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**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN FRANCISCO**

CGC-25-623366

DEBRA SCHIPANI, On Behalf of the
State of California and Aggrieved Employees,

Plaintiffs,

v.

**APFS, LLC d/b/a ADDISON
PROFESSIONAL FINANCIAL
SEARCH,**

Defendant.

Case No. _____

**COMPLAINT FOR CIVIL PENALTIES
PURSUANT TO CALIFORNIA LABOR
CODE § 2699(a) & (f) PRIVATE
ATTORNEYS GENERAL ACT OF 2004**

1 Plaintiff Debra Schipani (“Schipani”), on behalf of the State of California and Aggrieved
2 Employees (defined below), complains and alleges as follows:

3 **SUMMARY**

4 1. Schipani, on behalf of the State of California and the Aggrieved Employees, brings
5 this enforcement action pursuant to the California Labor Code Private Attorneys General Act of
6 2004, as amended (PAGA), to recover civil penalties against APFS, LLC d/b/a Addison
7 Professional Financial Search (“Addison”).

8 2. Schipani seeks to recover such civil penalties for the State of California and on
9 behalf of individuals who work for or have worked for Addison who have been denied all wages
10 owed (including non-overtime wages and overtime wages), have not received compliant meal
11 and/or rest breaks, have not received premium compensation for such missed meal and rest breaks,
12 have been required to exceed maximum hours of work fixed by relevant Industrial Wage
13 Commission (“IWC”) Wage Orders (“Wage Orders”), have been denied accurate and/or
14 compliant itemized wage statements, and/or have not been paid all wages owed following
15 separation of employment or when due and payable, at any time since one year and 65 days before
16 the filing of this Complaint until final resolution of this Action (the “Aggrieved Employees”)

17 3. Schipani worked for Addison as a non-exempt recruiter in California.

18 4. Schipani and the Aggrieved Employees regularly work more than 8 hours in a day
19 and/or 40 hours in a workweek.

20 5. But Addison does not pay them overtime wages.

21 6. Instead of paying overtime wages, Addison uniformly misclassifies Schipani and the
22 Aggrieved Employees as exempt employees and paid them a salary with no overtime compensation.

23 7. Addison’s uniform salary with no overtime pay scheme violates various provisions
24 of the California Labor Code and applicable Industrial Welfare Commission (“IWC”) Wage Orders
25 by depriving the Aggrieved Employees of “time and a half” overtime pay they are owed for all
26 hours worked after 8 in a day and 40 in a week. (*See* CAL. LAB. CODE § 510; IWC Wage Order No.
27 5-2001(3)(A)(1).)
28

1 8. Additionally, Addison fails to authorize, permit, and/or make available compliant
2 meal periods to the Aggrieved Employees (Addison's "meal period policy").

3 9. And when Schipani and the other Aggrieved Employees work 10 hours in a workday,
4 Addison fails to authorize, permit, and/or make available a second compliant meal period.

5 10. Instead, Addison requires Schipani and the other Aggrieved Employees to remain
6 on duty and perform work throughout their shifts.

7 11. Addison also fails to authorize, permit, and/or make available compliant rest periods
8 to these employees for every four hours worked or major fraction thereof (Addison's "rest period
9 policy").

10 12. Despite depriving Schipani and the other Aggrieved Employees of compliant meal
11 and rest periods, Addison does not pay these employees the required premium pay for the first
12 missed meal and rest period each workday.

13 13. Further, as a result of its unlawful employment practices, Addison also violates the
14 accurate wage statement provisions of the Labor Code and applicable Wage Order(s) by depriving
15 Schipani and the other Aggrieved Employees of wage statements that accurately reflect all their
16 hours worked and all wages actually earned.

17 14. And, as a result of Addison's unlawful employment practices, Schipani and other
18 former Aggrieved Employees are not paid all wages due and owing upon termination of
19 employment in a timely manner.

