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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

ANTHEM AETHER, individually, and on behalf
of all others similarly situated,

Plaintiff,

vs.

SOVEREIGN LENDING GROUP, INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendants

Case No.: 30-2021-01209455-CU-OE-CXC

[Assigned for all purposes to the Hon. James J.
Di Cesare, Dept. C-16]

*[Filed as a matter of right pursuant to Cal.
Labor Code § 2699.3, subd. (a)(2)(C)]*

**FIRST AMENDED PAGA
REPRESENTATIVE ACTION
COMPLAINT:**

1. Civil Penalties Under PAGA [Cal. Lab.
Code § 2699, et seq.]

DEMAND FOR JURY TRIAL

1 Plaintiff Anthem Aether (“Plaintiff”), based upon facts that either have evidentiary
2 support or are likely to have evidentiary support after a reasonable opportunity for further
3 investigation and discovery, alleges as follows:

4 **INTRODUCTION & PRELIMINARY STATEMENT**

5 1. Plaintiff brings this action against Sovereign Lending Group, Inc., and Does 1
6 through 10 (Sovereign Lending Group, Inc., and Does 1 through 10 are collectively referred to as
7 “Defendants”) for civil penalties under the Private Attorneys General Act of 2004, California
8 Labor Code §§ 2698 *et seq.* (“PAGA”) stemming from Defendants’ failure to pay minimum
9 wages, failure to pay overtime wages, failure to provide meal periods, failure to authorize and
10 permit rest periods, failure to maintain accurate records of hours worked and meal periods,
11 failure to timely pay all wages to terminated employees, failure to indemnify necessary business
12 expenses, and failure to furnish accurate wage statements.

13 2. For over 50 years, California’s courts and legislature have recognized that this
14 State’s wage-and-hour laws serve a compelling public interest of fostering a stable job market.
15 Wages are not ordinary debts. Because of the economic position of the average worker and his
16 or her family, it is essential to the public welfare that employers obey the wage-and-hour laws so
17 that employees are promptly paid the minimum/overtime wages that the Legislature has required
18 for employees. So fundamental are California’s wage-and-hour laws that the Legislature has
19 criminalized certain types of violations. In extending extra protection to deter violations of these
20 underlying statutes—since Plaintiff is not seeking general and/or special damages, restitution or
21 other damages other than civil penalties—California has enacted the PAGA to permit an
22 individual to bring an action on behalf of himself and on behalf of others for PAGA penalties
23 only, which is the precise and sole nature of this action.

24 3. All California employees during the relevant statutes of limitations who are or
25 were harmed by Defendant’s illegal practices are “Aggrieved Employees.”

26 4. Plaintiff brings this action against Defendants seeking only to recover penalties for
27 himself, on behalf of all Aggrieved Employees that worked for Defendants, and on behalf of the
28 State of California. Plaintiff does not seek to recover anything other than penalties as permitted

1 by California Labor Code Section 2699 at this time. To the extent that statutory violations are
2 mentioned for wage violations, Plaintiff does not seek underlying general and/or special damages
3 for those violations, but simply penalties as permitted by California Labor Code Section 2699,
4 declaratory relief, and injunctive relief for herself and all aggrieved employees as permitted by
5 the PAGA.

6 5. Defendants own/owned and operate/operated an industry, business, and
7 establishment within the State of California, including Orange County. As such, and based upon
8 all the facts and circumstances incident to Defendants' business in California, Defendants are
9 subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission
10 ("IWC"), and the California Business & Professions Code.

11 6. Despite these requirements, throughout the statutory period Defendants
12 maintained a systematic, company-wide policy and practice of:

- 13 (a) Failing to pay employees for all hours worked, including all minimum
14 wages, and overtime wages in compliance with the California Labor Code
15 and IWC Wage Orders;
- 16 (b) Failing to provide employees with timely and duty-free meal periods in
17 compliance with the California Labor Code and IWC Wage Orders, failing
18 to maintain accurate records of all meal periods taken or missed, and
19 failing to pay an additional hour's pay for each workday a meal period
20 violation occurred;
- 21 (c) Failing to authorize and permit employees to take timely and duty-free rest
22 periods in compliance with the California Labor Code and IWC Wage
23 Orders, and failing to pay an additional hour's pay for each workday a rest
24 period violation occurred;
- 25 (d) Failing to indemnify employees for necessary business expenses incurred;
- 26 (e) Willfully failing to pay employees all minimum wages, overtime wages,
27 meal period premium wages, and rest period premium wages due within
28

the time period specified by California law when employment terminates;
and

(f) Failing to maintain accurate records of the hours that employees worked.

