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**SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES**

**AMANDA LEE, as representative of the
California Labor & Workforce
Development Agency,**

Plaintiff,

vs.

**VERNON HEALTHCARE CENTER,
LLC; and DOES #1 through #50, inclusive,**

Defendants.

Case No. 24STCV09874

**Plaintiff's Original Complaint for
Damages**

1. Civil penalties under the Private Attorneys General Act of 2004 (CAL. LAB. CODE §§ 2698 *et seq.*)

SUMMARY

1
2 1. Like many other companies in California and across the United States,
3 Defendants' Kronos-based timekeeping and payroll systems were affected by a service outage
4 beginning in December 2021.

5 2. That outage led to problems in timekeeping and payroll throughout
6 Defendants' organization.

7 3. As a result, Defendants' workers who were not exempt from overtime under
8 federal and state law were not paid for all hours worked, including minimum wages and/or
9 overtime, and/or were not paid their proper overtime premium on time, if at all, for all
10 overtime hours worked during and after the Kronos outage.

11 4. Amanda Lee is one such worker for Defendants.

12 5. Defendants' failure to pay wages to its workers in California, including proper
13 minimum wages and overtime, on time and in full for all hours worked, and to provide them
14 with accurate wage statements violates the California Labor Code and California law.

15 6. Lee brings this action as representative of the California Labor & Workforce
16 Development Agency for penalties under the Private Attorney General Act (PAGA) arising
17 out of Defendants' violations of California law.

18 7. Lee, on behalf of the California Labor & Workforce Development Agency,
19 seeks civil penalties and all other remedies available under PAGA.

JURISDICTION & VENUE

20
21 8. Part of the cause of action arose in Los Angeles County.

22 9. Defendants reside in Los Angeles County.

23 10. Defendants employ Aggrieved California Workers in Los Angeles County.

24 11. Aggrieved California Workers perform work for Defendants in Los Angeles
25 County.

26 12. For example, Aggrieved California Workers work for Defendants at 1038 W.
27 Vernon Ave., Los Angeles, CA 90037.
28

parent corporation, successor or predecessor in interest, joint ventures, and/or joint enterprises of one or more of Defendants.

25. Vernon and Defendants Does #1 through #50 employed and/or jointly employed Plaintiff and the Similarly Situated Workers.

26. Vernon and Defendants Does #1 through #50 are joint employers for purposes of California law.

27. Lee is unaware of the true names of Defendants Does #1 through #50, and so Lee sues those Defendants under said fictitious names pursuant to California Code of Civil Procedure section 474.

28. Lee will amend this Complaint to show the true names and capacities of such fictitiously named Defendants after the same has been ascertained.

29. Because the true names of Defendants Does #1 through #50 are currently unknown to her, Lee refers to such Defendants in this lawsuit collectively with the non-fictitiously named joint employers as “Defendants” throughout this Complaint.

30. Defendants own and operate approximately 20 interrelated healthcare facilities.

31. The facilities owned and operated by Defendants include, but are not limited to:¹

- Alameda Healthcare & Wellness Center
- Alhambra Healthcare & Wellness Centre, LP
- Alta Vista Healthcare & Wellness Centre
- Amaya Springs Health Care Center
- Anaheim Point Healthcare & Wellness Centre, LP
- Bay Vista Healthcare & Wellness Centre, LP
- Brighton Place San Diego
- Brighton Place Spring Valley
- Brookdale Healthcare & Wellness Centre, LP

¹ Signature Healthcare, Healthcare Facilities, <https://www.signaturehc.com/healthcare-facilities> (last visited March 12, 2024).

