

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

Norman B. Blumenthal (State Bar #068687)

Kyle R. Nordrehaug (State Bar #205975)

Aparajit Bhowmik (State Bar #248066)

Nicholas J. De Blouw (State Bar #280922)

2255 Calle Clara

La Jolla, CA 92037

Telephone: (858)551-1223

Facsimile: (858) 551-1232

Website: www.bamlawca.com

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SAN MATEO

CHAMARIE SPEARS, on behalf of the
State of California, as a private attorney
general,

Plaintiff,

vs.

VITALANT, a Corporation; and DOES 1
through 50, inclusive,

Defendants.

Case No. 22-CIV-03751

REPRESENTATIVE ACTION
COMPLAINT FOR:

1. Civil Penalties Pursuant to Labor Code
§ 2699, *et seq.* for violations of Labor
Code §§ 201, 202, 203, 204 *et seq.*, 210,
218, 221, 226(a), 226.7, 227.3, 510, 512,
558(a)(1)(2), 1194, 1197, 1197.1, 1198,
2802, California Code of Regulations,
Title 8, Section 11040, Subdivision 5(A)-
(B), and the applicable Wage Order(s).

Electronically
FILED

by Superior Court of California, County of San Mateo

ON 9/13/2022

By /s/ Maria Coronel
Deputy Clerk

1 Plaintiff Chamarie Spears (“PLAINTIFF”), on behalf of the people of the State of
2 California and as an “aggrieved employee” acting as a private attorney general under the Labor
3 Code Private Attorney General Act of 2004, § 2699, *et seq.* (“PAGA”) only, alleges on
4 information and belief, except for her own acts and knowledge which are based on personal
5 knowledge, the following:

6 7 **INTRODUCTION**

8 1. PLAINTIFF brings this action against Vitalant (referred to as “DEFENDANT”)
9 seeking only to recover PAGA civil penalties for herself, and on behalf of all current and former
10 aggrieved employees that worked for DEFENDANT. PLAINTIFF does **not seek to recover**
11 **anything other than penalties as permitted by California Labor Code § 2699**. To the extent
12 that statutory violations are mentioned for wage violations, PLAINTIFF does not seek
13 underlying general and/or special damages for those violations, but simply the civil penalties
14 permitted by California Labor Code § 2699.

15 2. California has enacted the PAGA to permit an individual to bring an action on
16 behalf of herself and on behalf of others for PAGA penalties *only*, which is the precise and sole
17 nature of this action.

18 3. Accordingly, PLAINTIFF seeks to obtain all applicable relief for
19 DEFENDANT’s violations under PAGA and solely for the relief as permitted by PAGA – that
20 is, penalties and any other relief the Court deems proper pursuant to the PAGA. Nothing in this
21 complaint should be construed as attempting to obtain any relief that would not be available in
22 a PAGA-only action.

23 24 **THE PARTIES**

25 4. Defendant Vitalant (“DEFENDANT”) is a Corporation that at all relevant times
26 mentioned herein conducted and continues to conduct substantial business in the state of
27 California.

28 5. DEFENDANT is a founding member of the American Association of Blood Banks and

1 was involved in the creation of the America's Blood Centers consortium of nonprofit blood centers.

2 6. PLAINTIFF has been employed by DEFENDANT in California since July of
3 2021 and has been at all times classified by DEFENDANT as a non-exempt employee, paid on
4 an hourly basis, and entitled to the legally required meal and rest periods and payment of
5 minimum and overtime wages due for all time worked.

6 7. PLAINTIFF, and such persons that may be added from time to time who satisfy
7 the requirements and exhaust the administrative procedures under the Private Attorney General
8 Act, brings this Representative Action on behalf of the State of California with respect to herself
9 and all individuals who are or previously were employed by DEFENDANT in California,
10 including any employees staffed with DEFENDANT by a third party, and classified as non-
11 exempt employees ("AGGRIEVED EMPLOYEES") during the time period of June 29, 2021
12 until a date as determined by the Court (the "PAGA PERIOD").

