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SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF SACRAMENTO

CHRISTOPHER PAHL and KELLY LESLIE,
individually and on behalf of all others similarly
situated,

Plaintiffs,

v.

CEC EMPLOYEE GROUP, LLC, a Delaware
Limited Liability Company, **COLORADO**
TECHNICAL UNIVERSITY, INC., a
Colorado Corporation, **AMERICAN**
INTERCONTINENTAL UNIVERSITY
SYSTEM, INC., a Georgia Corporation,
TRIDENT UNIVERSITY
INTERNATIONAL, LLC, a Delaware
Corporation, **AMERICAN**
INTERCONTINENTAL UNIVERSITY, INC.,
a Georgia Corporation, and **CALIFORNIA**
SOUTHERN UNIVERSITY,

Defendants.

CASE NO. 34-2022-00322588

**SECOND AMENDED CLASS AND
REPRESENTATIVE ACTION COMPLAINT
FOR:**

- (1) Failure to Pay Wages Separately from the Piece and Hourly for Nonproductive Time and/or Failure to Pay Wages for All Hours Worked (Cal. Lab. Code §§ 226.2, 1194, 1194.2; IWC Wage Order No. 4-2001, § 4);
- (2) Failure to Pay Separately from the Piece and Hourly for Rest Breaks and/or Failure to Authorize and Permit Paid Rest Breaks, and Failure to Pay Premium Pay (Cal. Lab. Code §§ 226.2, 226.7, 1194; IWC Wage Order No. 4-2001, §§ 4, 12);
- (3) Failure to Issue Accurate Itemized Wage Statements and Failure to Issue Wage Statements for All Pay Periods Worked (Cal. Lab. Code §§ 226(a), (e), 226.2(a));
- (4) Failure to Pay Compensation Due Upon Discharge (Cal. Labor Code §§ 201-203);
- (5) Failure to Reimburse Business Expenses (Cal. Lab. Code § 2802);
- (6) Worker Adjustment and Retraining Notification Act (29 U.S.C. § 2101 *et seq.*);
- (7) California Worker Adjustment and Retraining Notification Act (Cal. Labor Code §§ 1400-1408);
- (8) Unfair, Unlawful, or Fraudulent Business Practices (Cal. Bus. & Prof. Code §§ 17200 *et seq.*);
- (9) Civil Penalties under Private Attorneys General Act (Cal. Labor Code § 2699).

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DEMAND FOR JURY TRIAL

1 Plaintiffs Christopher Pahl and Kelly Leslie ("Plaintiffs"), on behalf of themselves and all others
2 similarly situated, complains and alleges the following:

3 **INTRODUCTION**

4 1. This is a class action under California Code of Civil Procedure § 382 seeking damages for
5 unpaid wages, unpaid premium pay, and unreimbursed expenses, statutory penalties, interest, injunctive
6 relief, restitution, and reasonable attorneys' fees and costs under California Labor Code ("Labor Code")
7 §§ 201-203, 226, 226.2, 226.7, 1194, 1194.2, 2802, Industrial Welfare Commission Wage Order ("Wage
8 Order") No. 4-2001, §§ 4, 12, California Civil Procedure Code § 1021.5, and restitution under California's
9 Unfair Competition Law ("UCL"), Business & Professions Code §§ 17200 *et seq.* on behalf of Plaintiffs
10 and all similarly situated individuals currently and formerly employed by CEC Employee Group, LLC,
11 Colorado Technical University, Inc., American Intercontinental University System, Inc., Trident
12 University International, LLC, American Intercontinental University, Inc., and California Southern
13 University (collectively referred to herein as "Defendants") in California as adjunct instructors ("Class
14 Members") from four years prior to the filing of this Complaint through to the trial date ("Class Period").

15 2. Plaintiffs also seek damages for unreimbursed expenses, as well as attorneys' fees and
16 costs under California Labor Code § 2802, California Civil Procedure Code § 1021.5, and UCL on behalf
17 of all individuals currently and formerly employed other than Class Members by Defendants in California
18 who worked remotely from their home offices during the Class Period ("Staff Class Members").

19 3. Defendants' violations of California's wage-and-hour and unfair competition laws, as
20 described below, have been ongoing for at least the past four years and are continuing at present.

21 4. During the Class Period, Class Members were "non-exempt" employees for at least two
22 independent alternative reasons: first, Class Members are not paid a "salary," as is required to be exempt
23 from such protections under Wage Order No. 4-2001; rather, they are piece-rate workers paid a
24 set/ascertainable amount per course taught or similar tasks paid by the piece. Second, even if Class
25 Members were paid a salary, they were not paid a monthly salary equivalent to at least two times the state
26 minimum wage for full-time employment, as is required to be exempt under Wage Order No. 4-2001.

27 5. Because Class Members are non-exempt piece-rate workers, pursuant to Labor Code
28 §§ 226.2, 1194, 1194.2 and Wage Order No. 4-2001, § 4, Defendants were required to pay Class Members

1 separately from the piece and hourly at least at the minimum wage for their nonproductive time.
2 Defendants, however, did not pay them separately and hourly for their nonproductive time (*i.e.*, time
3 separate from delivery of a course/assignment), including but not limited to time spent on course set up
4 and preparation, grading, attending trainings, completing professional development/activities form, and
5 attending their course evaluation meetings with their lead faculty or program chair. As a result,
6 Defendants are liable for unpaid wages.

7 6. In the alternative, even if Class Members' compensation is not considered a piece rate,
8 Class Members are non-exempt employees entitled to be paid for all hours worked, pursuant to Labor
9 Code §§ 1194, 1194.2 and Wage Order No. 4-2001, § 4. Defendants, however, do not pay them for all
10 hours worked, including but not limited to time spent on course set up and preparation, grading, attending
11 trainings, completing professional development/activities form, and attending their course evaluation
12 meetings with their lead faculty or program chair. On information and belief, the course pay Defendants
13 paid Class Members covered a set number of clock hours listed on the wage statements and set out in the
14 Faculty Handbook. The clock hours, however, were calculated only based on the number of weeks Class
15 Members spent delivering the course, and did not include the time spent outside those weeks on course
16 set up and preparation, and grading, or any of the other activities listed above in this paragraph.

17 7. In addition, whether or not Class Members' compensation is considered a piece rate,
18 Defendants also failed to pay Class Members for time spent preparing for courses that were ultimately
19 canceled due to low enrollment, in violation of Labor Code §§ 1194, 1194.2 and Wage Order No. 4-2001,
20 § 4. Defendants required Class Members, who all taught online courses, prior to a course start date, to
21 perform "prep" work, including reviewing his/her online courses before the start of classes and report any
22 issues or errors identified with the course to the Program Chair or Lead Faculty overseeing the course,
23 post a welcome announcement, post instructor's autobiography, designate and post office hours, set up
24 live chat schedule for all units. Defendants had a minimum enrollment policy and would cancel courses
25 due to low enrollment, making this decision after Class Members had performed the requisite prep work.
26 As a result, Defendants are liable for unpaid wages.

27 8. In addition, because Class Members are piece-rate workers, pursuant to Labor Code
28 § 226.2 and Wage Order No. 4-2001, § 12, Defendants were required to pay them separately and at their

1 average hourly rate for their time spent on rest breaks. Defendants, however, did not pay them separately
2 and hourly for their rest break time, and as a result Defendants are liable for either missed rest break
3 premium pay under Labor Code § 226.7(b) and Wage Order No. 4-2001, § 12 or, at the Class's option,
4 unpaid wages under Labor Code § 1194.

5 9. In the alternative, even if Class Members' compensation is not considered a piece rate,
6 Class Members are non-exempt employees entitled to timely off-duty paid rest breaks. However, as a
7 matter of policy and/or practice, Defendants failed to authorize and permit Class Members to take paid
8 off-duty rest breaks and failed to pay premium pay for missed rest breaks, in violation of Labor Code
9 § 226.7 and Wage Order No. 4-2001, § 12.

