

1 Daniel J. Hyun (State Bar No. 309184)
2 dh@danielhyunlaw.com
3 **LAW OFFICE OF DANIEL J. HYUN**
4 1100 West Town and Country Road, Suite 1250
Orange, California 92868
Telephone: (949) 596-4782
Facsimile: (949) 528-2596

5 David Alami (State Bar No. 314628)
6 david@alamilawgroup.com
7 **ALAMI LAW GROUP**
8 620 Newport Center Dr.,
Suite 1100
Newport Beach, CA 92660
Telephone: 949-922-1834

9 Attorneys for Plaintiff KEVIN HOUSTON

Assigned for all Purposes
Judge Kirk Nakamura

CX-103

11 **SUPERIOR COURT OF CALIFORNIA**
12 **COUNTY OF ORANGE**

14 KEVIN HOUSTON, an individual, on behalf of
15 himself and other aggrieved employees,

16 Plaintiff,

17 vs.

18 HOUSE OF IMPORTS, INC.; and DOES 1
19 through 50, inclusive,

20 Defendants.
21
22
23
24
25
26
27
28

Case No. 30-2021-01212687-CU-OE-CXC

**COMPLAINT FOR VIOLATION OF THE
PRIVATE ATTORNEYS GENERAL ACT
OF 2004 (CAL. LAB. CODE §§ 2698, ET
SEQ.)**

1 Plaintiff KEVIN HOUSTON (“Plaintiff”), individually and on behalf of other aggrieved
2 employees, hereby brings this representative action Complaint (“Complaint”) pursuant to the Private
3 Attorneys General Act of 2004 (“PAGA”), California Labor Code Sections 2698, *et seq.*, against
4 Defendant HOUSE OF IMPORTS, INC.; and DOES 1 through 50, inclusive (collectively
5 “Defendants”), and alleges as follows:

6 **INTRODUCTION**

7 1. This representative PAGA action, pursuant to Labor Code Sections 2698, *et seq.*, is
8 brought by Plaintiff on behalf of all salespersons employed by Defendants in California during the
9 PAGA Period (collectively the “Aggrieved Employees”). The term PAGA Period is defined as one
10 year prior to the submission of Plaintiff’s notice of Labor Code violations (“PAGA Notice”) to the
11 Labor and Workforce Development Agency (“LWDA”) and certified mail to Defendants until
12 resolution.

13 2. Plaintiff is informed and believes and based thereon alleges that Defendant HOUSE
14 OF IMPORTS, INC. (“HOI”) owns and operates a Mercedes-Benz car dealership in Buena Park,
15 California.

16 3. Plaintiff and Aggrieved Employees were employed by Defendants and performed work
17 for Defendants in California during the PAGA Period.

18 4. Through this action, Plaintiff is alleging that Defendants have engaged in a systematic
19 pattern of wage and hour violations under the California Labor Code (“Labor Code”).

20 5. Plaintiff is informed and believes, and thereon alleges, that during the PAGA Period,
21 Defendants had a consistent policy of violating state wage and hour laws by, among other things:
22 making unlawful wage deductions and failing to reimburse business expenses.

23 6. Plaintiff’s representative PAGA action is brought under, *inter alia*, the California
24 Industrial Welfare Commission (“IWC”) Wage Orders and applicable provisions of the California
25 Code of Regulations, California Code of Civil Procedure Section 1021.5, and California Labor Code
26 Sections 221, 2800, and 2802.

27 7. Plaintiff brings this representative action seeking monetary relief against Defendants
28 on behalf of himself and other Aggrieved Employees to recover, among other things, penalties,

1 attorneys' fees, and costs pursuant to Labor Code Sections 2698, *et seq.*

2 **JURISDICTION AND VENUE**

3 8. This Court has jurisdiction over all causes of action asserted herein pursuant to the
4 California Constitution, Article VI, Section 10, which grants the Superior Court original jurisdiction
5 in all cases except those given to other trial courts. All claims alleged herein arise under California
6 law for which Plaintiff seeks relief authorized by California law. Further, this is a representative
7 PAGA action and the monetary damages, restitution, penalties, and other amounts sought by Plaintiff
8 exceeds the minimal jurisdictional limits of the Superior Court and will be established according to
9 proof at trial.

