, for inaccurate
9 itemized wage statements pursuant to Labor Code sections 226 and 226.3, according to proof;

10 G. For recovery of civil penalties permitted by Labor Code section 2699(f)(2) for failing to
11 timely pay all final wages due pursuant to Labor Code sections 201-202;

12 H. For recovery of civil penalties permitted by Labor Code section 2699(f)(2) for failing to
13 pay statutory waiting time penalties due pursuant to Labor Code section 203;

14 I. For Pre-Judgment and Post-Judgment interest;

15 J. For the Plaintiff to be recognized by the Court as serving as a Representative of the
16 LWDA, that she be deemed an “aggrieved employee,” and that she be awarded some form of enhanced
17 compensation for bringing this action should she prevail and provide benefit to the State of California
18 or other “aggrieved employees,” subject to the Court’s discretion;

19 K. Attorneys’ fees and costs of suit, including expert fees and fees pursuant to California
20 Labor Code sections 226, 1194, 2699.3 and all other applicable state laws including Code of Civil
21 Procedure section 1021.5; and

22 L. Such other relief as this Court deems necessary, just, equitable, and proper

23 COHELAN KHOURY & SINGER
24 DAVTYAN LAW FIRM, INC.

25
26 Dated: April 26, 2021

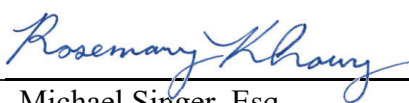
27 By: 
28 Michael Singer, Esq.
Rosemary C. Khoury, Esq.
Attorneys for Plaintiff Bethany A. Butler, on behalf of
herself and all other aggrieved employees

EXHIBIT 1

COHELAN KHOURY & SINGER

A PARTNERSHIP OF PROFESSIONAL LAW CORPORATIONS

TIMOTHY D. COHELAN, APLC*
ISAM C. KHOURY, APC
DIANA M. KHOURY, APC
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(*Also admitted in the District of Columbia)
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JEFF GERACI
J. JASON HILL†
KRISTINA DE LA ROSA
ROSEMARY C. KHOURY

(† Also admitted in Illinois)

February 16, 2021

NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO CAL. LABOR CODE SECTIONS 2698, *et seq.*

NOTICE VIA ONLINE SUBMISSION

California Labor and Workforce Development Agency

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

Via Certified U.S. Mail with Return Receipt

PowerSchool Group LLC
150 Parkshore Dr
Folsom, CA 95630

PowerSchool Group LLC
c/o C T Corporation System
818 West Seventh Street, Suite 930
Los Angeles, CA 90017

Re: Notice by Bethany A. Butler, on behalf of herself and all similarly-aggrieved California employees of PowerSchool Group LLC as an individual and as a proposed Representative of the State of California

Dear PAGA Administrator and PowerSchool Group LLC:

Bethany A. Butler ("Claimant") intends to bring an action against PowerSchool Group LLC ("PowerSchool") individually and on behalf of all other similarly-aggrieved California employees. This letter is notice of PowerSchool's Labor Code violations and Claimant's intent to recover civil penalties under California's Private Attorneys General Act of 2004 ("PAGA"), Cal. Lab. Code sections 2698, *et seq.*

Factual Statement

Claimant Bethany A. Butler was employed by PowerSchool from approximately August 13, 2018 through July 2, 2020 as a non-exempt, hourly-paid employee. During her employment, Claimant held the positions of Senior Client Operations Manager and Senior Customer Success Manager. Throughout Claimant's employment, her job duties were essentially the same and included: maintaining an Excel spreadsheet with each of her many client's first and last names and the products they had purchased; programming fill-in-the-blank scripts to inform clients of billing and other account matters; hosting strategy meetings with co-workers; calling and emailing with clients and acting as a middleman between clients and PowerSchool support team members when necessary; communicating with PowerSchool support team members on an instant message application called "Slack"; and periodically presenting business reviews to clients and PowerSchool's executives, utilizing self-made graphs and charts.

Summarizing the claims on behalf of Ms. Butler and all other aggrieved employees of PowerSchool, the Labor Code violations are as follows:

1. Failure to pay for all hours worked, including up to two hours per day during the COVID-19 pandemic and two-three hours per week previously;
2. Failure to pay the correct overtime rate based on additional compensation for incentive bonuses and other compensation earned above the regular hourly rate paid;
3. Failure to provide duty-free meal periods but requiring employees nevertheless to record meal periods as if they had taken them;
4. Failure to provide any rest periods;
5. Failure to reimburse for cell phone expenses;
6. Failure to list the total hours worked, the correct number of hours worked, and the correct legal entity on wage statements; and
7. Failure to timely pay all wages owed at separation from employment.