20 15. Schipani brings these claims pursuant to PAGA to challenge Addison's policies and
21 practices of: (1) failing to pay Aggrieved Employees all wages pursuant to Labor Code §§ 510, 1194,
22 and 1194.5; (2) failing to provide timely and accurate itemized wage statements pursuant to Labor
23 Code § 226; (3) failing to provide timely and compliant meal and rest periods as required under
24 Labor Code §§ 226.7 and 512; (4) failing timely pay all wages following separation of employment
25 or when due and payable pursuant to Labor Code §§ 201, 201.3, 202-204, and 227.3; and (5)
26 exceeding the maximum work hours under Labor Code § 1198.

27 16. Schipani brings this action to recover all civil penalties and other PAGA damages on
28 behalf of the State of California and other Aggrieved Employees.

17. Schipani also seeks a declaratory award finding Addison's exemption classification scheme as applied to recruiters like the Aggrieved Employees is illegal under the Labor Code.

18. Schipani seeks to remedy the unlawful practices Addison has imposed and continues to impose on its workers in California, which deprive the Aggrieved Employees of their lawfully earned compensation.

JURISDICTION & VENUE

19. This Court has jurisdiction over Schipani's claims pursuant to the California Constitution, Article VI, section 10, which grants the Superior Court "original jurisdiction on all other causes" except those given by statute to other courts. The statutes under which this Action is brought do not specify any other basis for jurisdiction.

20. The Court has personal jurisdiction over Addison because Addison maintains offices in this County, employs numerous workers in this County (including Schipani), and is registered to do business in the State of California.

21. Venue is proper in this judicial district pursuant to Code of Civil Procedure §§ 393, 395, and/or 395.5.

22. Addison has employed Aggrieved Employees, including Schipani, within this County.

23. Addison conducts business in this County, employs Aggrieved Employees in this County, and therefore liability under PAGA arises in this County.

PARTIES

24. Schipani worked for Addison as a Recruiter in San Francisco, California from approximately December 2015 to October 2024.

25. Throughout her employment, Addison classified Schipani as exempt and paid her on a salary basis with no daily or weekly overtime compensation.

26. Throughout her employment, Addison failed to provide Schipani with compliant meal and rest periods and failed to pay her the required premium pay for each meal and rest period Addison denied her.

27. Schipani brings this action on behalf of the State of California and on behalf of all of Addison's current and former employers who worked in California and who suffered one or more Labor Code violations Schipani suffered, which are enumerated under Labor Code §§ 2698, *et seq.*, any time since one year and 65 days before the filing of this Complaint until final resolution of this Action.

28. These employees are referred to as the Aggrieved Employees.

29. Schipani is an “Aggrieved Employee” within the meaning of Labor Code § 2699(c) because Addison employed her, and because she suffered the alleged Labor Code and/or Wage Order violations committed by Addison within the relevant limitations period.

30. Schipani and the other Aggrieved Employees were employees of Addison at all relevant times, within the meanings set forth in the Labor Code and applicable Wage Order(s).

31. Addison uniformly misclassifies these employees as exempt from overtime and pays them a salary with no overtime compensation in violation of the California wage laws.

32. Thus, Addison uniformly failed to pay Aggrieved Employees, including Schipani, overtime and double time wages for all overtime and double hours worked, respectively, in willful violation of the Labor Code and applicable Wage Order(s).

33. Likewise, Addison failed to provide Schipani and Aggrieved Employees with compliant itemized wage statements in violation of the Labor Code.

34. Likewise, Addison failed to pay Schipani and Aggrieved Employees all wages owed at the end of their employment in violation of the Labor Code and applicable Wage Order(s).

35. Addison is a Delaware limited liability company registered to do business in California.

36. Addison's headquarters and principal place of business is in Chicago, Illinois.

37. Addison may be served with process by serving its registered agent: **CSC – Lawyers
Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, California, 95833.**

FACTS

38. Addison offers staffing and recruiting services in “industry sectors [such as]

1 information technology, finance and accounting, non-clinical healthcare, human resources,
2 administrative, and digital marketing.”¹

3 39. To provide these services to its clients, Addison employs recruiting personnel,
4 including Schipani and Aggrieved Employees, across the country, including in California.