10 9. This Court has jurisdiction over all Defendants because each Defendant is a citizen of
11 California, a corporation or association organized under the laws of the State of California, an
12 association authorized to do business in California and registered with the California Secretary of
13 State, does sufficient business in California, has sufficient minimum contacts with California, and/or
14 intentionally avails itself of the laws and markets of California through the promotion, sale, marketing
15 and distribution of its products and/or services in California to render the exercise of jurisdiction by
16 the California courts permissible. In addition, PAGA penalties cannot be aggregated to meet the
17 jurisdictional threshold for diversity jurisdiction in federal court.

18 10. Venue in Orange County is proper under California Business & Professions Code
19 Section 17203 and California Code of Civil Procedure Section 395.5 because a substantial part of
20 Defendants' unlawful conduct, acts, and omissions alleged herein occurred in this County, Defendants
21 had and have ongoing projects in this County, Defendants conduct substantial business in this County,
22 Defendants' liability arose in this County, and/or Defendants reside, transact business, maintain
23 offices, and/or have an agent or agents in this county. The relief requested is within the jurisdiction
24 of this Court.

25 **PARTIES**

26 11. Plaintiff is a California citizen and performed work for Defendants in Orange County,
27 California. Defendants employed Plaintiff as a salesperson during the PAGA Period and employed
28 Plaintiff from approximately March 1, 2011 until June 2, 2020. During his employment, Plaintiff was

1 paid purely commissions and/or a purported hourly wage plus commissions. Plaintiff's job duties
2 included, but were not limited to, the sale of used and new vehicles, coordinating with customers for
3 the purchase of vehicles, collaborating with team members to reach sales targets, and various
4 administrative duties.

5 12. Plaintiff is informed and believes and based thereon alleges that Defendant HOUSE
6 OF IMPORTS, INC. ("HOI") was and is a California corporation organized and existing under the
7 laws of the State of California, with its principal place of business located at 6862 Auto Center Drive,
8 Buena Park, California. HOI owns and operates a Mercedes-Benz car dealership in Buena Park,
9 California. HOI regularly conducts business within the State of California and derives substantial
10 revenues from services performed in California. HOI is, and at all relevant times was, an employer
11 subject to California state wage and hour laws. Plaintiff is informed, believes, and thereon alleges that
12 the practices and policies of HOI that are complained of by way of this Complaint were implemented
13 during the PAGA Period. Plaintiff worked at HOI's worksite located in Buena Park, California.

14 13. Defendants continue to employ non-exempt employees within California.

15 14. Plaintiff is unaware of the true names and capacities of those Defendants identified as
16 DOES 1 through 50. Therefore, Plaintiff identifies those Defendants fictitiously. Plaintiff is informed,
17 believes and thereon alleges that at all relevant times each DOE Defendant was a parent, sister, or
18 related corporate entity of Defendants, or an owner, employee or agent of Defendants, and each related
19 entity, and was acting with the knowledge and authorization of each of the other Defendants. Plaintiff
20 will seek to amend this Complaint to allege the true names and capacities of each DOE Defendant
21 when their names have been ascertained and identified. Plaintiff is informed, believes and thereon
22 alleges that each of the Defendants sued as DOES 1 through 50 participated in, received the benefit
23 of, or was in some way responsible for one or more of the wrongful acts and omissions and some
24 portion of the damages alleged herein.

25 15. Plaintiff is informed, believes and thereon alleges that at all times material hereto, each
26 Defendant acted in all respects pertinent to this action as the agent of the other Defendant, carried out
27 a joint scheme, business plan or policy in all respects pertinent hereto, and the acts of each Defendant
28 are legally attributable to the other Defendant. Furthermore, Defendants in all respects acted as the

1 employer and/or joint employer of Plaintiff and the Aggrieved Employees.

2 16. Plaintiff is informed, believes and thereon alleges that Defendants, each and all of them,
3 at all times material hereto, were the joint employers, parent companies, successor companies,
4 predecessors in interest, affiliates, agents, employees, servants, joint venturers, directors, fiduciaries,
5 representatives, and/or co-conspirators of each of the remaining Defendants. Defendants, unless
6 otherwise alleged, at all times material hereto, performed all acts and omissions alleged herein within
7 the course and scope of said relationship(s), and are a proximate cause of Plaintiff's damages as herein
8 alleged.

