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*Attorneys for Plaintiff, the Class, the LWDA, and the other Aggrieved Employees***SUPERIOR COURT OF THE STATE OF CALIFORNIA****FOR THE COUNTY OF LOS ANGELES**

NICOLE CARSON, an individual, on behalf of
the State of California, as a private attorney
general, and on behalf of all Aggrieved
Employees, and on behalf of all others similarly
situated,

PLAINTIFF,

v.

UNIVERSAL CITY STUDIOS
PRODUCTIONS LLLP, a Delaware Limited
Liability Limited Partnership,

DEFENDANT.

CASE NO. **22STCV04107**

**PLAINTIFF'S CLASS AND PAGA
REPRESENTATIVE ACTION
COMPLAINT FOR:**

**(1) FAILURE TO REIMBURSE
BUSINESS EXPENSES (LABOR CODE §
2802);**
**(2) UCL VIOLATIONS (CAL. BUS. &
PROF. CODE §§ 17200-17204); AND**
**(3) PENALTIES PURSUANT TO LABOR
CODE § 2699, ET SEQ.**

1 Plaintiff NICOLE CARSON (“Plaintiff”), on behalf of the people of the State of
2 California, and as an “Aggrieved Employee” acting as a private attorney general for the LWDA
3 under the Labor Code Private Attorneys General Act of 2004, § 2699, *et seq.* (“PAGA”), and on
4 behalf of all others similarly situated (“Class Members”) complains of Defendant UNIVERAL
5 CITY STUDIOS PRODUCTIONS LLLP and DOES 1 to 50 (collectively, “Defendant” or
6 “Universal”) and each of them, and alleges the following upon information and belief:

7 **INTRODUCTION**

8 1. This is a class action brought pursuant to Code of Civil Procedure section 382 and
9 a representative action brought pursuant to Labor Code § 2699, *et seq.*, on behalf of the State of
10 California against Defendant for its (1) failure to reimburse its current and former employees for
11 their home office expenses in California during the pandemic for which they have not been fully
12 reimbursed; (2) unfair business practices based on the foregoing; and (3) PAGA penalties based
13 on the foregoing:

14 2. The Class and Aggrieved Employees are co-extensive groups and are defined as
15 follows: Plaintiff and all California residents who were assigned to Universal Studios Hollywood
16 and/or Universal CityWalk Hollywood and who primarily worked from home due to COVID-19
17 for at least one pay period during the period from March 15, 2020 to December 31, 2021
18 (collectively the “Class Period” or “PAGA Period”).

19 **THE PARTIES**

20 3. Plaintiff Nicole Carson is a resident of California and at all times pertinent hereto
21 worked for Defendant in Los Angeles County.

22 4. Plaintiff, the Class, and all Aggrieved Employees are, and at all times pertinent
23 hereto have been hired to work for Defendant in California.

24 5. Defendant maintains offices in Universal City, California. Defendant employed
25 Plaintiff and similarly situated persons as employees in California. Defendant has done and does
26 business in the State of California including in Los Angeles County.

27 **JURISDICTION AND VENUE**

28 6. This Court has subject matter jurisdiction over any and all causes of action

1 asserted herein pursuant to Article VI, § 10 of the California Constitution and California Code of
2 Civil Procedure § 410.10 by virtue of the fact that this is a civil action in which the matter in
3 controversy, exclusive of interest, exceeds \$25,000, and because each cause of action asserted
4 arises under the laws of the State of California or is subject to adjudication in the courts of the
5 State of California.

6 7. This Court has personal jurisdiction over Defendant because Defendant has
7 caused injuries in the County of Los Angeles and State of California through its acts, and by its
8 violation of the California Labor Code and California state common law.

9 8. Venue as to Defendant is proper in this judicial district, pursuant to Code of Civil
10 Procedure § 395. Defendant does business in California and in Los Angeles County, California.
11 The unlawful acts alleged herein have a direct effect on Plaintiff and all “employees” in the State
12 of California and Los Angeles County.

13 **FACTUAL ALLEGATIONS**

14 9. From at least March 15, 2020 and continuing into the present, Plaintiff, the Class,
15 and the aggrieved employees, at the direction of Defendant and/or with Defendant’s knowledge
16 and acquiescence, have incurred home office expenses including, *inter alia*, home internet
17 expenses, and home office electricity expenses, in order to perform necessary work-related
18 duties. Plaintiff, who was employed by Defendant was not able to work on premises at
19 Defendant’s offices in Universal City, CA, but instead was required to, and did, work from
20 home, like the other Class Members and Aggrieved Employees.