- 1 • California Nursing & Rehabilitation Center
- 2 • Centinela Skilled Nursing & Wellness Centre
- 3 • Chico Heights Rehabilitation & Wellness Centre, LP
- 4 • Chico Terrace Healthcare & Wellness Centre, LP
- 5 • Cupertino Healthcare & Wellness Center
- 6 • Delta Healthcare & Wellness Center, LP
- 7 • Desert Springs Healthcare & Wellness Centre
- 8 • Driftwood Healthcare Center
- 9 • East Terrace Rehabilitation & Wellness Centre, LP
- 10 • Eureka Rehabilitation & Wellness Center, LP
- 11 • Fortuna Rehabilitation & Wellness Center, LP
- 12 • Four Seasons Healthcare & Wellness Center, LP
- 13 • Gardenview Healthcare & Wellness Centre, LP
- 14 • Granada Rehab & Wellness Center, LP
- 15 • Grand Avenue Healthcare & Wellness Centre, LP
- 16 • Granite Hills Healthcare & Wellness Centre, LLC
- 17 • Hawthorne Healthcare & Wellness Centre, LP
- 18 • Hayward Healthcare & Wellness Center
- 19 • Healthcare Centre Of Fresno
- 20 • Highland Park Skilled Nursing & Wellness Centre
- 21 • Ivy Creek Healthcare & Wellness Centre
- 22 • Kings Healthcare & Wellness Center, LP
- 23 • Lakewood Healthcare Center
- 24 • Lawndale Healthcare & Wellness Centre, LLC
- 25 • Lighthouse Healthcare Center
- 26 • Los Feliz Healthcare & Wellness Centre, LP
- 27 • Mar Vista Country Villa Healthcare & Wellness Centre, LP
- 28 • Maywood Skilled Nursing & Wellness Centre

- 1 • Mesa Verde Post Acute Care Center
- 2 • Montecito Heights Healthcare & Wellness Centre, LP
- 3 • Monterey Healthcare & Wellness Centre, LP
- 4 • Montrose Springs Skilled Nursing & Wellness Center
- 5 • North Point Healthcare & Wellness Centre, LP
- 6 • Norwalk Skilled Nursing & Wellness Centre
- 7 • Novato Healthcare Center
- 8 • Oakland Healthcare & Wellness Center
- 9 • Ontario Grove Healthcare & Wellness Centre, LP
- 10 • Orange Healthcare & Wellness Centre, LLC
- 11 • Osage Healthcare & Wellness Centre
- 12 • Overland Terrace Healthcare & Wellness Centre, LP
- 13 • Oxnard Manor Healthcare Center
- 14 • Pacific Rehabilitation & Wellness Center, LP
- 15 • Park Avenue Healthcare & Wellness Center
- 16 • Pasadena Park Healthcare And Wellness Center
- 17 • Pavilion On Pico Healthcare & Wellness Centre, LP
- 18 • Pine Grove Healthcare & Wellness Centre, LP
- 19 • Pioneers Memorial Skilled Nursing Center
- 20 • Princeton Manor Healthcare Center, LLC
- 21 • River Valley Healthcare & Wellness Centre, LP
- 22 • Riverside Point Healthcare & Wellness Centre
- 23 • Roseville Point Health & Wellness Center
- 24 • San Jose Healthcare & Wellness Center
- 25 • San Pablo Healthcare & Wellness Center
- 26 • San Rafael Healthcare & Wellness Center, LP
- 27 • Santa Ana Healthcare & Wellness Centre, LP
- 28 • Seaview Rehabilitation & Wellness Center, LP

- Skyline Healthcare Center-Los Angeles
- The Pavilion At Ocean Point
- The Rehabilitation Center Of Bakersfield
- The Rehabilitation Center Of Oakland
- Tulare Healthcare & Wellness Center, LP
- Vernon Healthcare Center
- West Hollywood Healthcare & Wellness Centre, LP
- West Pico Terrace Healthcare & Wellness Centre, LP
- Westwood Post Acute Care
- York Healthcare & Wellness Centre

32. These are some, but not all, of the interrelated companies operated by Defendants.

33. At all relevant times, the operation of all of Defendants' above-referenced entities was and is interrelated.

34. At all relevant times, Defendants and all of the above-referenced entities operated for a common business purpose, to provide medical services to their patients/customers.

35. At all relevant times, Defendants had centralized/shared back-office operations, including but not limited to human resources, accounting, marketing, risk management, financial operations, and legal compliance.

36. At all relevant times, Defendants exerted operational control over its subsidiaries and alter egos.

37. At all relevant times, Defendants substantially controlled the terms and conditions of employment for workers of its subsidiaries and alter egos.

