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FILED
Superior Court of California,
County of San Francisco

12/13/2023
Clerk of the Court
BY: AUSTIN LAM
Deputy Clerk

CGC-23-611080

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN FRANCISCO

SANDRA SUMMERS and DARIIA FELDENHEIMER, individually and on behalf of all other similarly situated aggrieved employees, Plaintiffs, v. CROSS COUNTRY HEALTHCARE, INC., TRAVEL STAFF, LLC and DOES 1-50, inclusive Defendants.	Case No. **REPRESENTATIVE ACTION COMPLAINT FOR:** 1. VIOLATIONS OF THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004, SECTIONS 2698 ET SEQ.

Plaintiffs Sandra Summers and Dariia Feldenheimer (collectively "Plaintiffs") bring this Labor Code Private Attorneys General Act of 2004 ("PAGA") action against Cross Country Healthcare, Inc. and Travel Staff, LLC ("Cross Country" or "Defendant"), in their representative capacity on behalf of the State of California for themselves and all other similarly situated aggrieved employees. Plaintiffs make the following allegations based upon personal knowledge as to their own actions and upon information and belief as to all other matters.

NATURE OF THE ACTION

1. Travel nurses serve a valuable role in our country's healthcare system. Hospitals, clinics, and other healthcare facilities rely on skilled travel employees to fill short-term nursing employment gaps on a temporary basis. To fill these roles, healthcare facilities utilize intermediary staffing agencies to employ the travelers, negotiate pay rates, and schedule assignments. Traveling nurses have played an especially critical role since the start of the COVID-19 pandemic, as many facilities experienced severe staffing shortages that required temporary assistance in order to continue providing quality healthcare.

2. But a troubling practice has emerged. Cross Country is offering contracts to travel nurses with a fixed-term assignment at an agreed-upon pay rate. After the nurse accepts the position and starts the assignment, Cross Country makes a "take-it-or-leave-it" demand to accept less pay or be terminated. Of course, most nurses have no choice but to continue working the assignment at the lower rate because they have no reasonable alternatives for comparable employment: they have already incurred travel expenses, secured short-term housing, and uprooted their lives to accept the assignment. Cross Country is knowingly engaging in these "bait and switch" practices by inducing travel nurses to travel to a location and then reducing their pay, to maintain the significant profit margins Cross Country had become accustomed to during the COVID-19 pandemic.

3. In addition, Cross Country is underpaying its travel employees for overtime hours worked. By law, employers must pay their employees one-and-one-half the "regular rate" of pay for hours worked in excess of eight hours in one day, 40 hours in one week, or for the first eight hours worked on the seventh day of work, and must pay their employees overtime compensation at twice the regular rate of pay for hours worked in excess of 12 hours in a day or in excess of eight

hours in a day on the seventh day of work. Cross Country has failed to use the correct regular rate to calculate overtime compensation owing. Cross Country has treated employees' direct hourly cash wage as their regular rate, and has excluded, in violation of the law, other parts of its employees' compensation packages which must be included in the regular rate, thereby resulting in an unlawfully low rate of pay for overtime hours worked.

4. On August 15, 2022 and July 27, 2023, Plaintiffs provided Cross Country and the California Labor and Workforce Development Agency (LWDA) with the required notice of their intent to bring this PAGA action.[1] The requisite 65 days have passed, and LWDA has not notified Plaintiffs that it intends to pursue Cross Country for the violations alleged in Plaintiffs' PAGA letters. Plaintiffs now bring this PAGA action on behalf of the State of California and other current and former employees of Cross Country for engaging in "bait and switch" practices, underpayment for overtime hours worked, and failure to reimburse reasonable business expenses, in violation of the Labor Code. Accordingly, Plaintiffs seek all penalties permitted under PAGA.

JURISDICTION, VENUE, AND PARTIES

5. Cross Country Healthcare, Inc. is a Delaware corporation with a principal place of business located in Palm Beach County, Florida, 6551 Park of Commerce Boulevard, Boca Raton, Florida 33487.

6. Travel Staff, LLC is a Delaware limited liability company with a principal place of business located in Palm Beach County, Florida, 6551 Park of Commerce Boulevard, Boca Raton, Florida 33487.