21 10. During the Class and PAGA Period, Plaintiff, the Class, and the aggrieved
22 employees were thus expected by Defendant to pay for, and have personally paid for, among
23 other things, home internet service, home office electricity, and an allocated portion of their
24 home office space, in the discharge of their job duties (the “home office expenses”). These
25 expenses ranged, but typically amounted from \$50 to \$100 per month per aggrieved employee.
26 Defendant’s work from home reimbursement policies remained unchanged throughout the
27 relevant time period aside from provisions that allowed Class Members and Aggrieved
28 Employees to submit reimbursement for the duration of the work from home directive.

1 Defendant's reimbursement policy did not provide for automatic monthly reimbursements to all
2 employees working from home.

3 11. Therefore, Defendant's expense-related policies and/or practices required and
4 expected, and/or with Defendant's knowledge thereof permitted, Plaintiff, the Class, and the
5 Aggrieved Employees to pay for home internet and home office infrastructure expenses incurred
6 in direct consequence of discharging her and their necessary, reasonable, and business-related
7 job duties on behalf of Defendant, without proactive, affirmative, and full reimbursement by
8 Defendant for such expenses, as required by California law.

9 12. California Labor Code section 2802 requires an employer to "indemnify his or her
10 employee for all necessary expenditures or losses incurred by that employee in direct
11 consequence of the discharge of his or her duties." See Cal. Labor Code section 2802(a); *see*
12 *also* 2802(c) where necessary is defined to include all "reasonable" costs. "The elements of a
13 claim under Section 2802 are: (i) the employee made expenditures or incurred losses; (ii) the
14 expenditures or losses were incurred in direct consequence of the employee's discharge of his or
15 her duties, or obedience to the directions of the employer; and (iii) the expenditures or losses
16 were reasonable and necessary." *Marr v. Bank of America*, 2011 U.S. Dist. LEXIS 24868 (N.D.
17 March 8, 2011) (*citing Gattuso v. Harte-Hanks Shoppers, Inc.*, 42 Cal.4th 554, 568 (2007)). "In
18 addition, the employer 'must either know or have reason to know that the employee has incurred
19 [the] expense.'" *Id.* (*citing Stuart v. RadioShack Corp.*, 641 F.Supp. 2d 901 (N.D.Cal. 2009)).
20 Where an employer has knowledge that employees are incurring a reimbursable expense, the
21 employer must "exercise due diligence to ensure each employee is reimbursed." *Marr*, at *1. The
22 right of an employee to expense reimbursements is not waivable. *See* Cal. Labor Code sections
23 2804 and 219(a). Any contract to waive them is null and void. *Edwards v. Arthur Anderson*, 44
24 Cal. 4th 937, 951 (2008)

25 13. Furthermore, under Labor Code section 2802, employers must reimburse
26 employees for all necessary and/or reasonable work-related expenses, regardless of whether or
27 not the employees incurred any additional out-of-pocket expense from that work-related use.
28 *See, Cochran v. Schwan's Home Service, Inc.*, 228 Cal.App.4th 1137 (Cal. Aug. 12, 2014) ("We

1 hold that when employees must use their personal cell phones for work-related calls, Labor Code
2 section 2802 requires the employer to reimburse them. Whether the employees have cell phone
3 plans with unlimited minutes or limited minutes, the reimbursement owed is a reasonable
4 percentage of their cell phone bills.”).

5 14. Where, as here, employees in California are expected or mandated to use their
6 internet at home for work, courts have held that they incurred such expenses in “direct
7 consequence of the discharge of his or her duties” and were entitled to reimbursement. *See*
8 *Aguilar v. Zep, Inc.*, 2014 US Dist LEXIS 120315, *54 (N.D.Cal. Aug. 27, 2014) (Hon. Edward
9 Chen) (where outside sales reps used home internet and computers for work, and even admitted
10 that they would have incurred the same expenses without work duties, the court nevertheless
11 held that the employer was obligated to reimburse some reasonable portion of these expenses);
12 see also *Ritchie v. Blue Shield of California*, 2014 WL 6982943, at *21 (N.D.Cal. Dec. 9, 2014)
13 (Hon. Edward Chen) (certifying class of home office claims processors with 2802 phone
14 reimbursement claims for landline reimbursements where company required claims processors
15 working from home to have a landline, but rejecting certification of claims for home office
16 supplies as individualized).