13 8. PLAINTIFF, on behalf of herself and all AGGRIEVED EMPLOYEES presently
14 or formerly employed by DEFENDANT during the PAGA PERIOD, brings this representative
15 action pursuant to Labor Code § 2699, *et seq.* seeking fixed civil penalties for DEFENDANT's
16 violation of California Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7,
17 227.3, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations,
18 Title 8, Section 11040, Subdivision 5(A)-(B), and the applicable Wage Order(s). Based upon
19 the foregoing, PLAINTIFF and all AGGRIEVED EMPLOYEES are aggrieved employees
20 within the meaning of Labor Code § 2699, *et seq.*

21 9. The true names and capacities, whether individual, corporate, subsidiary,
22 partnership, associate or otherwise of DEFENDANT, DOES 1 through 50, inclusive, are
23 presently unknown to PLAINTIFF who therefore sues this DEFENDANT by such fictitious
24 names pursuant to Cal. Civ. Proc. Code § 474. PLAINTIFF will seek leave to amend this
25 Complaint to allege the true names and capacities of Does 1 through 50, inclusive, when they
26 are ascertained. PLAINTIFF is informed and believes, and based upon that information and
27 belief alleges, that the DEFENDANT named in this Complaint, including DOES 1 through 50,
28 inclusive, are responsible in some manner for one or more of the events and happenings that

1 proximately caused the injuries and damages hereinafter alleged.

2 10. The agents, servants and/or employees of the Defendant and each of them acting
3 on behalf of the Defendant acted within the course and scope of his, her or its authority as the
4 agent, servant and/or employee of the Defendant, and personally participated in the conduct
5 alleged herein on behalf of the Defendant with respect to the conduct alleged herein.
6 Consequently, the acts of each Defendant are legally attributable to the other Defendant and all
7 Defendants are jointly and severally liable to PLAINTIFF and the AGGRIEVED
8 EMPLOYEES, for the loss sustained as a proximate result of the conduct of the Defendant's
9 agents, servants and/or employees.

11 **THE CONDUCT**

12 11. Pursuant to the Industrial Welfare Commission Wage Orders, DEFENDANT was
13 required to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for all their time worked,
14 meaning the time during which an employee is subject to the control of an employer, including
15 all the time the employee is suffered or permitted to work. DEFENDANT requires PLAINTIFF
16 and the AGGRIEVED EMPLOYEES to work without paying them for all the time they are
17 under DEFENDANT's control. PLAINTIFF and the AGGRIEVED EMPLOYEES worked off
18 the clock with respect to time spent undergoing mandatory drug testing or any other testing
19 and/or examination required as a condition of employment. Additionally, DEFENDANT, as a
20 matter of established company policy and procedure, administers a uniform practice of rounding
21 the actual time worked and recorded by PLAINTIFF and the AGGRIEVED EMPLOYEES,
22 always to the benefit of DEFENDANT, so that during the course of their employment,
23 PLAINTIFF and the AGGRIEVED EMPLOYEES are paid less than they would have been paid
24 had they been paid for actual recorded time rather than "rounded" time. Additionally,
25 DEFENDANT engages in the practice of requiring PLAINTIFF and the AGGRIEVED
26 EMPLOYEES to perform work off the clock in that DEFENDANT, as a condition of
27 employment, required these employees to submit to mandatory temperature checks and
28 symptom questionnaires for COVID-19 screening prior to clocking into DEFENDANT's

1 timekeeping system for the workday. As a result, PLAINTIFF and the AGGRIEVED
2 EMPLOYEES forfeit minimum wage, overtime wage compensation, and off-duty meal breaks
3 by working without their time being correctly recorded and without compensation at the
4 applicable rates. DEFENDANT's policy and practice not to pay PLAINTIFF and the
5 AGGRIEVED EMPLOYEES for all time worked, is evidenced by DEFENDANT's business
6 records.

7 12. State law provides that employees must be paid overtime and meal and rest break
8 premiums at one-and-one-half times their "regular rate of pay." PLAINTIFF and the
9 AGGRIEVED EMPLOYEES are compensated at an hourly rate plus incentive pay that is tied
10 to specific elements of an employee's performance.