10 10. This action is also brought on behalf of a subclass comprised of Plaintiffs and Class
11 Members who are or have been employed by Defendants during the one year prior to the filing of this
12 Complaint through to the trial date ("Wage Statement Subclass Period") for statutory penalties, injunctive
13 relief, and reasonable attorneys' fees and costs pursuant to Labor Code §§ 226(a), (e), and (h) and 226.2
14 ("Wage Statement Subclass"). During the Wage Statement Subclass Period, Defendants knowingly and
15 intentionally failed to furnish Wage Statement Subclass Members with accurate itemized wage statements
16 by failing to include on their wage statements accurate information including but not limited to: the
17 number of piece-rate units earned and applicable piece rate; the total number of hours worked; all
18 applicable hourly rates and the corresponding number of hours worked at each rate; compensable rest
19 periods, rate of compensation and gross wages earned for the rest periods; and compensable other
20 nonproductive time, rate of compensation, and gross wages earned for that time, in violation of Labor
21 Code §§ 226(a) and 226.2(a). Wage Statement Subclass Members suffered injury as a result of
22 Defendants' violations of Labor Code §§ 226(a) and 226.2(a) for purposes of Labor Code § 226(e). Thus,
23 Wage Statement Subclass Members are entitled to statutory penalties under Labor Code § 226(e),
24 injunctive relief under Labor Code § 226(h) to enjoin Defendants from issuing inaccurate wage
25 statements, and reasonable attorneys' fees and costs.

26 11. During the three years prior to the filing of this action through to the trial date ("Waiting
27 Time Penalties Subclass Period"), as a result of failing to pay wages for non-productive time and/or all
28 hours worked, and failing to pay for rest break time, as well as failure to pay premium pay for missed

1 breaks, Defendant failed to pay Class Members all wages due upon discharge from employment in
2 violation of Labor Code §§ 201-203.

3 12. Defendants employ Class Members to teach exclusively online, and Defendants required
4 Class Members to use their home internet, electricity, computers, webcams and microphones,
5 mobile/home telephones, printers, ink toner/cartridges and paper, and other equipment and supplies in
6 order to carry out their job duties for Defendants. However, Defendants did not reimburse Class Members
7 for these necessarily incurred business expenses, in violation of Labor Code § 2802.

8 13. Plaintiffs also bring this action on behalf of Class Members who were terminated by
9 Defendants after the filing of this action and who were not provided at least 60 days' advance written
10 notice of their terminations in violation of the Worker Adjustment and Retraining Notification Act, 29
11 U.S.C. §§ 2101 et seq. ("WARN Act") and the California Worker Adjustment and Retraining Notification
12 Act, Cal. Labor Code §§ 1400-1408 ("California WARN Act").

13 14. Defendants also employ Staff Class Members to work remotely from home. Defendants
14 require and/or expect Staff Class Members to use their home internet and other equipment and supplies
15 to carry out their work duties for Defendants. Defendants, however, do not reimburse Staff Class Members
16 for these necessarily incurred business expenses, in violation of Labor Code § 2802.

17 15. As a result of the above Labor Code violations, Defendants committed unfair, unlawful,
18 and/or fraudulent business practices, in violation of the UCL.

19 16. Plaintiffs also bring this action as a representative action under the Private Attorneys
20 General Act ("PAGA"), Cal. Labor Code §§ 2698 *et seq.*, for (a) civil penalties on behalf of themselves
21 and adjunct instructors ("Aggrieved Employees") employed between June 22, 2021 through to trial
22 ("PAGA Period") for Defendants' violations of Labor Code §§ 201-203, 204, 226(a), 226.2, 226.7, 1194,
23 1194.2, 1197, and 246; (b) for civil penalties on behalf of themselves and all individuals employed by
24 Defendants in California during the PAGA Period who were required to work from home ("Staff
25 Aggrieved Employees") for Defendants' violation of Labor Code § 2802; and (c) on behalf of Plaintiff
26 Pahl on an individual basis for Defendants' wrongful discharge in violation of Labor Code §§ 98.6 and
27 1102.5.

28 **PARTIES**

1 17. Plaintiff Pahl is a resident of Glendale, California who was employed by Defendant
2 Colorado Technical University ("CTU") as an adjunct instructor in California from 2018 until 2022,
3 teaching online courses at CTU. Given CTU's online course offerings, Mr. Pahl worked remotely and
4 not at any of CTU's physical locations. Throughout his employment, Mr. Pahl was subject to Defendants'
5 unlawful conduct described herein.

6 18. Plaintiff Kelly is a resident of Ontario, California who was employed by CTU as an adjunct
7 instructor in California from 2014 until 2022, teaching online courses at CTU. Given CTU's online course
8 offerings, Ms. Kelly worked remotely and not at any of CTU's physical locations. Throughout her
9 employment, Ms. Kelly was subject to Defendants' unlawful conduct described herein.

10 19. CEC Employee Group, LLC is an entity that provides services to Colorado Technical
11 University, Inc. CEC Employee Group, LLC is the entity listed on Plaintiff's and some Class Members'
12 wage statements and W2 forms. Its principal place of business is located at 1750 E Golf Rd #350,
13 Schaumburg, IL 60173.

14 20. CTU is a private for-profit university formed in Colorado that offers undergraduate,
15 graduate, and doctoral degrees and enrolls over 25,000 students. Its principal place of business is located
16 at 1575 Garden of the Gods Rd., Suite 100, Colorado Springs, CO 80907. CTU offers some courses in-
17 person at its Colorado Springs and Aurora campuses in Colorado, but approximately 92% of CTU's
18 student enrollment is through its online-only program.

19 21. American Intercontinental University System, Inc., is a private for-profit university
20 incorporated in Georgia.

21 22. American Intercontinental University System, Inc. also does business as California
22 Southern University.

23 23. Trident University International, LLC is a private for-profit university formed in Delaware.

24 24. American Intercontinental University, Inc. is a private for-profit university incorporated in
25 Georgia.

26 25. All Defendants are wholly-owned subsidiaries of Perdoceo Education Corporation
27 (formerly known as Career Education Corporation), a Delaware corporation with its headquarters located
28 at 1750 E Golf Rd #350, Schaumburg, Illinois, 60173.

37. This Court has jurisdiction over Plaintiffs' claims for civil penalties under Labor Code § 2699. On June 22, 2022, Plaintiff Pahl provided PAGA Notice pursuant to Labor Code § 2699.3 to the California Labor & Workforce Development Agency ("LWDA") and Defendants CEC Employee Group, LLC and Colorado Technical University, Inc. On October 7, 2022, Plaintiffs provided an amended PAGA Notice to the LWDA and Defendants CEC Employee Group, LLC and Colorado Technical University, Inc. On March 21, 2023, Plaintiffs provided a Second Amended PAGA Notice to the LWDA and Defendants. On June 7, 2023, Plaintiffs provided a Third Amended PAGA Notice to the LWDA and Defendants. The LWDA has provided no notice to Plaintiffs within the period specified in Labor Code § 2699.3 regarding its intention to investigate or not investigate any other claims alleged in the PAGA Notices. Plaintiffs have therefore fully complied with the PAGA procedural requirements and may commence this representative action pursuant to Labor Code § 2699.

38. The amount in controversy for Plaintiffs, including pro rata share of attorney's fees, is less than seventy-five thousand dollars (\$75,000).

VENUE

39. Venue is proper in the County of Sacramento pursuant to Cal. Civ. Proc. Code §§ 395(a) and 395.5. Defendant CEC Employee Group, LLC is a limited liability company formed in Delaware, with its principal place of business in Schaumburg, Illinois. Defendant CEC Employee Group, LLC maintains an office in Sacramento, California.