7. Travel Staff, LLC, a wholly owned subsidiary of Cross Country Healthcare, Inc. Travel Staff, LLC is not truly a separate and distinct entity but a mere division of Cross Country Healthcare, Inc. as Cross Country Healthcare, Inc. controls all aspects of the policies, internal affairs, and daily operations of Travel Staff, LLC, including as to the specific policies and practices challenged in this action. Cross Country Healthcare, Inc. treats Travel Staff, LLC as a mere department or instrumentality of Cross Country Healthcare, Inc., and fails to meaningfully observe

[1] *See* Ex. 1 (PAGA Notice) and Ex. 2 (Amended PAGA Notice).

corporate formalities. Travel Staff, LLC lacks true independence from and is a legal alter ego of Cross Country Healthcare, Inc. Thus, it is proper to treat Travel Staff, LLC and Cross Country Healthcare, Inc. as one company for the purposes of this case.

8. Plaintiff Sandra Summers accepted a travel assignment from Cross Country to work at a healthcare facility located in Walnut Creek, California, and traveled to Walnut Creek for that assignment.

9. Plaintiff Dariia Feldenheimer accepted a travel assignment from Cross Country to work at a healthcare facility located in Concord, California, and traveled to Concord for that assignment.

10. The true names of the persons or entities referred to herein as Defendants DOES 1-50 are unknown to Plaintiffs, who therefore sue them under fictitious names. Plaintiffs are informed and believe, and on that basis allege, that each of the Defendants identified as DOES 1-50 is legally responsible in some manner for the unlawful acts alleged herein. Plaintiffs will seek leave of Court to amend the complaint to substitute the true names of the fictitiously named defendants when their identities become known to Plaintiffs. Together, all Defendants are referred to herein as "Cross Country" or "Defendant."

11. Plaintiffs bring this PAGA action in their representative capacity on behalf of the State of California and on behalf of all of Cross Country's current and former non-exempt employees who were employed in California, traveled to California for employment with Cross Country, or traveled from within California to any place outside of California for employment with Cross Country, and who suffered one or more Labor Code violations enumerated herein ("Aggrieved Employees") between August 15, 2021 and present ("PAGA Period").

12. IWC Wage Order No. 4-2001 applies to Plaintiffs' and other Aggrieved Employees' employment with Cross Country, and no exemptions apply.

13. This Court has jurisdiction over this PAGA action because this is a civil action wherein the matter in controversy, exclusive of interest and costs, exceeds the jurisdictional minimum of the Court and the acts and omissions complained of took place in California.

14. Venue is proper here because Cross Country does business in San Francisco County. Cross Country staffs healthcare facilities in San Francisco County, where it underpays workers as set forth below.[2]

STATEMENT OF FACTS

A. Cross Country's Bait-and-Switch Tactics and Improper Pay Rate Reductions

15. Cross Country describes itself as "a true market leader" of healthcare staffing agencies in the United States. On its website, Cross Country represents that "[it] is a pioneering and innovative provider of market-leading workforce solutions and healthcare staffing services," whose "solutions leverage [its] more than 30 years of expertise and insight to assist clients in solving complex labor-related challenges . . . . [It is] dedicated to recruiting and placing highly qualified healthcare professionals in virtually every specialty and area of expertise." It promotes itself as a "[l]eading provider of travel nurse and allied staffing, per diem staffing, physician and advanced practice locum tenens, education staffing and physician and executive search services," as well as "[l]eading provider of workforce solutions, including Managed Service Programs (MSP), Internal Resource Pool (IRP) Electronic Medical Records (EMR) Transition Staffing, Recruitment Process Outsourcing (RPO) and Consulting services," and it markets itself as having "20 years of MSP solutions for more than 3,100 facilities nationwide."[3]

16. To fill temporary positions, healthcare facilities in need of temporary employment offer staffing agencies like Cross Country a "bill rate" which is a total amount they are willing to pay the staffing agency for every hour worked by a traveling nurse. The staffing agency then deducts costs, overhead, and profit margin from the bill rate and advertises the hourly rate it is willing to pay a traveling nurse to accept the facility assignment.

17. Cross Country utilizes a form "travel assignment agreement" for its traveling employees that includes the following material terms: the facility name and address along with the start and end date for the assignment, the traveler's hourly pay rate and scheduled hours per week,

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[2] For example, a search of nursing positions available on December 11, 2023, on Cross Country's website, https://www.crosscountryhealthcare.com/, generated fifteen jobs at facilities in San Francisco, CA.

[3] https://www.crosscountryhealthcare.com/.

the traveler's weekly meals and incidentals allowance, the traveler's weekly lodging allowance, and an overtime rate that applies to all hours worked in excess of 40 hours per week and to overtime hours as defined by state law.

18. Labor Code § 970 prohibits employers from influencing or persuading an employee to relocate from one place to another for work, by means of knowingly false misrepresentations regarding, among other things, the kind, character, or existence of such work; the length of time such work will last; or the compensation therefor.