17 15. Defendant is or should have been aware that Plaintiff, the Class, and the
18 aggrieved employees regularly incurred and incur home office internet and infrastructure
19 expenses in the discharge of their duties as employees, by virtue of Defendant’s instructions to
20 Plaintiff, the Class, and the Aggrieved Employees to work from home during the pending
21 pandemic. Defendant nevertheless has, throughout the Class and PAGA Period, and specifically
22 during shelter in place orders issued because of the COVID-19 pandemic, failed to affirmatively
23 reimburse Plaintiff, the Class, and the Aggrieved Employees for a reasonable portion of such
24 home office expenses incurred by them in connection with their work.

25 **CLASS ACTION ALLEGATIONS**

26 16. Plaintiff brings this action on behalf of herself and all others similarly situated as a
27 class action pursuant to Code of Civil Procedure § 382. Plaintiff seeks to represent a Class
28 composed of and defined as Plaintiff and all California residents who were assigned to Universal

1 Studios Hollywood and/or Universal CityWalk Hollywood and who primarily worked from
2 home due to COVID-19 for at least one pay period during the period from March 15, 2020 to
3 December 31, 2021 (“Class Members”). All such Class Members were subject to Defendant’s
4 policy and practice of not fully reimbursing home office expenses.

5 17. This action has been brought and may properly be maintained as a class action
6 under Code of Civil Procedure § 382 because there is a well-defined community of interest in the
7 litigation, the proposed class is easily ascertainable, and Plaintiff is a proper representative of the
8 Class:

9 a. Numerosity: The potential members of the Class as defined are so
10 numerous that joinder of all the members of the Class is impracticable. Based on information and
11 belief, Defendant employed over 100 employees who Plaintiff contends were subject to
12 Defendant’s unlawful reimbursement policy during the Class Period. The Class Members are
13 dispersed throughout California. Joinder of all members of the proposed classes is therefore not
14 practicable.

15 b. Commonality: There are questions of law and fact common to Plaintiff
16 and the Class that predominate over any questions affecting only individual members of the
17 Class. These common questions of law and fact include, without limitation:

18 i. Whether Plaintiff and Class Members incurred unreimbursed business
19 expenses in the discharge of their duties, including but not limited to home office expenses, in
20 violation of Labor Code § 2802;

21 ii. Whether Defendant intended, suffered and/or permitted, and/or knew
22 and/or should have known that Plaintiff and Class Members incurred unreimbursed home office
23 expenses, in the discharge of their duties;

24 iii. Whether Plaintiff is entitled to restitution under Business and Professions
25 Code § 17200;

26 iv. The proper formula(s) for calculating damages, interest, and restitution
27 owed to Plaintiff and the Class Members;

28 v. The nature and extent of class-wide damages.

1 c. Typicality: Plaintiff's claims are typical of the claims of the Class. Both
2 Plaintiff and Class Members sustained injuries and damages, and were deprived of property
3 rightly belonging to them, arising out of and caused by Defendant's common course of conduct
4 in violation of law as alleged herein, in similar ways and for the same types of expenses.

5 d. Adequacy of Representation: Plaintiff is a member of the Class and will
6 fairly and adequately represent and protect the interests of the Class and Class Members.
7 Plaintiff's interests do not conflict with those of Class and Class Members. Counsel who
8 represent Plaintiff are competent and experienced in litigating large wage and hour class actions,
9 and will devote sufficient time and resources to the case and otherwise adequately represent the
10 Class and Class Members.

11 e. Superiority of Class Action: A class action is superior to other available
12 means for the fair and efficient adjudication of this controversy. Individual joinder of all Class
13 Members is not practicable, and questions of law and fact common to the Class predominate over
14 any questions affecting only individual members of the Class. Each Class Member has been
15 damaged or may be damaged in the future by reason of Defendant's unlawful policies and/or
16 practices of not fully reimbursing home office expenses. Certification of this case as a class
17 action will allow those similarly situated persons to litigate their claims in the manner that is
18 most efficient and economical for the parties and the judicial system. Certifying this case as a
19 class action is superior because it allows for efficient and full disgorgement of the ill-gotten gains
20 Defendant has enjoyed by maintaining its unlawful home office expense reimbursement policies
21 and/or practices, and will thereby effectuate California's strong public policy of protecting
22 employees from deprivation or offsetting of compensation earned in their employment. If this
23 action is not certified as a Class Action, it will be impossible as a practical matter for many or
24 most Class Members to bring individual actions to recover monies unlawfully withheld from
25 their lawful compensation due from Defendant, due to the relatively small amounts of such
26 individual recoveries relative to the costs and burdens of litigation.

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FIRST CAUSE OF ACTION
FAILURE TO REIMBURSE FOR BUSINESS EXPENSES
[Cal. Labor Code section 2802)
On Behalf of Plaintiff and the Class Against Defendants

18. Plaintiff re-alleges and incorporates by reference each and every allegation set forth in the preceding paragraphs.

19. The actionable period for this cause of action March 15, 2020 to December 31, 2021.

20. Labor Code § 2802(a) provides that “[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties.” Section 2802(c) defines “necessary” to include all “reasonable costs.”