40. Defendant Colorado Technical University, Inc. is a Colorado corporation.

41. Defendant American Intercontinental University System, Inc. is a Georgia corporation.

42. Defendant American Intercontinental University System, Inc. also does business as California Southern University.

43. Defendant Trident University International, LLC is a Delaware LLC.

44. Defendant American Intercontinental University, Inc. is a Georgia corporation.

45. Venue for all Defendants is therefore proper in Sacramento County.

46. During the Class Period, Defendants employed Class Members and Staff Class Members throughout the state of California to teach online and/or work remotely from their home offices. The unlawful acts alleged herein had a direct effect on Plaintiffs and other Class Members and Staff Class

Members within the State of California, some of whom incurred unpaid wages, unreimbursed expenses, and inaccurate wage statements while conducting Defendants' business within Sacramento County.

FACTUAL ALLEGATIONS COMMON TO ALL CLASS MEMBERS

A. Defendants' Business and Class Members' Role in Business Operations

47. CEC Employee Group, LLC is a company that provides services to Colorado Technical University, Inc. CEC Employee Group, LLC is listed as the employer on Plaintiffs' and some Class Members' wage statements and IRS W2 forms.

48. Defendants are private, for-profit universities that offer online courses to students pursuing undergraduate, graduate degrees, and doctoral degrees. These programs are offered throughout the year on a quarter basis. Each quarter consists of 10 weeks of class time, and each quarter contains two 5-week sessions. Some of the courses run for 10 weeks, and some of the courses run for 5 weeks. Defendants employ adjunct instructors, including Class Members, to teach online courses remotely.

49. Upon information and belief, Defendants have employed more than two hundred Class Members during the Class Period.

B. Class Members Are Non-Exempt Piece-Rate Employees

50. During the Class Period, Class Members were paid on a piece-rate basis. Defendants employed Class Members to teach one or two courses at any given time, with the assignments generally described in a document identifying the assignment by course name, course code, number of course credits, and session during which the course was scheduled to be taught ("Assignment letter"). The Assignment letters also provided a set sum of money ("Course pay") Defendants paid Class Members for each assignment. The more courses (or other tasks, such as tutoring, or doctoral dissertation advisement) a Class Member completed, the more she or he was paid. The Course pay was based on the number of credit hours taught, the rank of the faculty member, and characteristics of the course being taught. The payment of a Course rate is a piece-rate method of compensation.

51. During the Class Period, Class Members were non-exempt employees because they were paid on a piece-rate basis, not a salary basis as is required to be exempt under Wage Order No. 4-2001, § 1(A).

1 52. Class Members' compensation was not a salary because Defendants reserved the right to
2 cancel a course for low enrollment, including after the course began, and pay Class Members either
3 nothing, if a course was cancelled before the start of classes, or a prorated amount for the period worked
4 after the start of classes.

5 53. In the alternative, even if Class Members' pay were considered a salary, it was too low to
6 qualify for exemption because it was not at least the monthly salary equivalent of two times the California
7 minimum wage for full-time employment, as is required to be exempt under Wage Order No. 4-2001,
8 § 1(A).¹

9 ***C. Defendants' Compensation Practices Applicable to Class Members Violated California's***
10 ***Minimum Wage and Rest Break Laws***

11 54. Because Class Members are piece-rate workers, pursuant to Labor Code §§ 226.2, 1194,
12 1194.2 and Wage Order No. 4-2001, § 4, Defendants were required, but failed, to pay Class Members
13 separately from the piece and hourly at least at the minimum wage for their nonproductive time, including
14 but not limited to time spent on completing a pre-session survey, which required Class Members to review
15 and investigate the course postings and report any errors or issues to the lead faculty or program chair;
16 course set-up, including posting a welcome announcement, Class Member's autobiography, designating
17 and posting office hours, and setting up live chat for all units; other course preparation; grading and grade
18 submission, and grading and submission of grades for those students who have incomplete grades after
19 the end of an academic term; online trainings, such as FERPA, PROD Ethics, and Information Technology
20 training, complete a lengthy and detailed professional development and scholarly/professional activities
21 form, and attend/participate in their course evaluations meetings with their lead faculty or program chair.

22 55. Even if Class Members were not piece-rate workers, Defendants did not pay Class
23 Members for the nonproductive time mentioned above, in violation of Labor Code §§ 1194, 1194.2 and
24 Wage Order No. 4-2001, § 4.

25
26 ¹ Labor Code § 515.7, which permitted non-profit universities based in California to begin paying adjunct
27 instructors a salary that is less than the minimum earnings requirement (provided certain other
28 requirements are met) while classifying them as exempt starting September 9, 2020, is inapplicable
because none of the Defendants are formed in California. *See* Labor Code § 515.7(a) incorporating
Education Code § 66010(b).

1 56. Defendants provide a set number of weekly “clock” hours based on the number of credit
2 hours assigned to a course that Defendants estimate Class Members work to complete their course
3 assignments. Defendants listed those clock hours on the wage statements issued to Class Members.
4 However, the total clock hours allotted for a 5-week course or a 10-week course were only based on the
5 weekly clock hours multiplied by 5 for a 5-week course and, upon information and belief, multiplied by
6 10 for a 10-week course. For example, for a 4-credit hour course, Defendants stated in the Faculty
7 Handbook that a Class Member was estimated to work 12.25 clock hours per week. Defendants issued
8 two wage statements for 5-week classes and listed “30.62” hours on one of the wage statements and
9 “30.63” on the other, for a total of 61.25 hours. 12.25 hours multiplied by 5 weeks equals 61.25. As a
10 result, the clock hours are not sufficient to cover all the work performed, including all the work that took
11 place before the first day of classes and after the last day of classes, as well as the hours spent on mandatory
12 trainings, completing required forms, and attending meetings.

13 57. During the Class Period, Class Members worked at least 3.5 hours or more in a day, and
14 were entitled to a 10-minute paid rest break for every day on which they worked for 3.5 hours, pursuant
15 to Wage Order No. 4-2001, § 12 (entitlement to rest break is based on “the total hours worked daily” not
16 consecutive time worked). Defendants knew or should have known that Class Members worked 3.5 hours
17 in a day.

18 58. Because Class Members are piece-rate workers, pursuant to Labor Code §§ 226.2, 1194
19 and Wage Order No. 4-2001, §§ 4, 12, Defendants were required, but failed, to pay Class Members for
20 their time spent on rest breaks separately and apart from the piece.

21 59. In the alternative, if Class Members’ compensation is not considered a piece rate, as non-
22 exempt employees Class Members were entitled to off-duty paid rest breaks for 3.5 hours or more of
23 work, pursuant to Labor Code § 226.7 and Wage Order No. 4-2001, § 12. However, as a matter of policy
24 and/or practice, Defendants failed to authorize and permit Class Members to take off-duty rest breaks and
25 failed to pay premium pay for missed rest breaks, in violation of Labor Code § 226.7 and Wage Order
26 No. 4-2001, § 12.

1 **D. Defendants' Compensation Practices Resulted in Failure to Issue Accurate Itemized Wage**
2 **Statements and Failure to Pay Wages Twice Per Month**

3 60. During the Wage Statement Subclass Period, Defendants failed to issue accurate itemized
4 wage statements to Wage Statement Subclass Members. Under Labor Code § 226(a)(2) and (a)(9)
5 Defendants were required, but failed, to furnish them with wage statements containing accurate entries
6 for the total hours worked by the employee, all applicable hourly rates in effect during the pay period, and
7 the corresponding number of hours worked by the employee at each hourly rate.

8 61. Defendants did not require Wage Statement Subclass Members to track their hours worked
9 and therefore could not list the actual number of hours worked. Instead, as stated above, Defendants listed
10 on the wage statements they issued to the Wage Statement Subclass Members the set "clock" hours under
11 the "Hours" column. Additionally, under the "Rate" column on the wage statements Defendants provided
12 no information. The wage statements also contained a "Pay Rate" section which listed the hourly rate as
13 "\$0.000000."