PowerSchool failed to track the time Claimant and other aggrieved employees worked or took meal breaks with a system for clocking in and out. Rather, PowerSchool asked employees to self-report their hours worked and whether they took a meal break in a computer program. Claimant was discouraged from recording overtime or taking time for meal periods and was told to think of her position like a salaried one. Claimant did not actually track her hours, and only inputted her hours every week or every two weeks. Due to pressure not to report the correct number of hours she actually worked or to show meal periods she was unable to take, Claimant routinely reported that she had worked 40 hours per week and had taken a lunch break each day she worked. In reality, Claimant estimates that she worked approximately 50 hours per week, nearly always worked through lunch, and often needed to work after-hours and on weekends (including to attend to client emergencies). Additionally, Claimant did not take 15-minute rest breaks and was not informed by PowerSchool of her right to take rest breaks.

Claimant was paid a base hourly rate of approximately \$30 per hour. PowerSchool also offered an “Incentive Plan” that allowed employees to earn annual production bonuses if they met certain objective criteria related to customer satisfaction, retention, and contract renewal. These bonuses were not factored into Claimant’s regular rate of pay for the purpose of calculating overtime. For instance, for the period of 03/09/2020 through 03/24/2020, Claimant was paid an overtime rate of \$45.21, exactly 1.5 times her listed hourly rate of \$30.14. During this period of 03/09/2020 through 03/24/2020, Claimant earned a bonus of \$6,105.15, but this was not factored into her regular rate of pay. See attached two wage statements.

PowerSchool did not reimburse Claimant for her business-related personal cell phone use. Before the coronavirus pandemic hit, Claimant worked in an office building. After, she worked from home. When Claimant worked in the office, she used an employer-provided office phone for work. She also sometimes used her personal cell phone to conduct work, for instance, after she had left the office. When Claimant began working from home due to coronavirus, she used her personal cell phone to conduct work.

Claimant’s wage statements listed the employer as “PowerSchool.” However, the name of the legal entity that was Claimant’s employer was “PowerSchool Group LLC.”

Labor Code §§ 218.5, 510 and 1194 (Minimum, Regular, and Overtime Wages)

Labor Code sections 218.5, 510 and 1194 require employers to pay at least minimum wage for all hours worked, overtime wages for hours worked over eight per day or forty per week, and double time wages for hours over twelve per day. Overtime wages must be paid at one-and-one half times the employees' regular rate, which must incorporate non-discretionary bonuses. www.dir.ca.gov/dlse/FAQ_Overtime.htm. PowerSchool did not pay for all actual time worked by Claimant and aggrieved employees, and thus, failed to pay minimum and overtime wages. Additionally, Employer(s) miscalculated overtime wages by not factoring non-discretionary bonuses and other compensation into Claimant's and other aggrieved employees' regular rates of pay in weeks in which these bonuses were earned. Claimant's wage statement for the period of 03/09/2020 through 03/24/2020 demonstrates this error. See attached wage statements.

Labor Code § 226 (Wage Statements)

California employers are required to provide itemized wage statements showing, among other things, "total hours worked by the employee," "the name and address of the legal entity that is the employer," and "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee." Labor Code §§ 226(a)(2), (8), (9). PowerSchool's wage statements do not show total hours worked by Claimant nor the correct number of hours she worked at each hourly rate. Additionally, Claimant's wage statements listed "PowerSchool" as her employer, but PowerSchool Group LLC was the actual name of the legal entity that was her employer. Consequently, PowerSchool owes civil penalties for wage statement violations pursuant to Labor Code section 226.3.