5 40. Addison uniformly classifies Schipani and Aggrieved Employees as exempt and pays
6 them a salary with no overtime compensation.

7 41. While exact job titles and precise job duties may differ, these employees are
8 subjected to the same or similar policy—Addison’s exemption misclassification scheme and
9 Addison’s meal break policies—for similar work.

10 42. For example, Schipani worked for Addison as a Recruiter from approximately
11 December 2015 to October 2024.

12 43. As a Recruiter, Schipani’s and Aggrieved Employees’ primary responsibilities
13 included calling and emailing potential candidates, preparing profiles of these workers, screening
14 candidates’ qualifications, preparing candidates for interviews and placing them in positions in
15 accordance with Addison’s (and its clients’) policies, procedures, specifications, and expectations.

16 44. As Recruiters, Schipani and Aggrieved Employees perform non-exempt job duties
17 including calling potential employees for placement into companies that contracted with Addison.

18 45. Schipani’s and Aggrieved Employees’ job functions were primarily technical in
19 nature, requiring little to no official training, much less a college education or other advanced
20 degree.

21 46. Addison uniformly subjected Schipani and Aggrieved Employees to policies and
22 procedures which dictated their day-to-day activities.

23 47. The recruiting work Schipani and Aggrieved Employees perform is an essential and
24 integral part of Addison’s core business.

25 48. Schipani and Aggrieved Employees are “line employees” of Addison.

26 49. No advanced degree is required to become an Addison Recruiter.

27
28 ¹ <https://addisongroup.com/services/staffing-services/> (last visited Mar. 6, 2025).

1 50. Being an Addison Recruiter does not require specialized academic training as a
2 standard prerequisite.

3 51. Schipani and Aggrieved Employees do not have any supervisory or management
4 duties.

5 52. To the extent Schipani and Aggrieved Employees make “decisions,” such decisions
6 do not require the exercise of independent discretion and judgment.

7 53. Instead, Schipani and Aggrieved Employees apply well-established techniques and
8 procedures, and use established standards to evaluate any issues.

9 54. Schipani and Aggrieved Employees do not set the techniques and procedures
10 utilized to perform their job duties and do not set quality standards.

11 55. Addison’s Recruiters, including Schipani and Aggrieved Employees, are not
12 allowed to deviate from the techniques and procedures utilized to perform their job duties or from
13 any quality standards.

14 56. With these job duties, Schipani and Aggrieved Employees are clearly non-exempt
15 employees under the California wage laws and, therefore, entitled to overtime compensation.

16 57. But Addison does not pay Schipani and Aggrieved Employees overtime
17 compensation when they work in excess of 8 hours in a day and/or in excess of 40 hours in a
18 workweek in violation of California wage laws.

19 58. This is despite Schipani and Aggrieved Employees regularly working 10-to-12 hours
20 a day for 5-to-6 days a week.

21 59. Schipani worked more than 8 hours in at least one workday during in the 1 year and
22 65 day time period before this Complaint was filed.

23 60. Likewise, each Aggrieved Employee worked more than 8 hours in at least one
24 workday during the 1 year and 65 day time period before this Complaint was filed.

25 61. But Addison does not pay these employees overtime compensation.

26 62. Rather, under Addison’s uniform exempt misclassification and salary with no
27 overtime pay scheme, Schipani and Aggrieved Employees are denied overtime compensation when
28 they work in excess of 8 hours in a day and/or 40 hours in a week in violation of the California wage

1 laws.

2 63. Addison knows Schipani and Aggrieved Employees routinely work more than 8
3 hours in a day, and often work 10-to-12 hours in a day, because Addison expects and requires these
4 employees to do so.

5 64. But Addison does not pay Schipani and Aggrieved Employees overtime wages for
6 the overtime hours they work in a day or week in violation of California wage laws.

7 65. When Addison and the Aggrieved Employees worked more than 8 hours in a
8 workday, Addison did not pay them 1.5 times their regular hourly rate for all overtime hours worked.

9 66. Additionally, when Schipani and Aggrieved Employees worked more than 12 hours
10 in a workday, Addison did not pay them double their regular hourly rate for all such “double time”
11 hours worked.