14 62. Additionally, because Wage Statement Subclass Members are piece-rate workers, under
15 Labor Code § 226(a)(3) Defendants were required, but failed, to furnish Wage Statement Subclass
16 Members with wage statements that included the number of piece-rate units earned and any applicable
17 piece rate, and under Labor Code § 226.2(a) to furnish them with wage statements that itemized total
18 hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid for
19 those periods during the pay period.

20 63. Defendants' practice of furnishing Wage Statement Subclass Members incomplete and/or
21 inaccurate wage statements was not an isolated and unintentional payroll error due to a clerical or
22 inadvertent mistake, but rather was willful and intentional and the result of Defendants' regular
23 compensation policies.

24 64. Wage Statement Subclass Members could not promptly and easily determine from the
25 wage statements alone, without reference to other documents, their regular hourly rate, the total hours
26 worked during a pay period, and number of pieces worked. As a result, Wage Statement Subclass
27 Members suffered injury for the purposes of Labor Code § 226(e).
28

1 65. In addition, Class Members were entitled to be paid twice per month under Labor Code §
2 204(a) which requires that “[l]abor performed between the 1st and 15th days, inclusive, of any calendar
3 month ... paid for between the 16th and the 26th day of the month during which the labor was performed,
4 and labor performed between the 16th and the last day, inclusive, of any calendar month, ...paid for
5 between the 1st and 10th day of the following month.” Defendants, however, did not pay for work
6 performed between the 1st and the 15th of the month before the 26th day of the month, in violation of
7 Labor Code § 204(a). For example, Defendants paid Class Members for work performed between May 9
8 and 24, 2022, on May 31, 2022.

9 66. In addition, the wage statements Defendants issued to Class Members did not cover the
10 entire period during which they performed work, including the period between the first day of classes and
11 the last day of classes. For example, for a 5-week course that began on January 25, 2022 and ended on
12 February 28, 2022, Defendants issued two wage statements, on February 28, 2022 and March 15, 2022.
13 For a 10-week course that began on January 25, 2022 and ended on April 4, 2022, Defendants issued four
14 wage statements, on February 28, March 15, March 31, and April 15, 2022.

15 ***E. Defendant Failed to Pay All Wages Owed Upon Discharge***

16 67. During the Waiting Time Penalties Sub-class Period, as a result of failing to pay wages for
17 non- productive time and/or all hours worked, and failing to pay for rest break time, as well as failure to
18 pay premium pay for missed breaks, Defendant failed to pay Class Members all wages due upon discharge
19 from employment in violation of Labor Code §§ 201-203.

20 ***F. Defendants Failed to Provide Paid Sick Leave***

21 68. Under the Labor Code § 246(l), “an employer shall calculate paid sick leave using any of
22 the following calculations: (1) Paid sick time for nonexempt employees shall be calculated in the same
23 manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether
24 or not the employee actually works overtime in that workweek; (2) Paid sick time for nonexempt
25 employees shall be calculated by dividing the employee’s total wages, not including overtime premium
26 pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.”

27 69. Plaintiffs and Class Members who worked for Defendants for 30 or more days within a
28 year from commencement of their employment, were entitled to receive paid sick leave pursuant to Labor

Code §§ 246, et seq. Defendants, however, failed to provide Plaintiffs and all Class Members with paid sick leave at least until November 2022.

G. Defendants Failed to Fully Reimburse Class Members for Necessary Business Expenses

70. Defendants did not fully reimburse Class Members for necessary business expenses they incurred, including but not limited to the cost of internet, computers, webcams, microphones, home or cellular telephones, printers, ink toner/cartridges and paper, and other expenses associated with working from a home office, in violation of Labor Code § 2802. Class Members taught exclusively online for Defendants, and Defendants were and are well aware that Class Members incur such expenses to perform their job duties for Defendants. Defendants reimbursed Class Members \$12.50 per pay period for such expenses. However, this amount was not sufficient to reimburse Class Members for all the expenses listed above they incurred in the discharge of their duties for Defendants.

H. Defendants Terminated Class Members Without Providing Required Notice

71. In or about August 2022, Defendants, as a single employer, terminated approximately 63 Class Members, as part of a decision to layoff Defendants' California based employees. Defendants violated federal and California state law by failing to give Plaintiffs and other Class Members 60 days notice as required by federal and California state law.

72. Defendants also failed to provide written notice to California's Employment Development Department, the local workforce investment board, and the chief elected official of each city and county government within which the mass termination occurred, as required under the California WARN Act.

73. As a result, Defendants owes Class Members their respective wages, salary, commissions, bonuses, accrued vacation and personal time off for 60 days following their respective terminations, as well as associated benefits including pension, 401(k) contributions and employee benefits.

FACTUAL ALLEGATIONS COMMON TO ALL STAFF CLASS MEMBERS

I. Defendants Failed to Fully Reimburse Staff Class Members for Necessary Business Expenses

74. During the Class Period, Defendants employed Staff Class Members to work and/or teach courses for Defendants.

75. Staff Class Members worked remotely throughout the Class Period, and as a result incurred home offices expenses in order to discharge their duties for Defendants. Those home offices expenses

1 include, but are not limited to, the cost of internet, electricity, computers, webcams and microphones,
2 mobile/home telephones, printers, ink toner/cartridges and paper, and other expenses associated with
3 working from a home office.

4 76. Staff Class Members worked from home and Defendants were and are well aware that
5 Class Members incur such expenses to perform their job duties for Defendants. However, Defendants
6 failed to reimburse Staff Class Members fully for those expenses fully or at all.

7 ***J. Defendants' Labor Code Violations Were Unfair Business Practices***

8 77. From at least four years prior to filing this complaint, through the present, Defendants have
9 adopted and used unfair and/or unlawful business practices to reduce Class Members' and Staff Class
10 Members' compensation and increase profits. These practices include failing to pay Class Members
11 separately from the piece and hourly for nonproductive time, failing to pay wages for all hours worked,
12 failing to pay separately from the piece and hourly for rest breaks and/or failing to authorize and permit
13 off-duty paid rest breaks, failing to pay premium pay for missed breaks, and failing to fully reimburse
14 Class Members' and Staff Class Members' necessary business expenses.

15 **FACTUAL ALLEGATIONS REGARDING PLAINTIFF PAHL'S WRONGFUL**

16 **TERMINATION**

17 78. Plaintiff Pahl was employed by CTU as an adjunct instructor since 2018. During his
18 employment, Plaintiff Pahl substantially performed his work duties and was consistently assigned to teach
19 one or two courses during each academic term. He had never been disciplined by Defendant. Yet, as Mr.
20 Pahl filed his putative Class Action Complaint and submitted his PAGA Notice on June 22, 2022,
21 Defendants took adverse employment action against him by ceasing to assign him any courses.

22 79. When Mr. Pahl inquired about whether he would be assigned to teach a course starting in
23 August 2022, CTU replied that "the decision not to assign you a course this session is based on the
24 University's strategic decision to expand coverage of teaching schedules and is not a reflection on you."
25 Such a response is so vague a statement that it can only be reasonably interpreted as a made-up pretext.

26 80. Defendants' adverse employment against Mr. Pahl was an act of retaliation for the exercise
27 of his rights under the law and filing the instant Complaint and sending a PAGA notice.
28

CLASS ACTION ALLEGATIONS

81. Plaintiffs bring this class action pursuant to Cal. Civ. Proc. Code § 382 on behalf of the Class, the Wage Statement Subclass, and the Staff Class Members. Upon information and belief, there are more than fifty Class Members. The members of the Classes are so numerous that joinder of all members is impractical.