Labor Code §§ 512 and 226.7 (Meal and Rest Periods and Premium Wages)

Employers must provide employees a 30-minute, uninterrupted meal period "after no more than five hours of work," and "a second meal period after no more than 10 hours work." *Brinker Restaurant Corp. v. Superior Court*, 53 Cal. 4th 1004, 1049 (2012). If meal breaks are late, missed, or too short, the employer is liable for an hour of pay at the employee's regular rate ("premium wages"). Labor Code § 226.7. Likewise, employers must provide a 10-minute, uninterrupted rest period for every 4 hours, or major fraction thereof, that an employee works; if the rest period is too short, interrupted, or not provided the employer is liable for an hour of pay at the employee's regular rate ("premium wages"). Labor Code § 226.7

It appears PowerSchool did not issue or did not distribute meal or rest period policies. Nor did PowerSchool provide a clock-in and clock-out mechanism for aggrieved employees to accurately record the length of their meal periods. As stated, Claimant almost always worked through her lunch, and recalls only a handful of occasions on which she took a 30-minute meal break. Likewise, Claimant did not take rest periods, nor was she informed of her right to take paid rest periods. PowerSchool was aware that Claimant and other aggrieved employees did not take meal and rest periods due to their workloads and due to pressure from PowerSchool to get their work done.

Because of PowerSchool's policies and practices, Claimant and other aggrieved employees did not receive compliant meal and rest periods, including second meal periods and third rest periods where applicable. Premium wages were not paid for non-compliant breaks.

CA Labor & Workforce Development Agency
PowerSchool Group LLC
Re: Bethany A. Butler
February 16, 2021
Page 4

Labor Code §§ 201-203 (Final Wages)

An employer must pay all wages due to involuntarily terminated employees at the time of termination, or within 72 hours to employees voluntarily terminating. Labor Code § 201. If an employer willfully fails to timely pay all final wages, the wages continue at the same rate for up to 30 days, until paid. As a result of its failure to pay all wages earned described above, PowerSchool failed to pay all final wages due to Claimant and other aggrieved employees and violated Sections 201-203.

Labor Code § 2802 (Business Expense Reimbursement)

An employer must reimburse its employees for necessary business-related expenses. Claimant used her personal cell phone for many business-related reasons, including to communicate with co-workers about work-related matters and with clients regarding their accounts. PowerSchool did not reimburse Claimant and other aggrieved employees for their business-related expenses, including, but not necessarily limited to, the use of their personal cell phones to conduct work. By this failure, PowerSchool violated Section 2802.

Conclusion

Claimant requests the Labor and Workforce Development Agency ("LWDA") initiate enforcement for the violations described above against PowerSchool Group LLC. If the LWDA does not pursue enforcement, Ms. Butler will pursue claims for statutory penalties and seek all remedies available for PowerSchool's violations of the Labor Code and applicable Industrial Welfare Commission Wage Order, including all available penalties set forth in Labor Code section 2699(f).

Very truly yours,
COHELAN KHOURY & SINGER

A handwritten signature in blue ink that reads "Rosemary Khoury".

Rosemary C. Khoury, Esq.

cc (via email only):
Emil Davtyan, Esq.
DAVTYAN LAW FIRM, INC.
880 E. Broadway
Glendale, CA 91205
Emil@DavtyanLaw.com



REDACTED

150 Parkshore Dr
Folsom, CA 95630

Pay Statement
Period Start Date 03/09/2020
Period End Date 03/09/2020
Pay Date 03/31/2020
Document 6166732
Net Pay \$3,609.36

Pay Details

BETHANY A BUTLER	Employee Number	001455	Pay Group	US Non-Exempt	
	SSN	XXX-XX-XXXX	Tax Location	Folsom	
	Job	Sr Customer Success Mgr	Organization	SUCCE - Success	
USA	Pay Rate	\$30.1400	Department	SUCCE - Success	
	Pay Frequency	Semi-Monthly	Prod Assign	NOTAPP - N/A	

Earnings

Pay Type	Date	Job	Hours	Pay Rate	Current	YTD
DTO			0.0000	\$0.0000	\$0.00	\$964.48
Holiday			0.0000	\$0.0000	\$0.00	\$964.48
Incentive Plan	03/09/2020	Sr Customer Success Mgr			\$6,105.15	\$6,105.15
Overtime			0.0000	\$0.0000	\$0.00	\$339.07
Regular Pay-Hourly			0.0000	\$0.0000	\$0.00	\$13,743.84