(g) Failing to provide employees with accurate, itemized wage statements
containing all the information required by the California Labor Code and
IWC Wage Orders.

7. On information and belief, Defendants, and each of them were on actual and
constructive notice of the improprieties alleged herein and intentionally refused to rectify their
unlawful policies. Defendants' violations, as alleged above, during all relevant times herein were
willful and deliberate.

8. At all relevant times, Defendants were and are legally responsible for all of the
unlawful conduct, policies, practices, acts and omissions as described in each and all of the
foregoing paragraphs as the employer of Plaintiff and the Aggrieved Employees. Further,
Defendants are responsible for each of the unlawful acts or omissions complained of herein under
the doctrine of "respondeat superior".

THE PARTIES

A. Plaintiff

9. Plaintiff is a California resident that worked for Defendants in the County of
Orange, State of California, as a loan officer, employed between approximately December 2020
to March 2021.

B. Defendants

10. Plaintiff is informed and believes, and based upon that information and belief
alleges, that Defendant Sovereign Lending Group, Inc. is:

(a) A California corporation with its principal place of business in Orange,
California;

(b) A business entity conducting businesses in numerous counties throughout
the State of California, including in Orange County; and

(c) The former employer of Plaintiff, and the current and/or former employers

1 of the putative Class. Sovereign Lending Group, Inc. suffered and
2 permitted Plaintiff and the Class to work, and/or controlled their wages,
3 hours, or working conditions.

4 11. Plaintiff does not know the true names or capacities of the persons or entities sued
5 herein as Does 1-10, inclusive, and therefore sues said Defendants by such fictitious names.
6 Each of the Doe Defendants was in some manner legally responsible for the damages suffered by
7 Plaintiff and the Aggrieved Employees as alleged herein. Plaintiff will amend this complaint to
8 set forth the true names and capacities of these Defendants when they have been ascertained,
9 together with appropriate charging allegations, as may be necessary.

10 12. At all times mentioned herein, the Defendants named as Does 1-10, inclusive, and
11 each of them, were residents of, doing business in, availed themselves of the jurisdiction of,
12 and/or injured a significant number of the Plaintiff and the Aggrieved Employees in the State of
13 California.

14 13. Plaintiff is informed and believes and thereon alleges that at all relevant times
15 each Defendant, directly or indirectly, or through agents or other persons, employed Plaintiff and
16 the other Aggrieved Employees, and exercised control over their wages, hours, and working
17 conditions. Plaintiff is informed and believes and thereon alleges that, at all relevant times, each
18 Defendant was the principal, agent, partner, joint venturer, officer, director, controlling
19 shareholder, subsidiary, affiliate, parent corporation, successor in interest and/or predecessor in
20 interest of some or all of the other Defendants, and was engaged with some or all of the other
21 Defendants in a joint enterprise for profit, and bore such other relationships to some or all of the
22 other Defendants so as to be liable for their conduct with respect to the matters alleged below.
23 Plaintiff is informed and believes and thereon alleges that each Defendant acted pursuant to and
24 within the scope of the relationships alleged above, that each Defendant knew or should have
25 known about, and authorized, ratified, adopted, approved, controlled, aided and abetted the
26 conduct of all other Defendants.

1 **ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

2 14. Plaintiff is a California resident who worked for Defendants in the County of
3 Orange, State of California, as a general laborer between approximately December 2020 to
4 March 2021. During the statutory period, Defendants classified Plaintiff as non-exempt from
5 California's overtime requirements, and typically worked 5 days per workweek, and in excess of
6 8 hours per workday.

7 15. Throughout Plaintiff's employment, Defendants committed numerous labor code
8 violations under state law. As discussed below, Plaintiff's experience working for Defendants
9 was typical and illustrative.

10 16. Throughout the statutory period, Defendants failed to pay Plaintiff for all hours
11 worked (including minimum wages and overtime wages), failed to provide Plaintiff with
12 uninterrupted meal periods, failed to authorize and permit Plaintiff to take uninterrupted rest
13 periods, failed to indemnify Plaintiff for necessary business expenses, failed to timely pay all
14 final wages to Plaintiff when Defendants terminated Plaintiff's employment, and failed to furnish
15 accurate wage statements to Plaintiff. As discussed below, Plaintiff's experience working for
16 Defendants was typical and illustrative.