19. Cross Country knows that travel employees, after accepting a travel assignment, must move to the location of the facility, secure short-term housing, and incur other travel and housing related costs at their own expense in order to comply with their obligations under the agreement.

20. Cross Country routinely makes representations to travel nurses like Plaintiffs and other Aggrieved Employees concerning the kind or character of the work, the length of time the work will last, or the compensation therefor.

21. Cross Country's representations of this kind were false, in whole or in part, and Cross Country knew when the representations were made that they were false and intended that Plaintiffs and other Aggrieved Employees would rely on the false representations in accepting assignments and, among other things, relocating for the assignments.

22. Plaintiffs and Aggrieved Employees relied on Cross Country's false representations in accepting the assignments and, among other things, relocating for the purpose of working for Cross Country.

23. As a result of Cross Country's misrepresentations, Plaintiffs and other Aggrieved Employees were harmed, and their reliance on Cross Country's misrepresentations was a substantial factor in causing such harm.

Plaintiff Sandra Summers

24. On or about March 23, 2022, Cross Country made an employment offer to Plaintiff Summers which included a fixed-term travel assignment in Walnut Creek, California.

25. The employment agreement offered Sandra Summers a position at John Muir Medical Center from March 29, 2022, until June 25, 2022, with the following compensation package: a base hourly pay rate of $76.42 with a minimum of 36 scheduled hours per week; an overtime hourly pay rate of $114.63; a daily meals and incidentals allowance of $74.00; and a daily lodging allowance of $157.83.

26. In reliance on the foregoing material terms, Sandra Summers accepted Cross Country's offer of employment by executing Cross Country's form assignment confirmation notice on March 23, 2022. To comply with her duties under the agreement, Sandra Summers traveled from her home, Baltimore, Maryland, to Walnut Creek, California, at her own expense, secured short-term living arrangements, and forwent other employment opportunities.

27. On April 27, 2022, about one month into the assignment, Cross Country made Sandra Summers a "take-it-or-leave-it" demand to accept less pay or be terminated. Specifically, Cross Country demanded that Sandra Summers accept an approximately 22% reduction in her base hourly pay rate, from $76.42 to $59.46; 22% reduction in her overtime hourly pay rate, from $114.63 to $89.19; 22% reduction in her holiday hourly pay rate, from $114.63 to $89.19; and 19% reduction in her call-back hourly pay rate, from $136.21 to $110.77; in order to complete the previously agreed-upon assignment.

28. Having already spent substantial time and money securing the assignment and taking the steps necessary to ensure compliance with her obligations under the agreement, and unable to find comparable employment in such a short period of time, Sandra Summers had no choice but to continue working the assignment at the lower rate.

Plaintiff Dariia Feldenheimer

29. On or about February 12, 2021, Cross Country made an employment offer to Plaintiff Feldenheimer which included a fixed-term travel assignment in Concord, California.

30. The employment agreement offered her a position at John Muir Medical Center in Concord, California from February 15, 2021, until May 15, 2022, with the following compensation package: a base hourly pay rate of $67.33 with a minimum of 36 scheduled hours per week; an

overtime hourly pay rate of $101; a daily meals and incidentals allowance of $66; and a daily lodging allowance of $158.07.

31. In reliance on the foregoing material terms, she accepted Cross Country's offer of employment by executing Cross Country's form travel assignment agreement on November 12, 2022. To comply with her duties under the agreement, she continued to travel away from her home to Concord, California, at her own expense, secured short-term living arrangements, and forwent other employment opportunities.

32. On or about April 13, 2021, partway through her assignment, Cross Country made her a "take-it-or-leave-it" demand to accept less pay or be terminated. Specifically, Cross Country demanded that she accept an approximately 26% reduction in her base hourly pay rate, from $67.33 to $49.58, and related reduction in her overtime hourly pay rate, from $101 to $74.37, in order to complete the previously agreed-upon assignment.

33. As described above, Plaintiffs relied on the material terms of their employment agreements including: the fixed assignment term, the payment package, and the guaranteed hours or days in accepting the offer; as the assignment had to be worth foregoing other employment, relocating, and incurring the associated professional and personal costs of accepting the travel assignment. In addition, Plaintiffs relied on the fact the foregoing material terms could not be changed without additional consideration and the reasonable expectation that Cross Country would act in good faith and fair dealing and honor its promises or representations. Plaintiffs would not have accepted the agreements had they known that Cross Country would violate the terms and spirit of their agreements.