21. In order to discharge their duties for Defendant during stay-at-home orders and/or when Defendant’s offices were closed, Plaintiff and similarly situated Class Members regularly incurred home office expenses in the discharge of their duties as employees by virtue of Defendant’s instructions to Plaintiff and the Class. Defendant nevertheless has, throughout the Class and PAGA Period, failed and refused to affirmatively reimburse Plaintiff, the Class, and the aggrieved employees for such home office expenses incurred by them in connection with their work

22. Although having knowledge of such usage, Defendant did not reimburse Plaintiff and similarly situated Class Members for a reasonable percentage of their work-related expenses, as required by California law as stated in *Cochran v. Schwan’s Home Service, Inc.*, 228 Cal.App.4th 1137 (August 12, 2014) (“We hold that when employees must use their personal cell phones for work-related calls, Labor Code section 2802 requires the employer to reimburse them. Whether the employees have cell phone plans with unlimited minutes or limited minutes, the reimbursement owed is a reasonable percentage of their cell phone bills.”). *See also, Aguilar v. Zep, Inc.*, 2014 US Dist LEXIS 120315, *54 (N.D.Cal. Aug. 27, 2014) (Hon. Edward Chen) (where outside sales reps used home internet and computers for work, and even admitted that they would have incurred the same expenses without work duties, the court nevertheless held that

1 the employer was obligated to reimburse some reasonable portion of these expenses); *Ritchie v.*
2 *Blue Shield of California*, 2014 WL 6982943, at *21 (N.D.Cal. Dec. 9, 2014) (Hon. Edward
3 Chen) (certifying class of home office claims processors with 2802 phone reimbursement claims
4 for landline reimbursements where company required claims processors working from home to
5 have a landline, but rejecting certification of claims for home office supplies as individualized).

6 23. Defendant's failure to pay for or reimburse the work-related business expenses of
7 Plaintiff and Class Members violated non-waivable rights secured to Plaintiff and Class
8 Members by Labor Code §2802. See Labor Code §2804. Plaintiff and similarly situated Class
9 Members are entitled to reimbursement for these necessary expenditures, plus interest and
10 attorneys' fees and costs, under Labor Code § 2802(c).

11 **SECOND CAUSE OF ACTION**
12 **UNFAIR COMPETITION LAW VIOLATIONS**
13 **[Bus. & Prof. Code § 17200]**
14 **On Behalf of Plaintiff and the Class Against Defendants**

15 24. Plaintiff re-alleges and incorporates by reference each and every allegation set
16 forth in the preceding paragraphs.

17 25. Section 17200 of the California Business & Professions Code prohibits any
18 unlawful, unfair, or fraudulent business practices. Business & Professions Code § 17204 allows
19 "any person who has suffered injury in fact and has lost money or property" to prosecute a civil
20 action for violation of the UCL. Such a person may bring such an action on behalf of herself and
21 others similarly situated who are affected by the unlawful, unfair, or fraudulent business practice.

22 26. Under section 17208 of the California Business and Professions Code, the statute
23 of limitations for a claim under Section 17200 is four years. Accordingly, the actionable period
24 for this cause of action is from four years ago through the present.

25 27. Section 90.5(a) of the Labor Code states that it is the public policy of California to
26 enforce vigorously minimum labor standards in order to ensure employees are not required to
27 work under substandard and unlawful conditions, and to protect employers who comply with the
28 law from those who attempt to gain competitive advantage at the expense of their workers by
failing to comply with minimum labor standards.

1 28. Beginning March 15, 2020, and continuing to the present, Defendant has
2 committed unlawful, unfair, and/or fraudulent business acts and practices as defined by the UCL,
3 by failing to reimburse and indemnify Plaintiff and similarly situated Class Members for
4 employment-related home office expenses from March 15, 2020 to the present, in violation of
5 Labor Code § 2802.

6 29. As a direct and proximate result of Defendant's unlawful, unfair, and/or
7 fraudulent acts and practices described herein, Defendant has received and continues to hold
8 unlawfully obtained property and money belonging to Plaintiff and the Class in the form of
9 unreimbursed employee home office business expenses that reduced or offset compensation
10 earned by Plaintiff and Class Members.

11 30. As a direct and proximate result of Defendant's unlawful business practices,
12 Plaintiffs and the Class Members have suffered economic injuries including, but not limited to
13 out-of-pocket business expenses. Defendant has profited from its unlawful, unfair, and/or
14 fraudulent acts and practices in the amount of those business expenses and interest accrued
15 thereon.