38. At all relevant times, Defendants had a common control and management of labor relations regarding employees of its subsidiaries and alter egos.

39. Defendants employed and/or jointly employed, with its subsidiaries and alter egos, Plaintiffs and the Similarly Situated Workers.

40. Defendants and its respective subsidiaries and alter egos are joint employers for purposes of California law.

FACTS

41. Defendants provide healthcare services and staff healthcare personnel to healthcare facilities.

42. Many of Defendants' employees are non-exempt, overtime-eligible workers.

43. Since at least December 2021, Defendants have used Kronos timekeeping software and hardware.

44. On or about December 11, 2021, the Kronos system suffered a distribution in service due to a ransomware attack.

45. The Kronos outage interfered with the ability of its customers, including Defendants, to use Kronos's software and hardware to track hours and pay employees.

46. For at least a portion of time following the Kronos outage, Defendants failed to accurately track the hours that Lee and the other Aggrieved California Workers worked.

47. For at least a portion of time following the Kronos outage, Defendants failed to correctly pay Lee and the other Aggrieved California Workers for the hours that it did track, or for hours that were not tracked.

48. As a result of Defendants' failure to accurately pay non-exempt employees the hours that they reported each week, non-exempt employees were in many cases paid less than the hours they worked in each workweek, including overtime hours.

49. Many employees were not paid for all their non-overtime wages for hours worked in certain workweeks.

50. Many employees were not paid at least the minimum wage for each hour worked in certain workweeks.

51. Lee is one of the many employees of Defendants affected by these pay and timekeeping practices.

52. Instead of paying Lee for the hours she actually worked (including overtime hours), Defendants failed to pay Lee for her actual hours worked and at her regular pay rates, in multiple workweeks.

53. In properly calculating and paying overtime to a non-exempt employee, the only metrics that are needed are: (1) the number of hours worked in a day or week, and (2) the employee's regular rate, taking into account shift differentials, non-discretionary bonuses, and other factors allowed under the law.

54. Defendants knows they has to pay proper overtime premiums to non-exempt hourly and salaried employees.

55. Defendants knows this because, prior to the Kronos outage, they routinely paid these workers for all overtime hours at the proper overtime rates.

56. Defendants knows they has to pay proper minimum wages to its employees.

57. Defendants knows this because, prior to the Kronos outage, they routinely paid these workers for all hours worked at the proper minimum wages.

58. Defendants could have instituted any number of methods to accurately track and timely pay their employees for all hours worked.

59. But Defendants did not accurately track time and fully and timely pay employees for the time they worked, including minimum wages and overtime, and at the regular rates at which they were supposed to be paid.

60. It was feasible for Defendants to have their employees and managers report accurate hours so non-exempt employees could be paid the full and correct amounts of money they were owed for the work they did for the company.

61. But Defendants failed to put a competent system in place to ensure that happened.

62. In other words, Defendants pushed the effects of the Kronos outage onto the backs of its most economically vulnerable workers, making sure that it kept the money it owed to those employees in its own pockets, rather than take steps to make sure its employees were paid on time and in full for the work they did.

63. An employer cannot set up inefficient timekeeping and payroll systems and then claim it is not responsible for the timely payment of wages.

64. Yet, in the wake of the Kronos outage, that is exactly what Defendants did.

65. Lee is just one of the many employees of Defendants who had to shoulder the burden of Defendants' timekeeping and payroll policies and practices.

66. Lee was a non-exempt hourly employee of Defendants.

67. Lee regularly worked over 40 hours per week for Defendants.

68. Lee's normal, pre-Kronos hack hours are reflected in Defendants' records.

69. Lee regularly worked over 40 hours per week for Defendants during payroll cycles affected by the Kronos outage.

70. Lee was a non-exempt hourly employee of Defendants.

71. Lee regularly worked over 40 hours per week for Defendants.

72. Lee's normal, pre-Kronos outage hours are reflected in Defendants' records.

73. In payroll cycles affected by the Kronos outage, Defendants did not timely pay Chavis Burton and the other Aggrieved California Workers for their actual hours worked each week.