12 67. In addition to depriving Schipani and Aggrieved Employees of overtime wages,
13 Addison also fails to provide Schipani and Aggrieved Employees with compliant meal and rest
14 periods.

15 68. Instead, Addison requires Schipani and Aggrieved Employees to work continuously
16 throughout their shifts, and these employees are never fully relieved of all their duties for 30
17 consecutive minutes.

18 69. Addison expected and required Schipani and Aggrieved Employees to be available
19 to work during their entire shifts, even during any attempted meal and rest breaks.

20 70. As a result, the time worked by Schipani and Aggrieved Employees goes
21 unrecorded.

22 71. Addison fails to pay Schipani and Aggrieved Employees premium wages for their
23 missed breaks in violation of California law.

24 72. Addison also does not provide Schipani and Aggrieved Employees with accurate
25 itemized wage statements as required by California law.

26 73. The wage statements provided to Schipani and Aggrieved Employees are not
27 accurate because they do not reflect the actual hours worked by Schipani and Aggrieved Employees.

28 74. As a result of Addison’s misclassification of Schipani and Aggrieved Employees as

1 exempt from overtime when such employees are properly categorized as non-exempt, the wage
2 statements provided by Addison do not contain accurate number of hours worked, and do not
3 accurately reflect the actual gross wages earned, overtime wages earned, premium pay earned,
4 and/or actual net wages earned.

5 75. Addison knew, or should have known, it was subject to the California wage laws,
6 including their respective overtime, recordkeeping, wage statement, and meal and rest period
7 provisions.

8 76. Addison knew, or should have known, the California wage laws require it to pay
9 employees, including Schipani and Aggrieved Employees, overtime wages at rates not less than 1.5
10 times these employees' regular rates of pay for all hours worked in excess of 40 hours in a
11 workweek.

12 77. Addison knew, or should have known, California wage laws require it to pay
13 employees, including Schipani and Aggrieved Employees, overtime wages at rates not less than 1.5
14 times these employees' regular rates of pay for all hours worked in excess of 8 hours in a workday
15 and double time wages at rates not less than 2 times these employees' regular rates of pay for all
16 hours worked in excess of 12 hours in a workday.

17 78. Addison knew, or should have known, Schipani and Aggrieved Employees worked
18 more than 8 hours in a day because Addison expected and required them to do so.

19 79. Addison knew, or should have known, Schipani and Aggrieved Employees worked
20 more than 40 hours in a week because Addison expected and required them to do so.

21 80. Addison knew, or should have known, Schipani and Aggrieved Employees were
22 non-exempt employees and, therefore, entitled to overtime compensation.

23 81. Addison knew, or should have known, California wage laws require it to provide
24 California employees, including Schipani and Aggrieved Employees, a 30-minute meal period
25 when they work more than 5 hours in a day, as well as a second 30-minute meal period when they
26 work more than 10 hours in a day.

27 82. Addison knew, or should have known, Schipani and Aggrieved Employees work
28 continuously throughout their shifts and are deprived of compliant *bona fide* meal periods.

1 83. Addison knew, or should have known, California wage laws require it to provide
2 California employees, including Schipani and Aggrieved Employees, a 10-minute rest period for
3 every 4 hours of work.

4 84. Addison knew, or should have known, California wage laws require it to pay
5 California employees, including Schipani and Aggrieved Employees, one hour of premium pay at
6 their regular rates of pay for each workday that a compliant meal and/or rest period is not timely
7 provided.

8 85. Addison knowingly, willfully, and/or in reckless disregard carried out these illegal
9 policies and practices that deprived Schipani and Aggrieved Employees of overtime compensation
10 and/or meal and rest period premium pay in violation of the California wage laws.

11 86. Nonetheless, Addison failed to pay Schipani and Aggrieved Employees overtime
12 compensation for all hours worked.

13 87. Likewise, Addison failed to pay Schipani and Aggrieved Employees premium pay
14 for the meal and rest periods Addison illegally denied them.