82. Plaintiffs' claims are typical of the claims of the members of the Classes and Subclass because they were adjunct instructors employed and paid pursuant to Assignment letters a set course rate, and worked remotely from their home offices, and were (a) not paid separately and hourly for nonproductive time, (b) not paid for all hours worked, (c) not paid separately and hourly for rest breaks and/or not permitted off-duty paid rest breaks and premium pay for missed rest breaks, (d) subject to Defendants' policies and/or practices of not tracking hours worked, (g) not provided an accurate and itemized wage statement for each pay period, (h) not reimbursed for necessary business expenses, and (i) Plaintiff Kelly was not provided 60 days' notice prior to being laid off.

83. Plaintiffs will fairly and adequately represent the interests of the Classes and Subclass. Plaintiffs have no conflict of interest with any member of the Classes or Subclass. Plaintiffs have retained competent and experienced counsel in complex class action litigation. Plaintiffs' counsel have the expertise and financial resources to adequately represent the interests of the Classes and Subclass.

84. Common questions of law and fact exist as to all members of the Classes and the Subclass and predominate over any questions solely affecting individual members of the Classes and Subclass. Among the questions of law and fact common to Plaintiffs, the Classes, and the Subclass are the following:

- a. Whether Class Members' compensation constitutes a piece-rate;
- b. Whether Class Members were entitled to separate and hourly pay for nonproductive time under Labor Code §§ 226.2, 1194 and Wage Order No. 4-2001, § 4;
- c. Whether Class Members were non-exempt employees, entitled to at least minimum wage for all hours worked under Labor Code § 1194 and Wage Order No. 4-2001, § 4;
- d. Whether Defendants are liable for liquidated damages to Class Members under Labor Code § 1194.2 for failure to pay for nonproductive time and for all hours worked;

- e. Whether Class Members were entitled to separate and hourly pay for rest breaks under Labor Code §§ 226.2, 1194 and Wage Order No. 4-2001, §§ 4, 12;
- f. Whether Class Members were non-exempt employees, entitled to timely paid off-duty rest breaks under Labor Code § 226.7 and Wage Order No. 4-2001, § 12;
- g. Whether Defendants violated Labor Code § 226.7 and Wage Order No. 4-2001, § 12 by failing to pay one hour of premium pay to each Class Member for each day that a compliant rest period was not provided;
- h. Whether Defendants failed to establish and/or implement policies applicable to Class Members regarding tracking hours worked and rest breaks;
- i. Whether Defendants violated Labor Code §§ 226(a) and 226.2(a) by failing to issue accurate itemized wage statements to Wage Statement Subclass Members;
- j. Whether Defendants' violations of Labor Code §§ 226(a) and 226.2(a) were knowing and intentional;
- k. Whether Wage Statement Subclass Members suffered injury for the purposes of Labor Code § 226(e);
- l. Whether Defendant violated Labor Code § 203 by failing to pay Class Members for all of their wages due to them at the time of discharge from employment;
- m. Whether Defendants violated Labor Code § 2802 by failing to reimburse Class Members for necessary business expenses;
- n. Whether the provisions of the WARN Act (29 U.S.C. § 2102(b)) and California WARN Act (Cal. Labor Code § 1401) apply;
- o. Whether Defendants' employee terminations alleged herein constitute "mass layoffs" under the the WARN Act and California WARN Act;
- p. Whether Defendants failed to provide the notices required by the WARN Act and California WARN Act;
- q. Whether Defendants violated Labor Code § 2802 by failing to reimburse Staff Class Members for necessary business expenses;

- 1 r. Whether these violations constitute unfair, unlawful, and fraudulent business practices, in
2 violation of the UCL, Bus. & Prof. Code §§ 17200 *et seq.*;
- 3 s. Whether Class Members are entitled to restitution under Bus. & Prof. Code §§ 17200 *et*
4 *seq.* for uncompensated hours worked, uncompensated rest periods, unpaid premium pay,
5 and unreimbursed business expenses;
- 6 t. The proper formula(s) for calculating damages, interest, and restitution owed to Plaintiffs,
7 the Classes, and the Subclass;
- 8 u. Whether the Classes are entitled to declaratory relief; and
- 9 v. Whether the Classes are entitled to injunctive relief.

10 85. Class action treatment is superior to any alternative to ensure the fair and efficient
11 adjudication of the controversy alleged herein. Such treatment will permit a large number of similarly
12 situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and
13 without duplication of effort and expense that numerous individual actions would entail. No difficulties
14 are likely to be encountered in the management of this class action that would preclude its maintenance
15 as a class action, and no superior alternative exists for the fair and efficient adjudication of this
16 controversy. Class Members are readily identifiable from Defendants' employee rosters and/or payroll
17 records.

18 86. Defendants' actions are generally applicable to the entire Class and Staff Class.
19 Prosecution of separate actions by individual members of each Class creates the risk of inconsistent or
20 varying adjudications of the issues presented herein, which, in turn, would establish incompatible
21 standards of conduct for Defendants.

22 87. Because joinder of all Class Members is impractical, a class action is superior to other
23 available methods for the fair and efficient adjudication of this controversy. Furthermore, the amounts at
24 stake for many members of each Class, while substantial, may not be sufficient to enable them to maintain
25 separate suits against Defendants.

26 ///

27

28

1 **FIRST CAUSE OF ACTION**

2 **Failure to Pay Separately and Hourly for Nonproductive Time and/or**
3 **Failure to Pay Wages for All Hours Worked**

4 **[Labor Code §§ 226.2, 1194, 1194.2; Wage Order No. 4-2001, § 4]**

5 88. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
6 preceding paragraphs.

7 89. Labor Code § 1194(a) provides, in relevant part:

8 “Notwithstanding any agreement to work for a lesser wage, any employee receiving less
9 than the legal minimum wage . . . applicable to the employee is entitled to recover in a civil
10 action the unpaid balance of the full amount of this minimum wage . . . including interest
11 thereon, reasonable attorney’s fees, and costs of suit.”

12 90. Labor Code § 1194.2 provides, in relevant part:

13 “In any action under Section . . . 1194 . . . to recover wages because of the payment of a
14 wage less than the minimum wage fixed by an order of the commission or by statute, an
15 employee shall be entitled to recover liquidated damages in an amount equal to the wages
16 unlawfully unpaid and interest thereon.”

17 91. Labor Code § 226.2(a)(1) states that “[e]mployees shall be compensated for . . . other
18 nonproductive time separate and apart from any piece-rate compensation.”

19 92. As set forth above, during the Class Period, Class Members were paid a Course rate, which
20 is a piece rate (*i.e.*, a set amount per course taught, or other assignments), but Defendants did not
21 compensate them separately and apart from the Course rate for time spent on nonproductive tasks separate
22 from delivery of the assignment, including but not limited to time spent working before and after first and
23 last day of classes, attending trainings, meetings, and completing required forms and documents.

24 93. Accordingly, pursuant to Labor Code §§ 226.2, 1194, 1194.2, and Wage Order No. 4-2001,
25 § 4, Class Members are entitled to recover, at a minimum, their unpaid hourly wages, plus liquidated
26 damages in an additional amount equal to the total amount of applicable minimum wages unlawfully
27 withheld during the Class Period for Class Members’ nonproductive time.

28 94. Alternatively, under the theory that Class Members are not piece-rate employees, pursuant
to Labor Code §§ 1194, 1194.2 and Wage Order No. 4-2001, § 4, Defendants were required, but failed,
to compensate Class Members for all hours worked because they are non-exempt employees. Thus, Class
Members are entitled to recover, at a minimum, their unpaid hourly wages, plus liquidated damages in an

1 additional amount equal to the total amount of applicable minimum wages unlawfully withheld during
2 the Class Period for Class Members' unpaid hours worked.

3 95. Whether or not Class Members' compensation is considered a piece rate, during the Class
4 Period Defendants failed to pay Class Members for all hours worked in preparing for a course when
5 Defendants canceled the course before the start of classes, as described above, in violation of Labor Code
6 §§ 1194, 1194.2 and Wage Order No. 4-2001, § 4. Thus, Class Members are entitled to recover, at a
7 minimum, their unpaid hourly wages, plus liquidated damages in an additional amount equal to the total
8 amount of applicable minimum wages unlawfully withheld during the Class Period for Class Members'
9 unpaid hours worked.