74. In payroll cycles affected by the Kronos outage, Defendants did not accurately record the hours worked by Chavis Burton and the other Aggrieved California Workers, in multiple workweeks.

75. Nor did Defendants provide Lee and the other Aggrieved California Workers with timely and accurate wage statements.

76. Lee and the Similarly Situated Workers remain uncompensated for the wages and other damages owed by Defendants under California law.

77. On April 11, 2022, Lee notified the LWDA of Defendants' wage violations, pursuant to California Labor Code § 2966.3.

78. The LWDA has not provided Lee with any response to the notice.

79. Lee originally brought suit for, *inter alia*, Defendants' PAGA violations on April 11, 2022, in *Lee v. Rockport Healthcare Support Services, LLC*, No. 2:22-cv-02437-JLS-JPR, in the United States District Court for the Central District of California.

80. On April 15, 2024, the Central District of California dismissed Lee's claim without prejudice, including her PAGA claim for lack of subject matter jurisdiction, pursuant to the stipulation of the parties.

81. Lee promptly refiles her PAGA claim pursuant to 28 U.S.C. § 1367(d). *See Artis v. D.C.*, 138 S. Ct. 594 (2018); *Sales v. City of Tustin* (Cal.App. 4 Dist. 2021) 65 Cal.App.5th 265, 272, *as modified on denial of reh'g* (June 28, 2021).

VIOLATIONS OF THE CALIFORNIA LABOR CODE **SUBSECTION ONE—FAILURE TO PAY WAGES**

82. The California Labor Code requires that all employees, including Lee and the other Aggrieved California Workers, be paid for each hour worked at a rate at least the minimum wage then in effect. CAL. LAB. CODE § 1182.12; IWC Wage Orders #1-2001 through #17-2001.

83. The California Labor Code requires that all employees, including Lee and the other Aggrieved California Workers, receive 1.5x their hourly rate as overtime premium compensation for hours worked over eight in one day. CAL. LAB. CODE § 510; IWC Wage Orders #1-2001 through #17-2001.

84. Despite working over 8 hours a day as part of their normal and regular shift, Lee and the other Aggrieved California Workers did not receive proper overtime compensation for all hours worked over 8 in one day.

85. The California Labor Code also requires that all employees, including Lee and the other Aggrieved California Workers, receive 2x times the overtime premium compensation for hours worked over 12 in one day. CAL. LAB. CODE § 510; IWC Wage Orders #1-2001 through #17-2001.

86. Although Lee and the other Aggrieved California Workers occasionally worked over 12 hours in one day, they did not receive the “double time” compensation required by California law.

87. The California Labor Code requires that all employees, including Lee and the other Aggrieved California Workers, receive 2x the overtime premium compensation for hours worked over 8 in one day, in the seventh day of a workweek. CAL. LAB. CODE §§ 510, 551–52; IWC Wage Orders #1-2001 through #17-2001.

88. Although Lee and the other Aggrieved California Workers regularly worked seven days a week, for at least 12 hours a day, they did not receive the “double time” compensation required by California law for all hours over eight worked on the seventh day.

89. This pattern, practice, and uniform administration of corporate policy regarding illegal employee compensation is unlawful under California law.

VIOLATIONS OF THE CALIFORNIA LABOR CODE SUBSECTION TWO—VIOLATIONS OF RECORD KEEPING REQUIREMENTS

90. California Labor Code section 226 requires Defendants to keep accurate records regarding the rates of pay for its California employees and provide that information to Lee and the other Aggrieved California Workers with their wage payment.

91. Because Defendants failed to pay Lee and the other Aggrieved California Workers lawful wages, it did not maintain accurate records of Lee and the other Aggrieved California Workers’ daily hours, gross wages earned, net wages earned, and the applicable hourly rates, and did not provide that information to Lee and the other Aggrieved California Workers with their wages.

92. This pattern, practice, and uniform administration of corporate policy is unlawful under California law.

VIOLATIONS OF THE CALIFORNIA LABOR CODE SUBSECTION THREE—WAITING TIME PENALTIES

93. At all relevant times, Defendants was required to pay Lee and the other Aggrieved California Workers all wages owed in a timely fashion at the end of employment pursuant to California Labor Code sections 201 to 204.