17 17. Throughout the statutory period, Defendants maintained a policy and practice of
18 not paying Plaintiff and the Aggrieved Employees all wages owed, including the correct amount
19 of overtime compensation. Plaintiff and the Aggrieved Employees received non-discretionary
20 bonuses during their employment. However, Defendants failed to incorporate these bonuses into
21 their calculation of the regular rate of pay when determining the correct rate of overtime pay,
22 double-time pay, and meal break premium pay. As a result, Plaintiff and the Aggrieved
23 Employees were not paid all overtime owed to them. Also, Plaintiff and the Aggrieved
24 Employees worked "off the clock", either before or after their scheduled shifts because there was
25 too much work to be completed during the regular shift, and overtime was not typically
26 permitted. This included preparing documents for the next morning, following up on telephone
27 calls, and communicating with supervisors. In maintaining a practice of not paying all wages
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1 owed, Defendants failed to maintain accurate records of the hours Plaintiff and the Aggrieved
2 Employees worked.

3 18. Throughout the statutory period, Defendants have wrongfully failed to provide
4 Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendants
5 sometimes, but not always, required Plaintiff and the Aggrieved Employees to work in excess of
6 five consecutive hours a day without providing 30-minute, continuous and uninterrupted, duty-
7 free meal period for every five hours of work, or without compensating Plaintiff and the
8 Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of
9 work or tenth hour of work. Defendants also did not adequately inform Plaintiff and the
10 Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or,
11 for shifts greater than 10 hours, by the end of the tenth hour of work. Accordingly, Defendants'
12 policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in
13 compliance with California law.

14 19. Throughout the statutory period, Defendants have wrongfully failed to authorize
15 and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods.
16 Defendants sometimes, but not always, required Plaintiff and the Aggrieved Employees to work
17 in excess of four consecutive hours a day without Defendants authorizing and permitting them to
18 take a 10-minute, continuous and uninterrupted, rest period for every four hours of work (or
19 major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees
20 for rest periods that were not authorized or permitted. Defendants also did not adequately inform
21 Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendants
22 did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and
23 the Aggrieved Employees, nor did Defendants have adequate policies or practices regarding the
24 timing of rest periods. Defendants also did not have adequate policies or practices to verify
25 whether Plaintiff and the Aggrieved Employees were taking their required rest periods. Further,
26 Defendants did not maintain accurate records of employee work periods, and therefore
27 Defendants cannot demonstrate that Plaintiff and the Aggrieved Employees took rest periods
28 during the middle of each work period. Accordingly, Defendants' policy and practice was to not

1 authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance
2 with California law.

3 20. Throughout the statutory period, Defendants wrongfully required Plaintiff and the
4 Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for
5 Defendants without reimbursement. For example, Plaintiff and the Aggrieved Employees were
6 required to use their own personal cellular telephones for work purposes, such as to speak with
7 supervisors, without reimbursement. Plaintiff and the Aggrieved Employees were also
8 occasionally required to use their own vehicles to drive to places such as Kinkos, without
9 reimbursement. Plaintiff and the Aggrieved Employees were also required at some period of
10 time to work from home, using their own personal computers, printers, internet, and office
11 supplies, all without reimbursement.

12 21. Throughout the statutory period, Defendants willfully failed and refused to timely
13 pay Plaintiff and the Aggrieved Employees at the conclusion of their employment all wages for
14 all minimum wages, overtime wages, meal period premium wages, and rest period premium
15 wages. Further, Defendants did not pay Plaintiff and the Aggrieved Employees their final
16 paychecks immediately upon termination.

17 22. Throughout the statutory period, Defendants failed to furnish Plaintiff and the
18 Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly
19 rates, and all gross and net wages earned (including correct hours worked, correct wages earned
20 for hours worked, correct overtime hours worked, correct wages for meal periods that were not
21 provided in accordance with California law, correct wages for rest periods that were not
22 authorized and permitted to take in accordance with California law, and Defendant's address).
23 Further, the wage statements do not show Defendant's address as required by California law. As
24 a result of these violations of California Labor Code § 226(a), the Plaintiff and the Aggrieved
25 Employees suffered injury because, among other things:

- 26 (a) the violations led them to believe that they were not entitled to be paid
27 minimum wages, overtime wages, meal period premium wages, and rest
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1 period premium wages to which they were entitled, even though they were
2 entitled;