9 17. Plaintiff is informed, believes and thereon alleges, that there exists a unity of interest
10 in ownership between Defendants and DOES 1 through 50, inclusive, such that any individuality and
11 separateness between the individual and the corporation does not exist, as Defendants, and DOES 1
12 through 50, inclusive, are alter egos, in that: (1) Defendants are and at all times mentioned herein were
13 mere shells, instrumentalities and conduits through which DOES 1 through 50, inclusive, carried out
14 their business in the business name, exercising complete control and dominance over such business;
15 (2) that Defendants were conceived, intended and used by DOES 1 through 50, inclusive, as devices
16 to avoid individual liability and in place of Defendants, and DOES 1 through 50, inclusive, and were
17 without the financial solvency and responsibility required by law; and (3) that all of the assets of the
18 Defendants have been transferred to DOES 1 through 50, inclusive, or some other individual or entity
19 which he or she owns or controls, with the intent to hinder, delay or defraud creditors of Defendants,
20 leaving Defendants with no assets. Further, Plaintiff is informed, believes and thereon alleges, that
21 there exists a principal-agency relationship between and among Defendants.

22 18. At all relevant times herein, Defendants were agents of each other and acting within
23 the course and scope of their agency.

24 **GENERAL ALLEGATIONS**

25 19. At all relevant times herein, Defendants employed Plaintiff and other persons as non-
26 exempt employees.

27 20. Plaintiff is informed and believes, and thereon alleges, that at all times mentioned
28 herein, Defendants were advised by skilled lawyers, employees and other professionals who were

1 knowledgeable about California wage and hour law, employment and personnel practices, and the
2 requirements of California.

3 21. Through this action, Plaintiff alleges Defendants have consistently maintained and
4 enforced against Plaintiff and Aggrieved Employees unlawful employment practices and policies
5 which violate the California Labor Code and IWC Wage Orders.

6 22. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should
7 have known they had a duty to compensate Plaintiff and Aggrieved Employees, and Defendants had
8 the financial ability to pay such compensation but willfully, knowingly and intentionally failed to do
9 so all in order to increase Defendants' profits.

10 23. **Unlawful Wage Deductions:** During the PAGA Period, HOI unlawfully deducted
11 wages from Plaintiff and Aggrieved Employees. Specifically, HOI added a "pack" to each new and
12 used vehicle in its inventory, e.g., a pack in the amount of \$250. According to HOI's pay plans,
13 "Packs" are non-commissionable amounts reserved from the gross profit to cover a portion of actual
14 or allocated non-invoiced dealership costs associated with the purchase, such as, flooring, marketing,
15 advertising and other dealership expenses not reflected in invoices or the price of the vehicle.
16 However, HOI did not incur bank charges on the sale of *all* vehicles, did not incur marketing or
17 advertising costs when Plaintiff and Aggrieved Employees were responsible for the sale of vehicles to
18 walk-in customers, and Defendant's "dealership expenses not reflected in invoices or price of the
19 vehicle" are undefined and ambiguous. Thus, HOI is liable for its violation of Labor Code section 221.

20 24. **Unreimbursed Business Expenses:** Plaintiff is informed and believes, and thereon
21 alleges, that Defendants knew or should have known that Plaintiff and Aggrieved Employees were
22 entitled to reimbursements for their necessary work-related business expenses. In violation of the
23 Labor Code and IWC Wage Orders, Defendants required Plaintiff and Aggrieved Employees to use
24 their personal cell phones, data and equipment plans, and internet to perform their job duties without
25 reimbursement such as communicating with HOI's clients. In addition, Plaintiff and Aggrieved
26 Employees incurred out-of-pocket expenses without reimbursement when they were required to
27 purchase key fob batteries for customers and to put in gas into HOI's vehicles when the company gas
28 card was unavailable. Accordingly, HOI violated Labor Code sections 2800 and 2802.

25. Plaintiff is informed, believes, and thereon alleges that Defendants' actions as described throughout this Complaint were willful.