11 13. The second component of PLAINTIFF's and the AGGRIEVED EMPLOYEES'
12 compensation is DEFENDANT's non-discretionary incentive program that paid PLAINTIFF
13 and the AGGRIEVED EMPLOYEES incentive wages based on their performance for
14 DEFENDANT. The non-discretionary incentive program provided all employees paid on an
15 hourly basis with incentive compensation when the employees met the various performance
16 goals set by DEFENDANT. However, when calculating the regular rate of pay in order to pay
17 overtime and meal and rest break premiums to PLAINTIFF and the AGGRIEVED
18 EMPLOYEES, DEFENDANT failed to include the incentive compensation as part of the
19 employees' "regular rate of pay" for purposes of calculating overtime pay and meal and rest
20 break premium pay. Management and supervisors described the incentive program to potential
21 and new employees as part of the compensation package. As a matter of law, the incentive
22 compensation received by PLAINTIFF and the AGGRIEVED EMPLOYEES must be included
23 in the "regular rate of pay." The failure to do so has resulted in a underpayment of overtime
24 compensation and meal and rest break premiums to PLAINTIFF and the AGGRIEVED
25 EMPLOYEES by DEFENDANT.

26 14. As a result of their rigorous work schedules, PLAINTIFF and the AGGRIEVED
27 EMPLOYEES are from time to time unable to take thirty (30) minute off duty meal breaks and
28 are not fully relieved of duty for their meal periods. PLAINTIFF and the AGGRIEVED

1 EMPLOYEES are required from time to time to perform work as ordered by DEFENDANT for
2 more than five (5) hours during some shifts without receiving a meal break. Further,
3 DEFENDANT from time to time fails to provide PLAINTIFF and the AGGRIEVED
4 EMPLOYEES with a second off-duty meal period for some workdays in which these employees
5 are required by DEFENDANT to work ten (10) hours of work. DEFENDANT also engages in
6 the practice of rounding the meal period times to avoid paying penalties to PLAINTIFF and the
7 AGGRIEVED EMPLOYEES. PLAINTIFF and the AGGRIEVED EMPLOYEES therefore
8 forfeit meal breaks without additional compensation and in accordance with DEFENDANT's
9 corporate policy and practice.

10 15. During the PAGA PERIOD, PLAINTIFF and the AGGRIEVED EMPLOYEES
11 are also required from time to time to work in excess of four (4) hours without being provided
12 ten (10) minute rest periods. Further, these employees are denied their first rest periods of at
13 least ten (10) minutes for some shifts worked of at least two (2) to four (4) hours from time to
14 time, a first and second rest period of at least ten (10) minutes for some shifts worked of
15 between six (6) and eight (8) hours from time to time, and a first, second and third rest period
16 of at least ten (10) minutes for some shifts worked of ten (10) hours or more from time to time.
17 PLAINTIFF and the AGGRIEVED EMPLOYEES are also not provided with one hour wages
18 in lieu thereof. Additionally, the applicable California Wage Order requires employers to
19 provide employees with off-duty rest periods, which the California Supreme Court defined as
20 time during which an employee is relieved from all work related duties and free from employer
21 control. In so doing, the Court held that the requirement under California law that employers
22 authorize and permit all employees to take rest period means that employers must relieve
23 employees of all duties and relinquish control over how employees spend their time which
24 includes control over the locations where employees may take their rest period. Employers
25 cannot impose controls that prohibit an employee from taking a brief walk - five minutes out,
26 five minutes back. Here, DEFENDANT's policy restricts PLAINTIFF and the AGGRIEVED
27 EMPLOYEES from unconstrained walks and is unlawful based on DEFENDANT's rule which
28 states PLAINTIFF and the AGGRIEVED EMPLOYEES cannot leave the work premises during

1 their rest period.