94. As a result of Defendants' alleged California Labor Code violations, Defendants regularly failed to pay Lee and the other Aggrieved California Workers their final wages pursuant to California Labor Code sections 201 to 204.

95. The conduct of Defendants, in violation of Lee and the other Aggrieved California Workers members' rights, was willful and was undertaken by Defendants' agents, employees, and managers.

CAUSE OF ACTION—CIVIL PENALTIES UNDER PAGA

96. Lee incorporates all other allegations.

97. Lee and the other Aggrieved California Workers are aggrieved employees within the meaning of California Labor Code section 2699.

98. Lee, an aggrieved employee acting as representative of the California Labor and Workplace Development Agency (LWDA), on behalf of the Aggrieved California Workers, seeks to recover civil penalties against Defendants pursuant to the Private Attorneys General Act of 2004 (PAGA), CAL. LAB. CODE §§ 2698 *et seq.*

99. Defendants have knowingly and intentionally violated the California Labor Code (including by violating associated IWC Wage Orders), in at least the following:

- a. Failing to pay wages (Cal. Lab. Code §§ 510, 1182.12, 1194, 1194.5; IWC Wage Orders #1-2001 through #17-2001);
- b. Failing to provide compensation for missed meal and rest periods (Cal. Lab. Code §§ 226.7, 512; IWC Wage Orders #1-2001 through #17-2001);
- c. Violating record keeping requirements (Cal. Lab. Code § 226);
- d. Unlawfully collecting, receiving, or withholding wages (Cal. Lab. Code §§ 221, 225.5); and
- e. Failing to pay wages promptly following termination of employment, or when due and payable (Cal. Lab. Code § 203).

100. The civil penalties sought by Lee, on behalf of the Aggrieved California Workers, include the recover of amounts specified in the respective sections of the California Labor Code, and if not specifically provided, those penalties under section 2699(f).

101. Lee, on behalf of the Aggrieved California Workers, seek the full amounts sufficient to recover unpaid wages, other damages, and necessary expenditures or losses incurred by Lee on behalf of the Aggrieved California Workers pursuant to California Labor Code sections 210, 225.5, 226.3, 226.8, 558(a), 1197(a), 2802, and 2699.

102. Lee, on behalf of the Aggrieved California Workers, will allege any additional violations of the California Labor Code as may be disclosed in discovery and as a result of additional investigation that may be pursued in this action.

103. Lee provided notice to Defendants of their California Labor Code violations on June 26, 2022.

104. On the same date, Lee submitted notice to the LWDA, as required by PAGA.

105. Lee's notice to Defendants and the LWDA advised each of them of the intent to prosecute a private enforcement action to assess and recover civil penalties under PAGA once the LWDA declined to investigate or prosecute the asserted California Labor Code violations.

106. The LWDA has not provided Lee with any response to the notice.

107. Lee has had to retain counsel to file this action to protect the interests of the Aggrieved California Workers, and to to assess and collect the civil penalties owed by Defendants to the Aggrieved California Workers.

108. Lee, on behalf of the LWDA, has incurred attorneys' fees and costs in prosecuting this action to recover under PAGA for the Aggrieved California Workers.

RELIEF SOUGHT

Lee prays for judgment against Defendants as follows:

- a. For an order finding Defendants violated the California Labor Code;
- b. For a judgment awarding civil penalties under PAGA to Lee, on behalf of the LWDA;

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- c. For a judgment awarding attorneys’ fees to Lee, on behalf of the LWDA;
- d. For a judgment awarding costs of this action to Lee, on behalf of the LWDA;
- e. For a judgment awarding pre- and post-judgment interest at the highest rates allowed by law to Lee, on behalf of the LWDA; and
- f. For all such other and further relief as may be necessary and appropriate.

Dated: April 19, 2024

Respectfully submitted,

PARMET PC

/s/ Matthew S. Parmet

By: _____
Matthew S. Parmet

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