FIRST CAUSE OF ACTION

VIOLATION OF THE PRIVATE ATTORNEYS GENERAL ACT OF 2004

(CAL. LAB. CODE §§ 2698, *ET SEQ.*)

(Against All Defendants)

26. Plaintiff incorporates by reference all previous paragraphs of this Complaint as though fully set forth herein.

27. Pursuant to Labor Code § 2699(a), any provision of the Labor Code that provides for a civil penalty to be assessed and collected by the LWDA or any of its departments, divisions, commissions, boards, agencies or employees for violation of the code may, as an alternative, can 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 Labor Code Section 2699.3.

28. Under Labor Code Section 2699.3(a), a plaintiff may bring a cause of action under PAGA only after giving the LWDA and the employer notice of the Labor Code Sections alleged to have been violated, and after receiving notice from the LWDA of its intention not to investigate or after 65 days have passed without notice from the LWDA.

29. Plaintiff gave written notice of the specified provisions alleged to have been violated, including the facts and theories to support the alleged violations, as required by Labor Code Section 2699.3. This written notice was provided via certified mail to Defendants and to the LWDA by electronically filing the notice via the Department of Industrial Relations' website. More than 65 days have passed since Plaintiff submitted his PAGA notice to the LWDA without notice from the LWDA. Accordingly, Plaintiff has exhausted the procedural requirements under Labor Code Section 2699.3 as to Defendants and is therefore able to pursue a claim for penalties on behalf of himself and all other Aggrieved Employees under PAGA.

30. For all provisions of the Labor Code except those for which a civil penalty is specifically provided, Labor Code Section 2699(f) imposes upon Defendants a penalty of one hundred dollars (\$100.00) for each aggrieved employee per pay period for the initial violation and two hundred

1 dollars (\$200.00) for each aggrieved employee per pay period for each subsequent pay period in which
2 Defendants violated these provisions of the Labor Code.

3 31. Pursuant to Labor Code Sections 2699.3 and 2699.5, Plaintiff may seek civil penalties
4 for any alleged violation of the following provisions: subdivision (k) of Section 96, Sections
5 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 20
6 6, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224,
7 paragraphs (1) to (5), inclusive, (7), and (9) of subdivision (a) of Section 226, Sections
8 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, and 231, subdivision (c) of Section
9 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section
10 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750,
11 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101,
12 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1,
13 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1,
14 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1,
15 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7,
16 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and
17 1700.47, Sections 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651, and 2673, subdivision (a) of
18 Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929,
19 and Sections 3073.6, 6310, 6311, and 6399.7.

20 32. Defendants' conduct with respect to Plaintiff and the other Aggrieved Employees
21 violates numerous Labor Code Sections including, but not limited to, the following:

22 (a) Violation of Labor Code Section 221 for unlawful wage deductions from
23 Plaintiff and other Aggrieved Employees; and

24 (b) Violation of Labor Code Sections 2800 and 2802 for failure to reimburse
25 business expenses to Plaintiff and other Aggrieved Employees as herein alleged.

26 33. As set forth above, Defendants have violated numerous provisions of the Labor Code
27 regulating hours and days of work as well as the IWC Wage Orders.

28 34. Plaintiff is an "aggrieved employee" because he was employed by the alleged violators

1 and had one or more of the alleged violations committed against him, and therefore is properly suited
2 to represent the interests of all other Aggrieved Employees.

3 35. Pursuant to Labor Code Sections 2699(a), 2699.3 and 2699.5, Plaintiff is entitled to
4 recover civil penalties, in addition to other remedies, for violations of the Labor Code Sections cited
5 above.

6 36. For bringing this action, Plaintiff is also entitled to attorney's fees and costs incurred
7 herein.

8 **PRAYER FOR RELIEF**

9 **WHEREFORE**, Plaintiff, on behalf of himself and the Aggrieved Employees, prays for
10 judgment and the following specific relief against Defendants, jointly and severally, as follows:

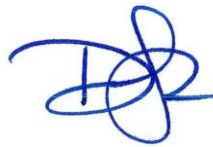
11 1. For civil penalties against Defendants on behalf of all Aggrieved Employees pursuant
12 to, *inter alia*, Labor Code Sections 2698, *et seq.*;

13 2. For reasonable attorneys' fees and costs of suit to the extent permitted by law, including
14 pursuant to California Labor Code Sections 2699(g), 2802(c) and California Code of Civil Procedure
15 Section 1021.5; and