2 16. During the PAGA PERIOD, DEFENDANT fails to accurately record and pay
3 PLAINTIFF and the AGGRIEVED EMPLOYEES for the actual amount of time these
4 employees work. Pursuant to the Industrial Welfare Commission Wage Orders, DEFENDANT
5 is required to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for all time worked,
6 meaning the time during which an employee was subject to the control of an employer,
7 including all the time the employee was permitted or suffered to permit this work.
8 DEFENDANT requires these employees to work off the clock without paying them for all the
9 time they are under DEFENDANT's control. As such, DEFENDANT knew or should have
10 known that PLAINTIFF and the AGGRIEVED EMPLOYEES are under compensated for all
11 time worked. As a result, PLAINTIFF and the AGGRIEVED EMPLOYEES forfeit time
12 worked by working without their time being accurately recorded and without compensation at
13 the applicable minimum wage and overtime wage rates. To the extent that the time worked off
14 the clock does not qualify for overtime premium payment, DEFENDANT fails to pay minimum
15 wages for the time worked off-the-clock in violation of Cal. Lab. Code §§ 1194, 1197, and
16 1197.1.

17 17. From time to time, DEFENDANT also fails to provide PLAINTIFF and the
18 AGGRIEVED EMPLOYEES with complete and accurate wage statements which failed to
19 show, among other things, the correct gross and net wages earned. Cal. Lab. Code § 226
20 provides that every employer shall furnish each of his or her employees with an accurate
21 itemized wage statement in writing showing, among other things, gross wages earned and all
22 applicable hourly rates in effect during the pay period and the corresponding amount of time
23 worked at each hourly rate. Aside, from the violations listed above in this paragraph,
24 DEFENDANT fails to issue to PLAINTIFF an itemized wage statement that lists all the
25 requirements under California Labor Code 226 *et seq.* As a result, DEFENDANT from time to
26 time provides PLAINTIFF and the AGGRIEVED EMPLOYEES with wage statements which
27 violated Cal. Lab. Code § 226.

28 18. Cal. Lab. Code § 204(d) provides, the requirements of this section shall be

1 deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the
2 wages are paid not more than seven calendar days following the close of the payroll period.
3 Cal. Lab. Code § 210 provides:

4 [I]n addition to, and entirely independent and apart from, any other penalty provided in
5 this article, every person who fails to pay the wages of each employee as provided in
6 Sections. . . .204. . . shall be subject to a civil penalty as follows: (1) For any initial
7 violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For each
8 subsequent violation, or any willful or intentional violation, two hundred dollars (\$200)
9 for each failure to pay each employee, plus 25 percent of the amount unlawfully
10 withheld.

11 19. DEFENDANT from time to time fails to pay PLAINTIFF and the AGGRIEVED
12 EMPLOYEES within seven (7) days of the close of the payroll period in accordance with Cal.
13 Lab. Code § 204(d).

14 20. DEFENDANT underpays sick pay wages to PLAINTIFF and the AGGRIEVED
15 EMPLOYEES by failing to pay such wages at the regular rate of pay in violation of Cal. Lab.
16 Code Section 246. Specifically, PLAINTIFF and other non-exempt employees earn non-
17 discretionary remuneration, including but not limited to, incentives, shift differential pay, and
18 bonuses. Rather than pay sick pay at the regular rate of pay, DEFENDANT underpays sick pay
19 to PLAINTIFF and the AGGRIEVED EMPLOYEES at their base rates of pay.

20 21. Cal. Lab. Code Section 246(1)(2) requires that paid sick time for nonexempt
21 employees be calculated by dividing the employee's total wages, not including overtime
22 premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days
23 of employment.

24 22. DEFENDANT violated Cal. Lab. Code Section 246 by failing to pay sick pay at
25 the regular rate of pay. PLAINTIFF and the AGGRIEVED EMPLOYEES routinely earned non-
26 discretionary incentive wages which increased their regular rate of pay. However, when sick pay
27 was paid, it was paid at the base rate of pay for PLAINTIFF and the AGGRIEVED
28 EMPLOYEES, as opposed to the correct, higher regular rate of pay, as required under Cal. Lab.
Code Section 246.