34. There is no legal justification for Cross Country's conduct. Even if Cross Country's client no longer needed as much staff or decided to reduce the bill rate, for example, nothing in the terms of travel assignment agreements authorize Cross Country to unilaterally adjust pay rates to account for new circumstances, whether foreseeable or not.

35. "Revised" or reduced agreements are not enforceable because an effective contract modification or accord requires the exchange of new consideration. As alleged herein, there was no exchange of new consideration because Plaintiffs and Aggrieved Employees were compelled to

undertake the same obligations for less pay. Consequently, Cross Country cannot relieve itself of its contractual obligations under one contract by coercing acceptance of a second contract with less favorable terms.

B. Cross Country's Miscalculation of Its Employees' Regular Rate of Pay and Resulting Failure to Lawfully Pay Overtime.

36. Labor Code § 1198 provides that it is unlawful to employ persons for longer than the hours set by the IWC without just compensation.

37. Employers must pay their employees one-and-half times their "regular rate" for all overtime hours worked. Labor Code § 510 codifies the right to overtime compensation at one-and-one-half the regular rate of pay for hours worked in excess of 8 hours in one day, 40 hours in one week, or for the first 8 hours worked on the seventh day of work, and to overtime compensation at twice the regular rate of pay for hours worked in excess of 12 hours in a day or in excess of 8 hours in a day on the seventh day of work. In addition, pursuant to the IWC Wage Order(s), including Wage Order 4-2001, Cross Country is required to pay Plaintiffs and Aggrieved Employees for all hours worked, meaning the time during which an employee is subject to the control of an employer, including all the time the employee is suffered or permitted to work, whether or not required to do so.

38. As a general matter, an employee's "regular rate" is "deemed to include all remuneration for employment paid to, or on behalf of, the employee," but excludes, inter alia, "reasonable payments for traveling expenses, or other expenses, incurred by an employee in the furtherance of his employer's interests and properly reimbursable by the employer; and other similar payments to an employee which are not made as compensation for his hours of employment." 29 U.S.C. § 207(e); see also *Clarke v. AMN Servs.*, LLC, 987 F.3d 848 (9th Cir.), *cert. denied*, 142 S. Ct. 710 (2021).

39. Plaintiffs and Aggrieved Employees of Cross Country worked in excess of 8 and 12 hours in a single day, in excess of 40 hours in a week and also worked in excess of 8 and 12 hours on the seventh day of work. Indeed, Plaintiffs and Aggrieved Employees of Cross Country regularly worked time for which they were owed overtime or double time as provide by California law;

however, Cross Country paid Plaintiffs and Aggrieved Employees for overtime worked based on an unlawful overtime rate of pay.

40. Cross Country failed to pay all overtime compensation owing due to its failure to correctly calculate the regular rate of pay, on which the overtime rate of pay is based. Cross Country violated California law, in relevant part, by failing to compensate Plaintiffs and Aggrieved Employees of Cross Country for overtime wages as required by Labor Code §§ 510, 1198; 8 C.C.R. § 11040; and IWC Wage Order 4-2001.

41. Cross Country's regular rate of pay did not include weekly wages that Cross Country referred to as "stipends" or allowances. In calculating the overtime rate paid to its employees, Cross Country wrongfully excluded from their regular rate various stipends and allowances paid to its employees, including weekly allowances for lodging and meals & incidentals, even though these payments functioned as a form of compensation as part of its employees' pay package.

42. Plaintiffs regularly worked overtime and were not properly compensated for it. For instance:

a. Plaintiff Summers' initial contract provides for overtime at a rate of $114.63 per hour, or 1.5 times her initial base hourly pay rate of $76.42. Her daily meals and incidentals allowance of $74.00 and a daily lodging allowance of $157.83 were not included in the calculation of her regular rate.

b. Plaintiff Summers' reduced contract provides for overtime at a rate of $89.19 per hour, or 1.5 times her reduced base hourly pay rate of $59.46. Her daily meals and incidentals allowance of $74.00 and a daily lodging allowance of $157.83 were not included in the calculation of her regular rate.

c. Plaintiff Feldenheimer's initial contract provides for overtime at a rate of $101 per hour, or 1.5 times her initial base hourly pay rate of $67.33. Her daily meals and incidentals allowance of $66 and a daily lodging allowance of $158.07 were not included in the calculation of her regular rate.

d. Plaintiff Feldenheimer's reduced contract provides for overtime at a rate of $74.37 per hour, or 1.5 times her reduced base hourly pay rate of $49.58. Her daily meals and incidentals allowance of $66 and a daily lodging allowance of $158.07 were not included in the calculation of her regular rate.