16 3. For such other relief as the Court deems just and proper.
17

18
19 Dated: July 23, 2021

LAW OFFICE OF DANIEL J. HYUN &
ALAMI LAW GROUP

20
21 

22 By: _____

23 Daniel J. Hyun
David Alami

24 Attorneys for Plaintiff KEVIN HOUSTON
25
26
27
28

1 Plaintiff KEVIN HOUSTON (“Plaintiff”), individually and on behalf of other aggrieved
2 employees, hereby brings this representative action Complaint (“Complaint”) pursuant to the Private
3 Attorneys General Act of 2004 (“PAGA”), California Labor Code Sections 2698, *et seq.*, against
4 Defendant HOUSE OF IMPORTS, INC.; and DOES 1 through 50, inclusive (collectively
5 “Defendants”), and alleges as follows:

6 **INTRODUCTION**

7 1. This representative PAGA action, pursuant to Labor Code Sections 2698, *et seq.*, is
8 brought by Plaintiff on behalf of all salespersons employed by Defendants in California during the
9 PAGA Period (collectively the “Aggrieved Employees”). The term PAGA Period is defined as one
10 year prior to the submission of Plaintiff’s notice of Labor Code violations (“PAGA Notice”) to the
11 Labor and Workforce Development Agency (“LWDA”) and certified mail to Defendants until
12 resolution.

13 2. Plaintiff is informed and believes and based thereon alleges that Defendant HOUSE
14 OF IMPORTS, INC. (“HOI”) owns and operates a Mercedes-Benz car dealership in Buena Park,
15 California.

16 3. Plaintiff and Aggrieved Employees were employed by Defendants and performed work
17 for Defendants in California during the PAGA Period.

18 4. Through this action, Plaintiff is alleging that Defendants have engaged in a systematic
19 pattern of wage and hour violations under the California Labor Code (“Labor Code”).

20 5. Plaintiff is informed and believes, and thereon alleges, that during the PAGA Period,
21 Defendants had a consistent policy of violating state wage and hour laws by, among other things:
22 making unlawful wage deductions and failing to reimburse business expenses.

23 6. Plaintiff’s representative PAGA action is brought under, *inter alia*, the California
24 Industrial Welfare Commission (“IWC”) Wage Orders and applicable provisions of the California
25 Code of Regulations, California Code of Civil Procedure Section 1021.5, and California Labor Code
26 Sections 221, 2800, and 2802.

27 7. Plaintiff brings this representative action seeking monetary relief against Defendants
28 on behalf of himself and other Aggrieved Employees to recover, among other things, penalties,

1 attorneys' fees, and costs pursuant to Labor Code Sections 2698, *et seq.*

2 **JURISDICTION AND VENUE**

3 8. This Court has jurisdiction over all causes of action asserted herein pursuant to the
4 California Constitution, Article VI, Section 10, which grants the Superior Court original jurisdiction
5 in all cases except those given to other trial courts. All claims alleged herein arise under California
6 law for which Plaintiff seeks relief authorized by California law. Further, this is a representative
7 PAGA action and the monetary damages, restitution, penalties, and other amounts sought by Plaintiff
8 exceeds the minimal jurisdictional limits of the Superior Court and will be established according to
9 proof at trial.

10 9. This Court has jurisdiction over all Defendants because each Defendant is a citizen of
11 California, a corporation or association organized under the laws of the State of California, an
12 association authorized to do business in California and registered with the California Secretary of
13 State, does sufficient business in California, has sufficient minimum contacts with California, and/or
14 intentionally avails itself of the laws and markets of California through the promotion, sale, marketing
15 and distribution of its products and/or services in California to render the exercise of jurisdiction by
16 the California courts permissible. In addition, PAGA penalties cannot be aggregated to meet the
17 jurisdictional threshold for diversity jurisdiction in federal court.

18 10. Venue in Orange County is proper under California Business & Professions Code
19 Section 17203 and California Code of Civil Procedure Section 395.5 because a substantial part of
20 Defendants' unlawful conduct, acts, and omissions alleged herein occurred in this County, Defendants
21 had and have ongoing projects in this County, Defendants conduct substantial business in this County,
22 Defendants' liability arose in this County, and/or Defendants reside, transact business, maintain
23 offices, and/or have an agent or agents in this county. The relief requested is within the jurisdiction
24 of this Court.