23. As a pattern and practice, DEFENDANT regularly failed to pay PLAINTIFF and
the AGGRIEVED EMPLOYEES their correct wages and accordingly owe waiting time

1 penalties pursuant to Cal. Lab. Code Section 203. Further, PLAINTIFF is informed and believes
2 and based thereon alleges that such failure to pay sick pay at regular rate was willful, such that
3 the AGGRIEVED EMPLOYEES whose employment has separated are entitled to waiting time
4 penalties pursuant to Cal. Lab. Code Sections 201-203.

5 24. Pursuant to Cal. Lab. Code Section 221, "It shall be unlawful for any employer
6 to collect or receive from an employee any part of wages theretofore paid by said employer to
7 said employee." DEFENDANT fails to pay all compensation due to PLAINTIFF and the
8 AGGRIEVED EMPLOYEES, makes unlawful deductions from compensation payable to
9 PLAINTIFF and the AGGRIEVED EMPLOYEES, fails to disclose all aspects of the deductions
10 from compensation payable to PLAINTIFF and the AGGRIEVED EMPLOYEES, and thereby
11 fails to pay these employees all wages due at each applicable pay period and upon termination.

12 25. DEFENDANT intentionally and knowingly fails to reimburse and indemnify
13 PLAINTIFF and the AGGRIEVED EMPLOYEES for required business expenses incurred by
14 the PLAINTIFF and the AGGRIEVED EMPLOYEES in direct consequence of discharging
15 their duties on behalf of DEFENDANT. Under California Labor Code Section 2802, employers
16 are required to indemnify employees for all expenses incurred in the course and scope of their
17 employment. Cal. Lab. Code § 2802 expressly states that "an employer shall indemnify his or
18 her employee for all necessary expenditures or losses incurred by the employee in direct
19 consequence of the discharge of his or her duties, or of his or her obedience to the directions of
20 the employer, even though unlawful, unless the employee, at the time of obeying the directions,
21 believed them to be unlawful."

22 26. In the course of their employment PLAINTIFF and the AGGRIEVED
23 EMPLOYEES as a business expense, are required by DEFENDANT to use their own personal
24 cellular phones and personal home offices as a result of and in furtherance of their job duties
25 as employees for DEFENDANT but are not reimbursed or indemnified by DEFENDANT for
26 the cost associated with the use of their personal cellular phones and personal home offices for
27 DEFENDANT's benefit. Specifically, PLAINTIFF and the AGGRIEVED EMPLOYEES are
28 required by DEFENDANT to use their personal cellular phones and personal home offices. As

1 a result, in the course of their employment with DEFENDANT, PLAINTIFF and the
2 AGGRIEVED EMPLOYEES incurred unreimbursed business expenses which included, but
3 were not limited to, costs related to the use of their personal cellular phones and personal home
4 offices all on behalf of and for the benefit of DEFENDANT.

5 27. All of the conduct and violations alleged herein occurred during the PAGA
6 PERIOD. To the extent that any of the conduct and violations alleged herein did not affect
7 PLAINTIFF during the PAGA PERIOD, PLAINTIFF seeks penalties for those violations that
8 affected the AGGRIEVED EMPLOYEES pursuant to *Carrington v. Starbucks Corp.* 2018
9 AJDAR 12157 (Certified for Publication 12/19/18).

10 **JURISDICTION AND VENUE**

11 28. This Court has jurisdiction over this Action pursuant to California Code of Civil
12 Procedure, Section 410.10.

13 29. Venue is proper in this Court pursuant to California Code of Civil Procedure,
14 Sections 395 and 395.5, because PLAINTIFF worked in this County for DEFENDANT and
15 DEFENDANT (i) currently maintains and at all relevant times maintained offices and facilities
16 in this County and/or conducts substantial business in this County, and (ii) committed the
17 wrongful conduct herein alleged in this County against PLAINTIFF and the AGGRIEVED
18 EMPLOYEES.