16 31. Plaintiff and similarly situated Class Members are entitled to monetary relief
17 pursuant to Business & Professions Code §§ 17203 and 17208 for all unreimbursed business
18 expenses, and interest thereon, from at least March 15, 2020 through to the date of such
19 restitution, at rates specified by law. Defendant should be required to disgorge all the profits and
20 gains it has reaped and restore such profits and gains to Plaintiff and Class Members from whom
21 they were unlawfully taken.

22 32. Beginning March 15, 2020, Defendant committed, and continues to commit, acts
23 of unfair competition, as defined in sections 17200 *et seq.* of the California Business and
24 Professions Code by, among other things, failing to reimburse Plaintiff and the Class members
25 for a reasonable portion of their monthly home office expenses as required by California law, and
26 therefore was substantially injurious to Plaintiff and the Class members.

27 33. Defendant engaged in unfair competition in violation of sections 17200 *et seq.* of
28 the California Business & Professions Code by violating Section 2802 of the Labor Code.

34. Defendant's course of conduct, act, and practice in violation of the California laws mentioned above constitute independent violations of sections 17200 *et seq.* of the California Business and Professions Code.

35. The unlawful, unfair and fraudulent business practices and acts of Defendant, as described above, have injured Plaintiff and the Class in that they were denied reimbursement for a reasonable percentage of their monthly business-related home office expenses, and therefore was substantially injurious to Plaintiff and the Class Members.

36. Plaintiff and similarly situated Class Members are entitled to enforce all applicable penalty provisions of the Labor Code pursuant to Business & Professions Code § 17202.

37. Plaintiff has assumed the responsibility of enforcement of the laws and public policies specified herein by suing on behalf of herself and other similarly situated Class Members previously or presently employed by Defendant in California. Plaintiff's success in this action will enforce important rights affecting the public interest. Plaintiff will incur a financial burden in pursuing this action in the public interest. Therefore, an award of reasonable attorneys' fees to Plaintiff is appropriate pursuant to Code of Civil Procedure § 1021.5

THIRD CAUSE OF ACTION
PENALTIES PURSUANT PAGA. LABOR CODE § 2699, *ET SEQ.*
FOR VIOLATIONS OF LABOR CODE § 2802
PLAINTIFF AND ALL AGGRIEVED EMPLOYEES AGAINST ALL DEFENDANTS

38. Plaintiff, on behalf of herself and all Aggrieved Employees, realleges and incorporates by reference all previous paragraphs.

39. Based on the above allegations incorporated by reference, Defendant has violated Labor Code § 2802.

40. Under Labor Code §§ 2699(f)(2) and 2699.5, for each such violation, Plaintiff and all other Aggrieved Employees are entitled to penalties in an amount to be shown at the time of trial subject to the following formula:

\$100 for the initial violation per employee per pay period; and

\$200 for each subsequent violation per employee per pay period.

1 6. For penalties and other relief allowable under Labor Code § 2699, *et seq.* for
2 Plaintiff and all Aggrieved Employees because of Defendant's violation of, without limitation,
3 Labor Code § 2802;

4 7. A civil penalty against Defendant in the amount of \$100 for the initial violation
5 and \$200 for each subsequent violation as specified in section 2699(f)(2) of the California Labor
6 Code for Plaintiff and all Aggrieved Employees for each and every pay period during that
7 occurred between March 15, 2020, and the date of judgment and/or approval of settlement;

8 8. An award of reasonable attorney's fees against Defendant as allowed by law,
9 including without limitation, in Labor Code § 2699(g)(1), for all the work performed by the
10 undersigned counsel in connection with the PAGA claims;

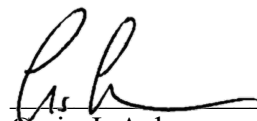
11 9. An award of all costs incurred by the undersigned counsel for Plaintiff in
12 connection with Plaintiff's and the Aggrieved Employees' claims against Defendant as allowed
13 by law , including without limitation, Labor Code § 2699(g)(1);

14 10. Such other and further relief as this Court may deem proper and just.

15
16 Respectfully submitted,

17 ACKERMANN & TILAJEF, P.C.
18 INDIA LIN BODIEN, ATTORNEY AT LAW

19 Dated: February 1, 2022



20 Craig J. Ackermann, Esq.
21 India Lin Bodien, Esq. (to be admitted *pro hac vice*)
22 Attorneys for Plaintiff, the Class, the LWDA, and the
23 other Aggrieved Employees
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