25 **PARTIES**

26 11. Plaintiff is a California citizen and performed work for Defendants in Orange County,
27 California. Defendants employed Plaintiff as a salesperson during the PAGA Period and employed
28 Plaintiff from approximately March 1, 2011 until June 2, 2020. During his employment, Plaintiff was

1 paid purely commissions and/or a purported hourly wage plus commissions. Plaintiff's job duties
2 included, but were not limited to, the sale of used and new vehicles, coordinating with customers for
3 the purchase of vehicles, collaborating with team members to reach sales targets, and various
4 administrative duties.

5 12. Plaintiff is informed and believes and based thereon alleges that Defendant HOUSE
6 OF IMPORTS, INC. ("HOI") was and is a California corporation organized and existing under the
7 laws of the State of California, with its principal place of business located at 6862 Auto Center Drive,
8 Buena Park, California. HOI owns and operates a Mercedes-Benz car dealership in Buena Park,
9 California. HOI regularly conducts business within the State of California and derives substantial
10 revenues from services performed in California. HOI is, and at all relevant times was, an employer
11 subject to California state wage and hour laws. Plaintiff is informed, believes, and thereon alleges that
12 the practices and policies of HOI that are complained of by way of this Complaint were implemented
13 during the PAGA Period. Plaintiff worked at HOI's worksite located in Buena Park, California.

14 13. Defendants continue to employ non-exempt employees within California.

15 14. Plaintiff is unaware of the true names and capacities of those Defendants identified as
16 DOES 1 through 50. Therefore, Plaintiff identifies those Defendants fictitiously. Plaintiff is informed,
17 believes and thereon alleges that at all relevant times each DOE Defendant was a parent, sister, or
18 related corporate entity of Defendants, or an owner, employee or agent of Defendants, and each related
19 entity, and was acting with the knowledge and authorization of each of the other Defendants. Plaintiff
20 will seek to amend this Complaint to allege the true names and capacities of each DOE Defendant
21 when their names have been ascertained and identified. Plaintiff is informed, believes and thereon
22 alleges that each of the Defendants sued as DOES 1 through 50 participated in, received the benefit
23 of, or was in some way responsible for one or more of the wrongful acts and omissions and some
24 portion of the damages alleged herein.

25 15. Plaintiff is informed, believes and thereon alleges that at all times material hereto, each
26 Defendant acted in all respects pertinent to this action as the agent of the other Defendant, carried out
27 a joint scheme, business plan or policy in all respects pertinent hereto, and the acts of each Defendant
28 are legally attributable to the other Defendant. Furthermore, Defendants in all respects acted as the

1 employer and/or joint employer of Plaintiff and the Aggrieved Employees.

2 16. Plaintiff is informed, believes and thereon alleges that Defendants, each and all of them,
3 at all times material hereto, were the joint employers, parent companies, successor companies,
4 predecessors in interest, affiliates, agents, employees, servants, joint venturers, directors, fiduciaries,
5 representatives, and/or co-conspirators of each of the remaining Defendants. Defendants, unless
6 otherwise alleged, at all times material hereto, performed all acts and omissions alleged herein within
7 the course and scope of said relationship(s), and are a proximate cause of Plaintiff's damages as herein
8 alleged.

9 17. Plaintiff is informed, believes and thereon alleges, that there exists a unity of interest
10 in ownership between Defendants and DOES 1 through 50, inclusive, such that any individuality and
11 separateness between the individual and the corporation does not exist, as Defendants, and DOES 1
12 through 50, inclusive, are alter egos, in that: (1) Defendants are and at all times mentioned herein were
13 mere shells, instrumentalities and conduits through which DOES 1 through 50, inclusive, carried out
14 their business in the business name, exercising complete control and dominance over such business;
15 (2) that Defendants were conceived, intended and used by DOES 1 through 50, inclusive, as devices
16 to avoid individual liability and in place of Defendants, and DOES 1 through 50, inclusive, and were
17 without the financial solvency and responsibility required by law; and (3) that all of the assets of the
18 Defendants have been transferred to DOES 1 through 50, inclusive, or some other individual or entity
19 which he or she owns or controls, with the intent to hinder, delay or defraud creditors of Defendants,
20 leaving Defendants with no assets. Further, Plaintiff is informed, believes and thereon alleges, that
21 there exists a principal-agency relationship between and among Defendants.