19 **FIRST CAUSE OF ACTION**

20 **For Violation of the Private Attorneys General Act**

21 **[Cal. Lab. Code §§ 2698, *et seq.*]**

22 **(By PLAINTIFF and Against All Defendants)**

23 30. PLAINTIFF realleges and incorporates by this reference, as though fully set
24 forth herein, the prior paragraphs of this Complaint.

25 31. PAGA is a mechanism by which the State of California itself can enforce state
26 labor laws through the employee suing under the PAGA who do so as the proxy or agent of
27
28

1 the state's labor law enforcement agencies. An action to recover civil penalties under
2 PAGA is fundamentally a law enforcement action designed to protect the public and not to
3 benefit private parties. The purpose of the PAGA is not to recover damages or restitution,
4 but to create a means of "deputizing" citizens as private attorneys general to enforce the
5 Labor Code. In enacting PAGA, the California Legislature specified that "it was ... in the
6 public interest to allow aggrieved employees, acting as private attorneys general to recover
7 civil penalties for Labor Code violations ..." Stats. 2003, ch. 906, § 1. Accordingly, PAGA
8 claims cannot be subject to arbitration.

9 32. PLAINTIFF, and such persons that may be added from time to time who
10 satisfy the requirements and exhaust the administrative procedures under the Private
11 Attorney General Act, brings this Representative Action on behalf of the State of California
12 with respect to herself and all individuals who are or previously were employed by
13 DEFENDANT in California, including any employees staffed with DEFENDANT by a third
14 party, and classified as non-exempt employees ("AGGRIEVED EMPLOYEES") during the
15 time period of June 29, 2021 until a date as determined by the Court (the "PAGA
16 PERIOD").

17 33. On June 29, 2022, PLAINTIFF gave written notice by electronic mail to the
18 Labor and Workforce Development Agency (the "Agency") and by certified mail to the
19 employer of the specific provisions of this code alleged to have been violated as required by
20 Labor Code § 2699.3. The statutory waiting period for PLAINTIFF to add these allegations
21 to the Complaint has expired. As a result, pursuant to Section 2699.3, PLAINTIFF may now
22 commence a representative civil action under PAGA pursuant to Section 2699 as the proxy
23 of the State of California with respect to all AGGRIEVED EMPLOYEES as herein defined.

24 34. The policies, acts and practices heretofore described were and are an unlawful
25 business act or practice because DEFENDANT (a) failed to provide PLAINTIFF and the
26 AGGRIEVED EMPLOYEES accurate itemized wage statements, (b) failed to properly
27 record and provide legally required meal and rest periods, (c) failed to pay minimum wages,
28 (d) failed to pay overtime wages and sick pay wages, and (e) failed to reimburse employees

1 for required expenses, all in violation of the applicable Labor Code sections listed in Labor
2 Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 510, 512,
3 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8,
4 Section 11040, Subdivision 5(A)-(B), and the applicable Wage Order(s), and thereby gives
5 rise to civil penalties as a result of such conduct.¹ PLAINTIFF hereby seeks recovery of
6 only civil penalties as prescribed by the Labor Code Private Attorney General Act of 2004 as
7 the representative of the State of California for the illegal conduct perpetrated on
8 PLAINTIFF and the AGGRIEVED EMPLOYEES.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, PLAINTIFF prays for judgment against each Defendant, jointly and
11 severally, as follows:

12 1. On behalf of the State of California and with respect to all AGGRIEVED
13 EMPLOYEES:

14 A) Recovery of civil penalties as prescribed by the Labor Code Private
15 Attorneys General Act of 2004; and,

16 B) An award of attorneys' fees and cost of suit, as allowable under the
17 law, including, but not limited to, pursuant to Labor Code §2699.

18 Dated: September 13, 2022 BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP
19

20
21 By: /s/ Nicholas De Blouw
22 Norman B. Blumenthal
23 Kyle R. Nordrehaug
24 Nicholas J. De Blouw

25 *Attorneys for Plaintiff*
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27 _____
28 ¹Plaintiff specifically excludes and/or does not allege any claims under California Labor
Code §558(a)(3).