15 88. Addison's common course of wage-and-hour abuse includes routinely failing to
16 maintain true and accurate records of the hours worked by Schipani and Aggrieved Employees.

17 89. In particular, Addison failed to record hours that Schipani and Aggrieved
18 Employees worked during their shifts due to Addison's misclassification scheme, as well as during
19 missed meal and rest periods.

20 90. Addison's failure to pay Schipani and Aggrieved Employees overtime pay was
21 neither reasonable, nor was the decision not to pay these employees overtime compensation made
22 in good faith.

23 91. Likewise, Addison's failure to pay Schipani and Aggrieved Employees premium pay
24 for the missed meal/rest periods was neither reasonable, nor was the decision not to pay these
25 employees premium pay for their denied meal/rest periods made in good faith.

26
27 92. Further, Addison did not provide Schipani and Aggrieved Employees with full
28 payment of all wages owed at the end of employment.

1 93. As these workers are owed for unpaid overtime wages and premium wages when
2 their employment ends, and these amounts remain unpaid under Addison's policies and practices,
3 Addison fails to pay all wages due upon termination. As a consequent, Addison is subject to waiting
4 time penalties.

5 94. Addison's violations of the California wage laws was willful, carried out in bad faith,
6 and caused significant damages to these workers.

7 **ADDISON'S VIOLATIONS OF CALIFORNIA LAW WERE WILLFUL**

8 95. Schipani incorporates all other paragraphs by reference.

9 96. Addison knew it was subject to the California Labor Code's and applicable IWC
10 Wage Order's overtime provisions.

11 97. Addison knew the California Labor Code and applicable IWC Wage Order(s)
12 required it to pay non-exempt employees, including the Aggrieved Employees, overtime wages at
13 rates not less than 1.5 times their regular rates of pay for all hours worked after 8 in a workday and
14 40 in a workweek.

15 98. Addison knew each Aggrieved Employee worked more than 8 hours in at least one
16 workday and/or more than 40 hours in at least one workweek during the relevant time period
17 because it required them to do so, and because Addison has access to Aggrieved Employees' time-
18 stamped emails and other computer work activity demonstrating the first and last work activity
19 each workday.

20 99. Addison knew the Aggrieved Employees were non-exempt employees entitled to
21 overtime wages.

22 100. Addison knew the Aggrieved Employees should have been classified as non-exempt
23 and paid on an hourly rate basis.

24 101. Addison's decision to classify Aggrieved Employees as exempt from overtime and
25 to not pay them overtime wages was a conscious decision, and was not the product of mistake or
26 neglect.

27 102. Addison knew the California Labor Code and applicable IWC Wage Orders required
28 it to provide nonexempt employees, including the Aggrieved Employees, with a 30-minute, duty

1 free meal period for every five hours worked no later than the end of the fifth hour of work.

2 103. Addison knew the California Labor Code and applicable IWC Wage Orders required
3 it to pay employees, including the Aggrieved Employees, one hour of premium pay for each day
4 they are denied a compliant meal period.

5 104. Addison knew the Aggrieved Employees did not receive compliant meal periods.

6 105. Addison knew it did not take any action to offer meal breaks, or to otherwise ensure
7 Aggrieved Employees received timely or compliant meal periods.

8 106. Nonetheless, Addison did not pay the Aggrieved Employees one hour of premium
9 pay each day it denied them a compliant meal period.

10 107. Addison's failure to provide Aggrieved Employees with compliant meal periods was
11 neither reasonable nor was its decision not to pay these employees one hour of premium pay each
12 day it denied them a compliant meal period made in good faith.

13 108. Addison knew the California Labor Code and applicable IWC Wage Orders required
14 it to provide employees, including the Aggrieved Employees, with 10-minute, duty free rest periods
15 every 4 hours worked or major fraction thereof.

16 109. Addison knew the California Labor Code and applicable IWC Wage Orders required
17 it to pay employees, including the Aggrieved Employees, one hour of premium pay for each day
18 they are denied a compliant rest period.

19 110. Addison knew the Aggrieved Employees did not receive compliant rest periods.