22 18. At all relevant times herein, Defendants were agents of each other and acting within
23 the course and scope of their agency.

24 **GENERAL ALLEGATIONS**

25 19. At all relevant times herein, Defendants employed Plaintiff and other persons as non-
26 exempt employees.

27 20. Plaintiff is informed and believes, and thereon alleges, that at all times mentioned
28 herein, Defendants were advised by skilled lawyers, employees and other professionals who were

1 knowledgeable about California wage and hour law, employment and personnel practices, and the
2 requirements of California.

3 21. Through this action, Plaintiff alleges Defendants have consistently maintained and
4 enforced against Plaintiff and Aggrieved Employees unlawful employment practices and policies
5 which violate the California Labor Code and IWC Wage Orders.

6 22. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should
7 have known they had a duty to compensate Plaintiff and Aggrieved Employees, and Defendants had
8 the financial ability to pay such compensation but willfully, knowingly and intentionally failed to do
9 so all in order to increase Defendants' profits.

10 23. **Unlawful Wage Deductions:** During the PAGA Period, HOI unlawfully deducted
11 wages from Plaintiff and Aggrieved Employees. Specifically, HOI added a "pack" to each new and
12 used vehicle in its inventory, e.g., a pack in the amount of \$250. According to HOI's pay plans,
13 "Packs" are non-commissionable amounts reserved from the gross profit to cover a portion of actual
14 or allocated non-invoiced dealership costs associated with the purchase, such as, flooring, marketing,
15 advertising and other dealership expenses not reflected in invoices or the price of the vehicle.
16 However, HOI did not incur bank charges on the sale of *all* vehicles, did not incur marketing or
17 advertising costs when Plaintiff and Aggrieved Employees were responsible for the sale of vehicles to
18 walk-in customers, and Defendant's "dealership expenses not reflected in invoices or price of the
19 vehicle" are undefined and ambiguous. Thus, HOI is liable for its violation of Labor Code section 221.

20 24. **Unreimbursed Business Expenses:** Plaintiff is informed and believes, and thereon
21 alleges, that Defendants knew or should have known that Plaintiff and Aggrieved Employees were
22 entitled to reimbursements for their necessary work-related business expenses. In violation of the
23 Labor Code and IWC Wage Orders, Defendants required Plaintiff and Aggrieved Employees to use
24 their personal cell phones, data and equipment plans, and internet to perform their job duties without
25 reimbursement such as communicating with HOI's clients. In addition, Plaintiff and Aggrieved
26 Employees incurred out-of-pocket expenses without reimbursement when they were required to
27 purchase key fob batteries for customers and to put in gas into HOI's vehicles when the company gas
28 card was unavailable. Accordingly, HOI violated Labor Code sections 2800 and 2802.

25. Plaintiff is informed, believes, and thereon alleges that Defendants' actions as described throughout this Complaint were willful.

FIRST CAUSE OF ACTION

VIOLATION OF THE PRIVATE ATTORNEYS GENERAL ACT OF 2004

(CAL. LAB. CODE §§ 2698, *ET SEQ.*)

(Against All Defendants)

26. Plaintiff incorporates by reference all previous paragraphs of this Complaint as though fully set forth herein.

27. Pursuant to Labor Code § 2699(a), any provision of the Labor Code that provides for a civil penalty to be assessed and collected by the LWDA or any of its departments, divisions, commissions, boards, agencies or employees for violation of the code may, as an alternative, can 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 Labor Code Section 2699.3.

28. Under Labor Code Section 2699.3(a), a plaintiff may bring a cause of action under PAGA only after giving the LWDA and the employer notice of the Labor Code Sections alleged to have been violated, and after receiving notice from the LWDA of its intention not to investigate or after 65 days have passed without notice from the LWDA.

29. Plaintiff gave written notice of the specified provisions alleged to have been violated, including the facts and theories to support the alleged violations, as required by Labor Code Section 2699.3. This written notice was provided via certified mail to Defendants and to the LWDA by electronically filing the notice via the Department of Industrial Relations' website. More than 65 days have passed since Plaintiff submitted his PAGA notice to the LWDA without notice from the LWDA. Accordingly, Plaintiff has exhausted the procedural requirements under Labor Code Section 2699.3 as to Defendants and is therefore able to pursue a claim for penalties on behalf of himself and all other Aggrieved Employees under PAGA.