10 96. Plaintiffs, on behalf of themselves and all other Class Members, request relief as described
11 below.

12 **SECOND CAUSE OF ACTION**

13 **Failure to Pay Separately and Hourly for Rest Breaks and/or Failure to Authorize and Permit** 14 **Paid Rest Breaks and Failure to Pay Missed Rest Break Premiums** **[Labor Code §§ 226.2, 226.7, 1194; Wage Order No. 4-2001, §§ 4, 12]**

15 97. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
16 preceding paragraphs.

17 98. Labor Code § 226.2(a)(1) states that "[e]mployees shall be compensated for rest and
18 recovery periods . . . separate from any piece-rate compensation."

19 99. Wage Order No. 4-2001, § 12(A) provides:

20 "(A) Every employer shall authorize and permit all employees to take rest periods, which
21 insofar as practicable shall be in the middle of each work period. The authorized rest period
22 time shall be based on the total hours worked daily at the rate of ten minutes net rest time
23 per four hours or major fraction thereof. However, a rest period need not be authorized for
24 employees whose total daily work time is less than three and one-half (3 1/2) hours.
25 Authorized rest period time shall be counted as hours worked for which there shall be no
26 deduction from wages."

27 100. Labor Code § 226.7(b) provides, "[a]n employer shall not require an employee to work
28 during a . . . rest or recovery period mandated pursuant to an applicable statute . . . or order of the Industrial
Welfare Commission."

101. As set forth above, during the Class Period, Class Members regularly worked 3.5 or more
in a day.

1 102. Because Class Members were piece-rate workers, Defendants violated Labor Code § 226.2
2 by failing to compensate them for their time spent on rest breaks separately and apart from the Course
3 rate. As a result, Defendants also violated Labor Code § 1194 by failing to pay wages for all hours
4 worked.

5 103. Alternatively, even if Class Members were not paid a piece rate, they were non-exempt
6 employees because they earned too little to qualify for exemption, and Defendants therefore were
7 required, but failed, to authorize and permit them to take timely paid off-duty rest breaks. As a result,
8 Defendants were required, but failed, to pay premium pay pursuant to Labor Code § 226.7 and Wage
9 Order No. 4-2001, § 12.

10 104. Plaintiffs, on behalf of themselves and all other Class Members, request relief as described
11 below.

12 **THIRD CAUSE OF ACTION**
13 **Failure to Issue Accurate Itemized Wage Statements**
14 **[Labor Code §§ 226(a), (e), 226.2(a)]**

15 105. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
16 preceding paragraphs.

17 106. During the Wage Statement Subclass Period, Defendants failed to furnish Wage Statement
18 Subclass Members with accurate itemized wage statements containing total hours worked by the
19 employee, and all applicable hourly rates in effect during the pay period and the corresponding number
20 of hours worked at each hourly rate by the employee, in violation of Labor Code § 226(a).

21 107. Additionally, Defendants failed to furnish Wage Statement Subclass Members with
22 accurate wage statements itemizing the number of piece-rate units earned and any applicable piece rate;
23 total hours of compensable rest and recovery periods, the rate of compensation, and the gross wages paid
24 for those periods during the pay period, in violation of Labor Code §§ 226(a) and 226.2(a).

25 108. Defendants' failure to furnish accurate itemized wage statements to Wage Statement
26 Subclass Members was knowing and intentional.

27 109. Wage Statement Subclass Members suffered injury as a result of Defendants' knowing and
28 intentional failure to comply with Labor Code §§ 226(a) and 226.2(a).

1 110. As a result, pursuant to Labor Code § 226(e) Wage Statement Subclass Members are
2 entitled to recover \$50 for each initial pay period with a violation and \$100 for each subsequent pay period
3 with a violation, up to an amount not exceeding an aggregate penalty of \$4,000, for each Wage Statement
4 Subclass Member.

5 111. Plaintiffs, on behalf of themselves and all other Wage Statement Subclass Members,
6 request relief as described below.

7 **FOURTH CAUSE OF ACTION**
8 **Failure to Pay Compensation Due Upon Discharge**
9 **[Cal. Labor Code §§ 201-203]**

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

12 113. Labor Code §§ 201 and 202 require Defendant to pay all compensation due and owing to
13 Adjunct Class Members promptly at their time of their discharge from employment. Labor Code § 203
14 provides that if an employer willfully fails to pay compensation promptly upon discharge or resignation,
15 as required by §§ 201 and 202, then the employer is liable for penalties in the form of continued
16 compensation up to 30 work days.

17 114. During the Waiting Time Penalties Class Period, as a result of failing to pay wages for
18 non- productive time and/or all hours worked, and failing to pay for rest break time, as well as failure to
19 pay premium pay for missed breaks, Defendant failed to pay Adjunct Class Members all wages due upon
20 discharge from employment.

21 115. In light of the clear law requiring that Defendant pay all wages owed on the day an
22 employee is discharged, Defendant's failure to pay wages at the end of each contract was willful.

23 116. As a result, Defendant is liable to Plaintiff and the Class for waiting time penalties pursuant
24 to Labor Code § 203.

25 117. Plaintiffs, on behalf of themselves and all other Class Members, requests relief as described
26 below.

27 **FIFTH CAUSE OF ACTION**
28 **Failure to Reimburse Business Expenses**
 [Labor Code § 2802]

 118. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
preceding paragraphs.

 119. Under Labor Code § 2802, "[a]n employer shall indemnify his or her employee for all

1 necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his
2 or her duties.”

3 120. Defendants did not fully reimburse Class Members and Staff Class Members for necessary
4 business expenses, including but not limited to the cost of internet, electricity, computers, webcams and
5 microphones, mobile/home telephones, printers, ink toner/cartridges and paper, and other expenses
6 associated with working from a home, in violation of Labor Code § 2802. Defendants were required and
7 expected Class Members and Staff Class Members to incur these expenses to perform their job duties.

8 121. Plaintiffs, on behalf of themselves and all other Class Members and Staff Class Members,
9 request relief as described below.

10 **SIXTH CAUSE OF ACTION**

11 **Violation of the WARN act**
12 **[29 U.S.C. § 2101 et seq.]**

13 122. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
14 preceding paragraphs.

15 123. At all relevant times, Defendants employed more than 100 employees who in the aggregate
16 worked at least 4,000 hours per week, exclusive of hours of overtime within the United States.

17 124. At all relevant times Defendants were “employers,” as that term is defined in 29 U.S.C. §
18 2101(a)(1) and 20 C.F.R. § 639(a), and continued to operate its business enterprise until it decided to
19 effect mass layoffs.

20 125. In 2022, Defendants ordered a “mass layoff” as that term is defined by 29 U.S.C. §
21 2101(a)(2)-(a)(3).

22 126. The mass layoffs resulted in “employment losses,” as that term is defined by 29 U.S.C. §
23 2101(a)(2) for at least fifty of Defendants’ employees as well as more than thirty-three percent (33%) of
24 Defendants’ California workforce, excluding “part-time employees,” as that term is defined by 29 U.S.C.
25 § 2101(a)(8).

26 127. Plaintiffs and the Class Members were terminated by Defendants without cause on their
27 part, as part of or as the reasonably foreseeable consequence of the mass layoffs ordered by Defendants.
28 Plaintiffs and the Class are “affected employees” of Defendants within the meaning of 29 U.S.C. §
2101(a)(5).

1 128. Defendants were required by the WARN Act to give the Plaintiffs and the Class at least 60
2 days advance written notice of their terminations. Defendants failed to give the Plaintiffs and the Class
3 members written notice that complied with the requirements of the WARN Act.

4 129. Plaintiffs and each of the Class Members are “aggrieved employees” of the Defendants as
5 that term is defined in 29 U.S.C. § 2104(a)(7).