20 111. Addison knew it did not take any action to make available, or to otherwise ensure
21 that Aggrieved Employees received timely or compliant rest periods.

22 112. Nonetheless, Addison did not pay the Aggrieved Employees one hour of premium
23 pay each day it denied them a compliant rest period.

24 113. Addison's failure to provide Aggrieved Employees with compliant rest periods was
25 neither reasonable nor was its decision not to pay these employees one hour of premium pay each
26 day it denied them a compliant rest period made in good faith.

27 114. Addison knew the California Labor Code and applicable IWC Wage Orders required
28 it to provide the Aggrieved Employees with accurate itemized wage statements.

1 115. Nonetheless, Addison knew the wage statements it provided to the Aggrieved
2 Employees did not accurately reflect their actual overtime wages earned, hours worked, their actual
3 gross and net wages earned, and/or their premium pay for missed meal and rest periods.

4 116. Addison's failure to provide the Aggrieved Employees with accurate wage
5 statements was neither reasonable nor was its decision not to provide these employees with
6 accurate wage statements made in good faith.

7 117. Addison knew, should have known, or recklessly disregarded whether its conduct
8 described in this Complaint violated the California Labor Code and applicable IWC Wage Order(s).

9 118. Addison knowingly, willfully, and/or in reckless disregard carried out its illegal
10 policies that systematically deprived Schipani and the Aggrieved Employees of their earned
11 overtime wages, rest and meal periods, premium pay for missed rest and meal periods, and accurate
12 wage statements in violation of the California Labor Code and applicable IWC Wage Order(s).

13 119. In sum, Addison's violations were willful, carried out in bad faith, and caused
14 significant damage to Schipani and the Aggrieved Employees.

15 COUNT I

16 **PENALTIES PURSUANT TO LABOR CODE § 2699(a)**

17 120. Schipani incorporates all other paragraphs by reference.

18 121. Labor Code § 2699(a) provides:

19 Notwithstanding any other provision of law, any provision of this
20 code that provides for a civil penalty to be assessed and collected
21 by the Labor and Workforce Development Agency or any of its
22 departments, divisions, commissions, boards, agencies or
23 employees, for a violation of this code, may, as an alternative, be
24 recovered through a civil action brought by an aggrieved
25 employee on behalf of himself or herself and other current or
26 former employees.

27 122. Labor Code § 203 provides, in relevant part:

28 If an employer willfully fails to pay, without abatement or
reduction, in accordance with Sections 201, 201.5, 202, and
205.5, any wages of an employee who is discharged or who quits,
the wages of the employee shall continue as a penalty from the
due date thereof at the same rate until paid or until an action
therefor is commenced; but the wages shall not continue for
more than 30 days.

123. Labor Code § 226(a) provides:

Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and his or her social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

124. Labor Code § 226(e)(1) provides:

An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees.

125. Labor Code § 226.3 provides:

Any employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the records required in subdivision (a) of Section 226. The civil penalties provided for in this section are in addition to any other penalty provided by law. In enforcing this section, the Labor Commissioner shall take into consideration whether the violation was inadvertent, and in his or her discretion, may decide not to penalize an employer for a first violation when that violation was due to a clerical error or inadvertent mistake.

126. Labor Code § 558(a) and (c) provide:

(a) Any employer [] who violates, or causes to be violated, a section of this chapter or any provisions regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.... (c) The civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.

127. Schipani seeks civil penalties pursuant to Labor Code § 2699(a) for each failure by Addison, as alleged in this Complaint, to timely pay all wages owed to the Aggrieved Employees in compliance with Labor Code §§ 201-202 in the amounts established in Labor Code § 203.

128. Schipani seeks such penalties as an alternative to the penalties available to individual litigants under Labor Code § 203 where applicable.

129. Schipani seeks civil penalties pursuant to Labor Code § 2699(a) for each failure by Addison, as alleged in this Complaint, to provide the Aggrieved Employees with accurate, itemized wage statements in compliance with Labor Code § 226(a) in the amounts established by Labor Code § 226(e).