- 3 (b) the violations led them to believe that they had been paid the minimum,
4 overtime, meal period premium, and rest period premium wages, even
5 though they had not been;
- 6 (c) the violations led them to believe they were not entitled to be paid
7 minimum, overtime, meal period premium, and rest period premium wages
8 at the correct California rate even though they were;
- 9 (d) the violations led them to believe they had been paid minimum, overtime,
10 meal period premium, and rest period premium wages at the correct
11 California rate even though they had not been;
- 12 (e) the violations hindered them from determining the amounts of minimum,
13 overtime, meal period premium, and rest period premium owed to them;
- 14 (f) in connection with their employment before and during this action, and in
15 connection with prosecuting this action, the violations caused them to have
16 to perform mathematical computations to determine the amounts of wages
17 owed to them, computations they would not have to make if the wage
18 statements contained the required accurate information;
- 19 (g) by understating the wages truly due them, the violations caused them to
20 lose entitlement and/or accrual of the full amount of Social Security,
21 disability, unemployment, and other governmental benefits;
- 22 (h) the wage statements inaccurately understated the wages, hours, and wages
23 rates to which Plaintiff and the Aggrieved Employees were entitled, and
24 Plaintiff and the Aggrieved Employees were paid less than the wages and
25 wage rates to which they were entitled.

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1 **FIRST CAUSE OF ACTION**

2 **(Against all Defendants for Civil Penalties Under the Private Attorneys General Act of**
3 **2004, Cal. Lab. Code § 2698 et seq.)**

4 23. Plaintiff incorporates by reference and re-alleges all preceding paragraphs as
5 though fully set forth herein.

6 24. At all times herein mentioned, Defendants were subject to the Labor Code of the
7 State of California and the applicable Industrial Welfare Commission Orders.

8 25. California Labor Code § 2699(a) specifically provides for a private right of action
9 to recover penalties for violations of the Labor Code: “Notwithstanding any other provision of
10 law, any provision of this code that provides for a civil penalty to be assessed and collected by
11 the Labor and Workforce Development Agency or any of its departments, divisions,
12 commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative,
13 be recovered through a civil action brought by an aggrieved employee on behalf of himself or
14 himself and other current or former employees pursuant to the procedures specified in Section
15 2699.3.”

16 26. Plaintiff has exhausted his administrative remedies pursuant to California Labor
17 Code § 2699.3. On July 2, 2021, he gave written notice by online filing to the Labor and
18 Workforce Development Agency and by certified mail to Defendants of the specific provisions
19 of the Labor Code that Defendants have violated against Plaintiff and current and former
20 aggrieved employees, including the facts and theories to support the violations. Plaintiff also
21 paid the filing fee shortly after July 2, 2021. Plaintiff’s PAGA case number is LWDA-CM-
22 836794-21.

23 27. The statute of limitations is tolled while a plaintiff exhausts his/her administrative
24 remedies with California’s Labor and Workforce Development Agency (LWDA) prior to suit,
25 which is required by the statute. (*See* Cal. Lab. Code § 2699.3(d).)

26 28. More than 65 days has elapsed since Plaintiff provided notice, but the Labor and
27 Workforce Development Agency has not indicated that it intends to investigate Defendants’
28 Labor Code violations discussed in the notice. Accordingly, Plaintiff may commence a civil

1 action to recover penalties under Labor Code § 2699 pursuant to § 2699.3 for the violations of
2 the Labor Code described in this Complaint. These penalties include, but are not limited to,
3 penalties under California Labor Code §§ 210, 226.3, 1197.1, and 2699(f)(2).

4 29. In addition, Plaintiff seeks penalties for Defendants' violation of California Labor
5 Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity,
6 employing labor who willfully fails to maintain accurate and complete records required by
7 California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable
8 IWC Order § 7(A)(3), every employer shall keep time records showing when the employee
9 begins and ends each work period. Meal periods, and total hours worked daily shall also be
10 recorded. Additionally, pursuant to the applicable IWC Order § 7(A)(5), every employer shall
11 keep total hours worked in the payroll period and applicable rates of pay.

12 30. During the time period of employment for Plaintiff and the Aggrieved Employees,
13 Defendants failed to maintain records pursuant to the Labor Code and IWC Orders by failing to
14 maintain accurate records showing meal periods, and accurate records showing when employees
15 begin and end each work period. Defendants' failure to provide and maintain records required by
16 the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to
17 know, understand and question the accuracy and frequency of meal periods, and the accuracy of
18 their hours worked stated in Defendants' records. Therefore, Plaintiff and the Aggrieved
19 Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an
20 unjustified economic enrichment to Defendants. As a direct result, Plaintiff and the Aggrieved
21 Employees have suffered and continue to suffer, substantial losses related to the use and
22 enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking
23 to compel Defendants to fully perform its obligation under state law, all to their respective
24 damage in amounts according to proof at trial. Because of Defendants' knowing failure to
25 comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved
26 Employees have also suffered an injury in that they were prevented from knowing,
27 understanding, and disputing the wage payments paid to them.