6 130. Defendants failed to pay Plaintiffs and each of the Class Members their respective wages,
7 salary, commissions, bonuses, accrued holiday pay and accrued vacation for 60 days following their
8 respective terminations, and failed to make the pension and 401(k) contributions and provide employee
9 benefits under COBRA for 60 days from and after the dates of their respective terminations.

10 131. Plaintiffs, on behalf of themselves and all other Class Members, request relief as described
11 below.

12 **SEVENTH CAUSE OF ACTION**
13 **Violation of the California WARN Act**
 [Labor Code § 1400 et seq.]

14 132. Plaintiffs reallege and incorporate by reference all allegations in the preceding paragraphs.

15 133. Class Members who worked for Defendants in California are former “employees,” of
16 Defendants as defined in Labor Code § 1400(a), (h).

17 134. Defendants terminated the employment of Class Members pursuant to a “mass layoff,”
18 “relocation” or “termination” as defined in Labor Code § 1400(d) – (f) in August 2022, or thereafter.

19 135. At all relevant times, Defendants were an “employer” as defined in Labor Code § 1400(b).

20 136. Defendants violated Labor Code § 1401 by ordering a “mass layoff,” “relocation” or
21 “termination” in California without giving written notice at least 60 days before the order took effect to
22 (1) the employees affected by the order and (2) the Employment Development Department, the local
23 workforce investment board, and the chief elected official of each city and county government within
24 which the mass layoff, relocation or termination occurred. The “mass layoff,” “relocation” or termination”
25 was not necessitated by a physical calamity or act of war.

26 137. As a result of Defendants’ violation of Labor Code § 1401, the Class is entitled to damages
27 under Labor Code § 1402 in an amount to be determined.
28

1 138. As a result of Defendants' violation of Labor Code § 1401, Defendants are subject to a
2 civil penalty of not more than five hundred dollars (\$500) for each day of the violation, under Labor Code
3 § 1403.

4 139. Plaintiffs and the Class will incur attorneys' fees in prosecuting this claim and are entitled
5 to an award of attorneys' fees under Labor Code § 1404.

6 140. Plaintiffs, on behalf of themselves and all other Class Members, request relief as described
7 below.

8 **EIGHTH CAUSE OF ACTION**
9 **Violation of Unfair Competition Laws**
 [Cal. Bus. & Prof. Code §§ 17200 *et seq.*]

10 141. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
11 preceding paragraphs.

12 142. The UCL prohibits any unlawful, unfair, or fraudulent business practices. Labor Code
13 § 90.5(a) states that it is the public policy of California to vigorously enforce minimum labor standards to
14 ensure employees are not required to work under substandard and unlawful conditions, and to protect
15 employers who comply with the law from those who attempt to gain competitive advantage at the expense
16 of their workers by failing to comply with minimum labor standards. Through its actions alleged herein,
17 Defendants have engaged in unfair competition within the meaning of the UCL, because Defendants'
18 conduct has violated state wage and hour laws as herein described.

19 143. Beginning at least four years prior to the filing of this Complaint, Defendants committed,
20 and continue to commit, acts of unfair competition as defined in the UCL by failing to pay Class Members
21 separately and hourly for nonproductive time, failing to pay for all hours worked, failing to pay separately
22 and hourly for rest breaks and/or failing to authorize and permit off-duty paid rest breaks, and failing to
23 fully reimburse Class Members' and Staff Class Members' necessary business expenses, in violation of
24 Labor Code §§ 226.2, 226.7, 1194, 2802 and Wage Order No. 4-2001, §§ 4, 12.

25 144. Defendants' conduct as herein alleged has damaged Class Members and Staff Class
26 Members and was substantially injurious to them.

1 145. The harm to Class Members resulting from Defendants' Labor Code violations outweighs
2 the utility, if any, of Defendants' policies and practices. Therefore, Defendants' actions described herein
3 constitute an unfair business practice or act within the meaning of the UCL.

4 146. Plaintiffs, on behalf of themselves and all other Class Members and Staff Class Members,
5 request relief as described below.

6 **NINTH CAUSE OF ACTION**
7 **Civil Penalties**
8 **[Labor Code §§ 2698 et seq.]**

9 147. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
10 preceding paragraphs.

11 148. Plaintiffs seek PAGA penalties on behalf of themselves, Adjunct Aggrieved Employees,
12 and Staff Aggrieved Employees, for the following violations:

13 ***Violation of Labor Code §§ 226.2, 1194, 1194.2, 1197.1***

14 149. During the PAGA Period, Defendants did not compensate Adjunct Aggrieved Employees
15 for their time non-productive time separately from the piece, or at all, in violation of Labor Code §§ 226.2,
16 1194, 1194.2, 1197.1, and Wage Order No. 4-2001, § 4.

17 150. Pursuant to Labor Code § 2699(f), Plaintiffs and Adjunct Aggrieved Employees are
18 entitled to one hundred dollars (\$100) per employee per pay period for each initial violation and two
19 hundred fifty dollars (\$250) per employee per pay period for each subsequent violation, in accordance
20 with Labor Code § 1197.1(a)(1)-(2).

21 151. Alternatively, Plaintiffs and Adjunct Aggrieved Employees are entitled to the default
22 PAGA penalty under Labor Code § 2699(f)(2) of one hundred dollars (\$100) per pay period for each
23 initial violation of Labor Code §§ 226.2 and 1194, and two hundred dollars (\$200) per pay period for each
24 subsequent violation.

25 ***Violation of Labor Code §§ 226.2, 226.7***

26 152. During the PAGA Period, Defendants failed to pay Adjunct Aggrieved Employees for their
27 time spent on rest breaks separately and apart from the piece, in violation of Labor Code § 226.2.
28 Defendants also failed to authorize and permit paid rest breaks and pay missed rest break premiums in
violation of IWC Wage Order No. 4-2001 § 12 and Labor Code § 226.7.

1 153. Pursuant to Labor Code § 2699(f)(2), Plaintiffs and Adjunct Aggrieved Employees are
2 entitled to one hundred dollars (\$100) per pay period for each initial violation of Labor Code §§ 226.2
3 and 226.7, and two hundred dollars (\$200) per pay period for each subsequent violation.

4 ***Violation of Labor Code § 204 and 226(a)***

5 154. During the PAGA Period, Defendants did not pay Plaintiffs and Adjunct Aggrieved
6 Employees for work performed between the 1st and the 15th of the month before the 26th day of the
7 month, as required under Labor Code § 204.

8 155. In addition, the wage statements Defendants issued to Adjunct Aggrieved Employees did
9 not cover the entire period during which Adjunct Aggrieved Employees performed work, including the
10 period between the first day of classes and the last day of classes.

11 156. As a result, Plaintiffs and Adjunct Aggrieved Employees are entitled to two hundred fifty
12 dollars (\$250) per employee per initial violation, and one thousand dollars (\$1,000) per employee per
13 subsequent violation, in accordance with Labor Code § 226.3.

14 157. Alternatively, Plaintiffs and Adjunct Aggrieved Employees are entitled to the default
15 PAGA penalty under Labor Code § 2699(f)(2) of one hundred dollars (\$100) per employee per pay period
16 for each initial violation and two hundred dollars (\$200) per employee per pay period for each subsequent
17 violation.

18 ***Violation of Labor Code §§ 226(a) and 226.2(a)***

19 158. During the PAGA Period, Defendants failed to issue accurate itemized wage statements
20 by failing to list on the wage statements total hours worked, all applicable hourly rates in effect during
21 the pay period, and the corresponding number of hours worked at each hourly rate, in violation of Labor
22 Code § 226(a)(2) and (9).

23 159. Additionally, as piece-rate workers, Adjunct Aggrieved Employees were also entitled to
24 receive wage statements that included entries for the number of pieces earned and the piece rate paid.
25 However, Defendants also violated Labor Code §§ 226(a)(3) and 226.2(a)(2) because it did not include
26 any of this required information on the wage statements issued to Aggrieved Employees.