130. Schipani also seek civil penalties in the amounts described under Labor Code § 558 pursuant to Labor Code § 2699(a) for each pay period in which Addison, as alleged in this Complaint, failed to pay the Aggrieved Employees for all overtime wages and double wages owed.

131. Pursuant to Labor Code § 2699.3(a)(1) and (2), Schipani provided the LWDA with notice of their intention to file this claim on January 9, 2025.

132. More than sixty-five (65) calendar days have passed without notice from the LWDA.

133. As such, Schipani has satisfied all administrative prerequisites to commence this civil action in compliance with § 2699.3(a).

134. Schipani seeks the aforementioned penalties on behalf of the State and the other Aggrieved Employees as set forth in Labor Code § 2699(g) and (i).

135. Addison is liable to the Aggrieved Employees and the State of California for the civil penalties set forth in this Complaint, with interest thereon.

1 136. Schipani is also entitled to an award of attorneys' fees and costs as set forth below.

2 137. Wherefore, Schipani and the Aggrieved Employees request relief as hereinafter
3 provided.

4 **COUNT II**

5 **PENALTIES PURSUANT TO LABOR CODE § 2699(f)**

6 138. Schipani incorporates all other paragraphs by reference.

7 139. Labor Code § 2699(f) provides:

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

13 140. Labor Code § 200 defines wages as "all amounts for labor performed by employees
14 of every description, whether the amount is fixed or ascertained by the standard of time, task, piece,
15 commission basis, or other method of calculation." All such wages are subject to California's
16 overtime and double time requirements, including those set forth above.

17 141. Labor Code § 204(a) provides that "[a]ll wages . . . earned by any person in any
18 employment are due and payable twice during each calendar month[.]"

19 142. Labor Code § 510(a) provides as follows:

20 Eight hours of labor constitutes a day's work. Any work in excess
21 of eight hours in one workday and any work in excess of 40 hours
22 in any one workweek and the first eight hours worked on the
23 seventh day of work in any one workweek shall be compensated
at the rate of no less than one and one-half times the regular rate
of pay for an employee. Any work in excess of 12 hours in one
day shall be compensated at the rate of no less than twice the
regular rate of pay for an employee.

24 143. IWC Wage Order 16-2001(3)(A)(1) states that employees:

25 ...shall not be employed more than eight (8) hours in any
26 workday or more than 40 hours in any workweek unless the
27 employee receives one and one-half (1 ½) times such employee's
28 regular rate of pay for all hours worked over 40 hours in the
workweek. Employment beyond eight (8) hours in any workday
or more than six (6) days in any workweek is permissible
provided the employee is compensated for such overtime at not

1 less than ... [o]ne and one-half (1½) times the employee's regular
2 rate of pay for all hours worked in excess of eight (8) hours up to
3 and including 12 hours in any workday, and for the first eight (8)
4 hours worked on the seventh (7th) consecutive day of work in a
5 workweek....

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7
8 144. Labor Code § 1194(a) provides as follows:

9
10 Notwithstanding any agreement to work for a lesser wage, any
11 employee receiving less than the legal minimum wage or the legal
12 overtime compensation applicable to the employee is entitled to
13 recover in a civil action the unpaid balance of the full amount of
14 this minimum wage or overtime compensation, including
15 interest thereon, reasonable attorneys' fees, and costs of suit.

16
17 145. Labor Code § 1198 makes it unlawful for employers to employ employees under
18 conditions that violate relevant Wage Order(s).

19
20 146. To the extent that any violation alleged herein does not carry penalties under Labor
21 Code § 2699(a), Schipani seeks civil penalties pursuant to Labor Code § 2699(f) for the Aggrieved
22 Employees for each pay period in which such employee was aggrieved, in the amounts established
23 by Labor Code § 2699(f).

24
25 147. Schipani seeks civil penalties under Labor Code § 2699(f) for Addison's violations
26 of Labor Code §§ 226.7, 510, 512, 1194, 1194.5, 1194.5, and 1198.