30. For all provisions of the Labor Code except those for which a civil penalty is specifically provided, Labor Code Section 2699(f) imposes upon Defendants a penalty of one hundred dollars (\$100.00) for each aggrieved employee per pay period for the initial violation and two hundred

1 dollars (\$200.00) for each aggrieved employee per pay period for each subsequent pay period in which
2 Defendants violated these provisions of the Labor Code.

3 31. Pursuant to Labor Code Sections 2699.3 and 2699.5, Plaintiff may seek civil penalties
4 for any alleged violation of the following provisions: subdivision (k) of Section 96, Sections
5 98.6, 201, 201.3, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 20
6 6, 206.5, 208, 209, and 212, subdivision (d) of Section 213, Sections 221, 222, 222.5, 223, and 224,
7 paragraphs (1) to (5), inclusive, (7), and (9) of subdivision (a) of Section 226, Sections
8 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, and 231, subdivision (c) of Section
9 232, subdivision (c) of Section 232.5, Sections 233, 234, 351, 353, and 403, subdivision (b) of Section
10 404, Sections 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750,
11 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101,
12 1102, 1102.5, and 1153, subdivisions (c) and (d) of Section 1174, Sections 1194, 1197, 1197.1,
13 1197.5, and 1198, subdivision (b) of Section 1198.3, Sections 1199, 1199.5, 1290, 1292, 1293, 1293.1,
14 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1,
15 1391.2, 1392, 1683, and 1695, subdivision (a) of Section 1695.5, Sections 1695.55, 1695.6, 1695.7,
16 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, and
17 1700.47, Sections 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651, and 2673, subdivision (a) of
18 Section 2673.1, Sections 2695.2, 2800, 2801, 2802, 2806, and 2810, subdivision (b) of Section 2929,
19 and Sections 3073.6, 6310, 6311, and 6399.7.

20 32. Defendants' conduct with respect to Plaintiff and the other Aggrieved Employees
21 violates numerous Labor Code Sections including, but not limited to, the following:

22 (a) Violation of Labor Code Section 221 for unlawful wage deductions from
23 Plaintiff and other Aggrieved Employees; and

24 (b) Violation of Labor Code Sections 2800 and 2802 for failure to reimburse
25 business expenses to Plaintiff and other Aggrieved Employees as herein alleged.

26 33. As set forth above, Defendants have violated numerous provisions of the Labor Code
27 regulating hours and days of work as well as the IWC Wage Orders.

28 34. Plaintiff is an "aggrieved employee" because he was employed by the alleged violators

1 and had one or more of the alleged violations committed against him, and therefore is properly suited
2 to represent the interests of all other Aggrieved Employees.

3 35. Pursuant to Labor Code Sections 2699(a), 2699.3 and 2699.5, Plaintiff is entitled to
4 recover civil penalties, in addition to other remedies, for violations of the Labor Code Sections cited
5 above.

6 36. For bringing this action, Plaintiff is also entitled to attorney's fees and costs incurred
7 herein.

8 **PRAYER FOR RELIEF**

9 **WHEREFORE**, Plaintiff, on behalf of himself and the Aggrieved Employees, prays for
10 judgment and the following specific relief against Defendants, jointly and severally, as follows:

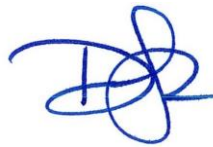
11 1. For civil penalties against Defendants on behalf of all Aggrieved Employees pursuant
12 to, *inter alia*, Labor Code Sections 2698, *et seq.*;

13 2. For reasonable attorneys' fees and costs of suit to the extent permitted by law, including
14 pursuant to California Labor Code Sections 2699(g), 2802(c) and California Code of Civil Procedure
15 Section 1021.5; and

16 3. For such other relief as the Court deems just and proper.
17

18
19 Dated: July 23, 2021

LAW OFFICE OF DANIEL J. HYUN &
ALAMI LAW GROUP

20
21 

22 By: _____

23 Daniel J. Hyun
David Alami

24 Attorneys for Plaintiff KEVIN HOUSTON
25
26
27
28