27 160. Pursuant to Labor Code § 226.3, Plaintiffs and Adjunct Aggrieved Employees are entitled
28 to \$250 for each initial pay period with a violation and \$1,000 for each subsequent pay period with a

1 violation.

2 161. Alternatively, under Labor Code § 2699(f)(2), Plaintiffs and Adjunct Aggrieved
3 Employees are entitled to a PAGA penalty equal to one hundred dollars (\$100) per pay period per
4 Aggrieved Employee for each initial violation of Labor Code § 226(a)(1), (a)(2), (a)(3), (a)(5), and (a)(9),
5 and two hundred dollars (\$200) per pay period for each subsequent violation.

6 ***Violation of Labor Code § 201-202***

7 162. During the PAGA Period, Defendants failed to pay Aggrieved Employees their final wages
8 on their discharge from employment, in violation of Labor Code § 201.

9 163. Pursuant to Labor Code § 2699(f)(2), Plaintiffs and Adjunct Aggrieved Employees are
10 entitled to one hundred dollars (\$100) per pay period for each initial violation and two hundred dollars
11 (\$200) per pay period for each subsequent violation.

12 ***Violation of Labor Code § 246***

13 164. During the PAGA Period, Defendants failed to provide Adjunct Aggrieved
14 Employees' with paid sick time, as required under Labor Code § 246. Adjunct Aggrieved Employees are
15 entitled to one hundred dollars (\$100) for each initial violation of Labor Code § 246(l), and two hundred
16 dollars (\$200) for each subsequent violation, pursuant to Labor Code § 2699(f)(2).

17 ***Violation of Labor Code § 2802***

18 165. During the PAGA Period, Plaintiffs and Aggrieved Employees incurred home office
19 expenses including but not limited to the costs of internet, mobile/home, phone service, computers that
20 meet certain technical requirements and specifications, web cameras, microphones or headsets with
21 microphones, electricity, printers, ink toner/cartridges and paper, and other expenses associated with
22 working from a home office, in order to carry out their job duties for Defendants. However, Defendants
23 did not reimburse them for these expenses fully or at all in violation of § 2802 of the California Labor
24 Code.

25 166. Pursuant to Labor Code § 2699(f)(2), Plaintiffs and Aggrieved Employees are entitled to
26 one hundred dollars (\$100) per pay period for each initial violation and two hundred dollars (\$200) per
27 pay period for each subsequent violation.

1 ***Violation of Labor Code § 98.6 and 1102.5***

2 167. During the PAGA Period, CTU terminated Plaintiff Pahl in retaliation for his having filed
3 a complaint alleging that Defendants' compensation policies and/or practices violated California law, and
4 for his having sent a PAGA notice alleging the same violations.

5 168. Thus, CTU engaged in retaliation and wrongfully terminated Plaintiff Pahl because he
6 engaged in the kind of protected activity described in Labor Code §§ 98.6 and 1102.5.

7 169. As a result of CTU's violation of Labor Code § 98.6, Plaintiff Pahl is entitled to a civil
8 penalty of \$10,000 for each violation of that section.

9 170. As a result of CTU's violation of Labor Code § 1102.5, Plaintiff Pahl is entitled to a civil
10 penalty of \$10,000 for each violation of that section.

11 **PRAYER FOR RELIEF**

12 **WHEREFORE**, Plaintiffs, on behalf of themselves, and the Classes and Subclass, prays for
13 the following relief:

14 A. An Order that this action may proceed and be maintained as a class action, with the Classes
15 and Subclass as designated and defined in this Complaint, and that Plaintiffs and their counsel be certified
16 as representatives and counsel for the Classes and Subclass.

17 B. On the First Cause of Action: That the Court find and declare that Defendants violated
18 Labor Code §§ 226.2, 1194, and 1194.2 and Wage Order No. 4-2001, § 4 by failing to pay Class Members
19 separately from the piece and hourly for nonproductive time and by failing to pay for all hours worked,
20 and award Class Members the amount of their unpaid minimum wages plus liquidated damages in an
21 additional amount equal to the amount of wages unlawfully withheld during the Class Period.

22 C. On the Second Cause of Action: That the Court find and declare that Defendants violated
23 Labor Code §§ 226.2 and 1194 and Wage Order No. 4-2001, §§ 4, 12 by failing to pay Class Members
24 for their time spent on rest breaks hourly and separately apart from the Course rate, and/or that Defendants
25 violated Labor Code § 226.7 and Wage Order No. 4-2001, § 12 by failing to authorize and permit timely
26 off-duty paid rest breaks, and award the Class unpaid premium pay for missed rest breaks.

27 D. On the Third Cause of Action: That the Court find and declare that Defendants violated
28 Labor Code §§ 226(a), (e) and 226.2(a); award Wage Statement Subclass Members statutory penalties

1 under Labor Code § 226(e); enjoin Defendants under Labor Code § 226(h) from continuing to issue
2 unlawful wage statements; and award reasonable attorneys' fees and costs.

3 E. On the Fourth Cause of Action: That the Court find and declare that Defendant has violated
4 Labor Code §§ 201–202, and award Plaintiff and Class Members who were discharged from employment
5 during the Waiting Time Penalties Subclass Period, penalties under Labor Code § 203;

6 F. On the Fifth Cause of Action: That the Court find and declare that Defendants violated
7 Labor Code § 2802 by failing to fully reimburse Class Members and Staff Class Members for necessary
8 business expenses, and award Class Members and Staff Class Members reimbursement of such expenses.

9 G. On the Sixth Cause of Action: That the Court find and declare that Defendants violated the
10 WARN Act, 29 U.S.C. § 2101 et seq. and award the sum of: (a) unpaid wages, salary, commission,
11 bonuses, accrued holiday pay, accrued vacation pay, pension and 401(k) contributions and other ERISA
12 benefits, for 60 days, that would have been covered and paid under the then-applicable employee benefit
13 plans had that coverage continued for that period, pursuant 29 U.S.C. § 2104(a)(1)(A).

14 H. On the Seventh Cause of Action: That the Court find and declare that Defendants violated
15 the California WARN Act, Cal. Labor Code § 1400 et seq. and award wages equal to the sum of unpaid
16 wages, including interest thereon, and value of the cost of any benefits that Plaintiffs and the Class would
17 have been entitled to, and penalties, pursuant to Cal. Labor Code §§ 1400-1408.

18 I. On the Eighth Cause of Action: That the Court find and declare that Defendants violated
19 the UCL by failing to pay Class Members separately and apart from the Course rate for nonproductive
20 time, failing to pay wages for all hours worked, failing to pay separately and apart from the Course rate
21 for rest breaks and/or failing to authorize and permit compliant rest breaks, and failing to fully reimburse
22 necessary business expenses; and award restitution to the Class and the Staff Class; and that the Court
23 enjoin Defendants from continuing to enforce policies and practices that violate Labor Code §§ 226.2,
24 226.7, 1194, and 2802 and Wage Order No. 4-2001, §§ 4, 12.

25 J. On the Ninth Cause of Action: That the Court award PAGA Civil Penalties, and attorneys'
26 fees and costs, as provided under Labor Code § 2699.

1 K. That the Court award attorneys' fees and costs of suit to the extent permitted by law,
2 including, but not limited to, Labor Code §§ 226(e), (h), 1194, 2802, and 1400; 29 U.S.C. § 2104; and
3 Cal. Civ. Proc. Code § 1021.5.

4 L. All other relief as this Court deems proper.

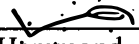
5 **JURY DEMAND**

6 Plaintiffs hereby demand trial by jury of all claims against Defendants alleged herein.

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8 Dated: September 20, 2023

Respectfully submitted,

9 HAMMONDLAW, P.C.

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13 Julian Hammond

14 *Attorneys for Plaintiffs and the Putative Classes*
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