27
28 148. Pursuant to Labor Code § 2699.3(a)(1) and (2), Schipani provided the LWDA with
notice of their intention to file this claim on January 9, 2025.

149. More than sixty-five (65) calendar days have passed without notice from the LWDA.
Thus, Plaintiffs satisfied all administrative prerequisites to commence this civil action.

150. Plaintiffs seek the aforementioned penalties on behalf of the Aggrieved Employees
and the State of California as set forth in Labor Code § 2699(g) and (i).

151. Labor Code § 2699(f)(2) provides a civil penalty of one hundred dollars (\$100) for
each aggrieved employee per pay period for the initial violation of a Labor Code provision that does
not provide for a civil penalty if, at the time of the violation, the employer employs one or more
employees. Labor Code § 2699(f)(2) provides for a civil penalty of two hundred dollars (\$200) for
each aggrieved employee per pay period for each subsequent violation of a Labor Code provision
that does not provide a civil penalty if, at the time of the violation, the employer employs one or
more employees.

152. Addison is liable to the State of California and Aggrieved Employees for the civil penalties set forth in this Complaint.

153. Schipani is also entitled to an award of attorneys' fees and costs.

154. Wherefore, Schipani and the Aggrieved Employees request relief as hereinafter provided.

COUNT III

REQUEST FOR DECLARATORY JUDGMENT

155. Schipani incorporates all other paragraphs by reference.

156. Schipani requests the Court enter a declaratory judgment finding Addison's conduct described herein constitutes a violation of the Labor Code and relevant Wage Orders.

157. Specifically, Schipani requests the Court issue a written order declaring that:

- a. Addison's Recruiters are non-exempt employees under the Labor Code and relevant Wage Order provisions;
- b. Addison's failure to pay Recruiters overtime pay constitutes a violation of the Labor Code and relevant Wage Order provisions;
- c. Addison's failure to provide timely and bona fide meal periods to its Recruiters constitutes a violation of the Labor Code and relevant Wage Order provisions;
- d. Addison's failure to provide timely and bona fide rest periods to its Recruiters constitutes a violation of the Labor Code and relevant Wage Order provisions;
- e. Addison's failure to provide premium pay (at the regular rate of pay) for each day Addison denied its Recruiters a fully compliant meal period constitutes a violation of the Labor Code and relevant Wage Order provisions;
- f. Addison's failure to provide premium pay (at the regular rate of pay) for each day Addison denied its Recruiters a fully compliant rest period constitutes a violation of the Labor Code and relevant

1 Wage Order provisions;

- 2 g. Addison's failure to pay overtime wages to its Recruiters resulted
3 in Addison failing to pay all wages upon separation of their
4 employment with Addison in violation of the Labor Code; and
5 h. Addison's classification scheme, failure to pay overtime wages,
6 and/or failure to pay premium pay resulted in violations of the
7 Labor Code's wage statement requirements under Labor Code §
8 226.

9 158. Wherefore, Schipani requests relief as hereinafter provided.

10 **RELIEF SOUGHT**

11 WHEREFORE, Schipani, on behalf of the State of California and Aggrieved Employees,
12 seeks the following relief:

- 13 a. For a Declaratory Judgment that Addison violated the Labor
14 Code, California law, and public policy as alleged herein;
15 b. An Order awarding civil penalties against Addison to the fullest
16 extent provided for by PAGA;
17 c. For preliminary, permanent, and mandatory injunctive relief
18 prohibiting Addison, its officers, agents, and all those acting in
19 concert with them from committing those violations of law
20 herein alleged in the future;
21 d. An award of attorneys' fees, costs, and expenses as provided by
22 the California Labor Code, including Labor Code § 2699(g)(1);
23 California Code of Civil Procedure §1021.5; and/or any other
24 applicable law;
25 e. Pre- and post-judgment interest at the highest applicable rates;
26 and
27 f. Such other and further relief as may be necessary and
28 appropriate.

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3 Date: March 17, 2025

Respectfully submitted,

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JOSEPHSON DUNLAP LLP

7 *Counsel for Schipani, on Behalf of the State of*
8 *California and Aggrieved Employees*
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