28 31. Based on the conduct described in this Complaint, Plaintiff is entitled to an award

1 of civil penalties on behalf of himself, the State of California, and similarly Aggrieved
2 Employees of Defendants. The exact amount of the applicable penalties, in all, is in an amount
3 to be shown according to proof at trial. These penalties are in addition to all other remedies
4 permitted by law.

5 32. In addition, Plaintiff seeks an award of reasonable attorney's fees and costs
6 pursuant to Labor Code § 2699(g)(1), which states, "Any employee who prevails in any action
7 shall be entitled to an award of reasonable attorney's fees and costs."

8 **PRAYER FOR RELIEF**

9 Plaintiff, on behalf of all similarly aggrieved employees, prays for relief and judgment
10 against Defendants, jointly and severally, as follows:

11 1. That the Court declare, adjudge and decree that Defendants violated the California
12 Labor Code by failing to pay wages for all hours worked (including minimum, straight time, and
13 overtime wages), failing to provide meal periods, failing to authorize and permit rest periods,
14 failing to furnish accurate wage statements, failing to reimburse for necessary business expenses
15 incurred by Plaintiff and the Aggrieved Employees, and failing to maintain accurate records of
16 all hours worked and meal periods;

17 2. An award of civil penalties on behalf of himself and all similarly aggrieved
18 employees pursuant to PAGA;

19 3. Pre-judgment and post-judgment interest at the maximum rate allowed;

20 4. Attorneys' fees and costs reasonably incurred;

21 5. Injunctive and declaratory relief to the extent allowed by PAGA; and

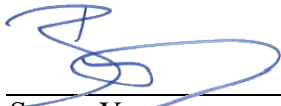
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6. Such other and further relief that the Court deems proper.

Dated: October 1, 2021

Respectfully submitted,

MOON & YANG, APC

By: 

Seung Yang
Brett M. Gunther
Attorneys for Plaintiff

DEMAND FOR JURY TRIAL

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

Dated: October 1, 2021

MOON & YANG, APC

By: 

Seung Yang
Brett M. Gunther
Attorneys for Plaintiff

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA)
3) ss
4 COUNTY OF LOS ANGELES)

5 I am employed in the county of Los Angeles, State of California. I am over the age of 18 and not
6 a party to the within action; my business address is 1055 West Seventh Street, Suite 1880, Los Angeles,
California 90017. On October 1, 2021 I served the foregoing document described as:

7 **FIRST AMENDED PAGA REPRESENTATIVE ACTION COMPLAINT**

8 X by placing ___ the original X a true copy thereof enclosed in sealed envelope(s) addressed
9 as follows:

10 Nasim S. Tourkaman
11 **Jackson Lewis P.C.**
12 200 Spectrum Center Dr. Suite 500
13 Irvine, CA 92618
14 Direct: (949) 885 5257
Nasim.Tourkaman@jacksonlewis.com

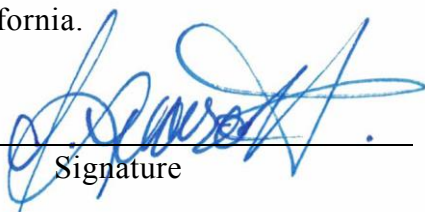
14 *Attorneys for Defendant Sovereign Lending Group, Inc.,*

15 [X] **BY U.S. MAIL:** I deposited such envelope in the mail at Los Angeles, California. The
16 envelope was mailed with postage thereon fully prepaid. I am "readily familiar" with the
17 firm's practice of collection and processing correspondence for mailing. Under that practice
18 it would be deposited with U.S. postal service on that same day with postage thereon fully
19 prepaid at Los Angeles, California in the ordinary course of business. I am aware that on
motion of the party served, service is presumed invalid if postal cancellation date or postage
meter date is more than one day after date of deposit for mailing in affidavit.

20 X (State) I declare under penalty of perjury under the laws of the State of California
21 that the above is true and correct.

22 Executed on October 1, 2021 at Los Angeles, California.

23
24 Ivette Hernandez
Name

25 
Signature