Total Hours 0.0000

Deductions

Deduction	Based On	Pre-Tax	Employee		Employer	
			Current	YTD	Current	YTD
Cigna PPO Med	\$0.00	Yes	\$0 00	\$97.34	\$0.00	\$274.30
MFA Stipend	\$0.00	No	\$0 00	(\$22 50)	\$0.00	\$0.00
US 401K Percent	\$0.00	Yes	\$0 00	\$640.48	\$0.00	\$0.00
Basic AD&D	\$0.00	No	\$0 00	\$0.00	\$0.00	\$3.78
Basic Life	\$0.00	No	\$0 00	\$0.00	\$0.00	\$20.30
ER 401K/Roth	\$0.00	Yes	\$0 00	\$0.00	\$0.00	\$560.42
LTD	\$0.00	No	\$0 00	\$0.00	\$0.00	\$36.19
STD	\$0.00	No	\$0 00	\$0.00	\$0.00	\$5.88

Taxes

Tax	Based On	Current	YTD
Federal Income Tax	\$6,105.15	\$1,343.13	\$2,338.13
Employee Medicare	\$6,105.15	\$88.53	\$319.29
Social Security Employee Tax	\$6,105.15	\$378.52	\$1,365.22
CA State Income Tax	\$6,105.15	\$624.56	\$874.98
CA Disability Employee	\$6,105.15	\$61.05	\$220.20

Paid Time Off

Net Pay Distribution

Account Number	Account Type	Amount
	Checking	\$3,609.36
Total		\$3,609.36

Pay Summary

	Gross	FIT Taxable Wages	Taxes	Deductions	Net Pay
Current	\$6,105.15	\$6,105.15	\$2,495.79	\$0.00	\$3,609.36
YTD	\$22,117.02	\$21,379.20	\$5,117.82	\$715.32	\$16,283.88



REDACTED

150 Parkshore Dr
Folsom, CA 95630

Pay Statement
Period Start Date 03/09/2020
Period End Date 03/24/2020
Pay Date 03/31/2020
Document 5960982
Net Pay \$2,163.93

Pay Details

BETHANY A BUTLER	Employee Number	001455	Pay Group	US Non-Exempt	
	SSN	XXX-XX-XXXX	Tax Location	Folsom	
	Job	Sr Customer Success Mgr	Organization	SUCCES - Success	
USA	Pay Rate	\$30.1400	Department	SUCCES - Success	
	Pay Frequency	Semi-Monthly	Prod Assign	NOTAPP - N/A	

Earnings

Pay Type	Date	Job	Hours	Pay Rate	Current	YTD
DTO			0.0000	\$0.0000	\$0.00	\$964.48
Holiday			0.0000	\$0.0000	\$0.00	\$964.48
Overtime	03/09/2020	Sr Customer Success Mgr	3.0000	\$45.2100	\$135.63	\$339.07
Regular Pay-Hourly	03/09/2020	Sr Customer Success Mgr	96.0000	\$30.1400	\$2,893.44	\$13,743.84
Total Hours 99.0000						

Deductions

Deduction	Based On	Pre-Tax	Employee		Employer	
			Current	YTD	Current	YTD
Cigna PPO Med	\$0.00	Yes	\$97.34	\$97.34	\$274.30	\$274.30
MFA Stipend	\$0.00	No	(\$7.50)	(\$22.50)	\$0.00	\$0.00
US 401K Percent	\$3,029.07	Yes	\$121.16	\$640.48	\$0.00	\$0.00
Basic AD&D	\$0.00	No	\$0.00	\$0.00	\$0.54	\$3.78
Basic Life	\$0.00	No	\$0.00	\$0.00	\$2.90	\$20.30
ER 401K/Roth	\$0.00	Yes	\$0.00	\$0.00	\$106.02	\$560.42
LTD	\$0.00	No	\$0.00	\$0.00	\$5.17	\$36.19
STD	\$0.00	No	\$0.00	\$0.00	\$0.84	\$5.88

Taxes

Tax	Based On	Current	YTD
Federal Income Tax	\$2,810.57	\$329.24	\$995.00
Employee Medicare	\$2,931.73	\$42.51	\$230.76
Social Security Employee Tax	\$2,931.73	\$181.77	\$986.70
CA State Income Tax	\$2,810.57	\$71.30	\$250.42
CA Disability Employee	\$2,931.73	\$29.32	\$159.15

Paid Time Off

Net Pay Distribution

Account Number	Account Type	Amount
	Checking	\$2,163.93
Total		\$2,163.93

Pay Summary

	Gross	FIT Taxable Wages	Taxes	Deductions	Net Pay
Current	\$3,029.07	\$2,810.57	\$654.14	\$211.00	\$2,163.93
YTD	\$16,011.87	\$15,274.05	\$2,622.03	\$715.32	\$12,674.52