e. In the workweek for March 27 to April 2, 2022, Plaintiff Summers worked 42 hours for which Cross Country paid her a base rate of $76.42 for 32 hours, an overtime rate of $114.63 for 10 hours. Given her stipends that week for $370 and $789.15, she should have been compensated as follows: her regular rate was $104.01, therefore, her overtime rate should have been $156.03.

f. In the workweek for March 14 to 20, 2021, Plaintiff Feldenheimer worked 41.32 hours for which Cross Country paid her a base rate of $67.33 for 24 hours, an overtime rate of $101 for 12 hours, and a double-time rate of $134.66 for 3.32 hours, as well as penalty pay of $67.33 for 2 hours. Given her stipends that week for $462 and $1,106.49, she should have been compensated as follows: her regular rate was $104.39, therefore, her overtime rate should have been $156.59 and her double-time rate should have been $208.79.

43. Cross Country's exclusion of the various stipends and allowances paid to its employees, including weekly allowances for lodging and meals & incidentals, from said employees' "regular rate" in calculating overtime was wrongful and in violation of the law, in that:

a. Said payments functioned as compensation for the employees' hours of employment;

b. Said payments were tied to the number of hours worked, rather than the amount of expenses actually incurred;

c. Said payments varied with the number of hours worked per week, such that if an employee missed one or more shifts, said payments would be reduced a corresponding amount;

d. Said payments did not vary with the amount of expenses an employee actually incurred, nor were they calculated to approximate actual expenses. Employees were not required to document expenses, nor provide any attestation that he or she actually incurred a particular amount of expenses in a given period;

e. Upon information and belief, said payments were not limited to employees who were actually traveling, but instead could be received by local employees who worked proximate to their residence; and

f. Upon information and belief, employees could roll over extra shifts worked in a previous week to avoid a pro rata reduction in said payments occasioned by having missed one or more shifts in a given week.

44. Cross Country violated California law, in relevant part, by willfully failing to compensate Plaintiffs and Aggrieved Employees for overtime hours as required by law. Cross Country has acted neither in good faith nor with reasonable grounds to believe that its actions and omissions were not a violation of California law. Cross Country's unlawful conduct was willful because, among other reasons described herein, Cross Country knew or should have known that it was not correctly calculating the regular rate of pay or overtime wages of Plaintiffs and Aggrieved Employees.

45. Cross Country classified this form of Plaintiffs' compensation as expense reimbursement to avoid paying payroll taxes on these wages and to avoid paying materially increased overtime rates, particularly given that many travel nurses (including Plaintiffs) are guaranteed more than 8 hours in a single workday and more than 40 hours per week.

46. Cross Country's course of conduct described herein violated the Labor Code and applicable Wage Orders by improperly excluding from its employees' regular rate certain forms of compensation, including stipends and allowances, thereby resulting in unpaid overtime owed to Plaintiffs and Aggrieved Employees. Cross Country maintains a uniform, company-wide policy and practice of miscalculating the overtime rate of Plaintiff and Aggrieved Employees, and said policy is willful in nature and not the result of a good faith mistake.

C. Cross Country's Other Violations of Labor Code

47. Labor Code § 204 establishes the fundamental right of all employees in the State of California to be paid all wages due in a timely fashion for their work. And under Labor Code § 201 (discharge or lay-off) and/or § 202 (resignation), Plaintiffs and Aggrieved Employees who are former Cross Country employees are entitled to timely payment of all wages earned and unpaid,

immediately upon the conclusion of their contracts (discharge), termination of their contracts (lay-off), or within 72 hours of notice (resignation).

48. Cross Country's failure to pay Plaintiffs and Aggrieved Employees the contracted-for wages for each hour worked, and proper overtime compensation of 1.5 or 2 times the correctly-calculated regular rate for every hour worked, means that Cross Country also fails to make timely payment of the wages earned on regular paydays, in violation of Labor Code § 204, and fails to make timely payment of the wages earned when Plaintiffs and Aggrieved Employees stop working for Cross Country due to discharge, layoff or resignation, in violation of Labor Code §§ 201 and 202.

49. Cross Country willfully refused to pay Aggrieved Employees all wages earned and unpaid at the time of their termination/resignation or within 72 hours thereafter in violation of its obligations under Labor Code §§ 201 and 202 and continues to refuse to pay Aggrieved Employees all wages earned, including overtime compensation.

50. Labor Code § 226 requires employers to provide employees, on each payday, itemized statements showing, among other things: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee, (8) the name and address of the legal entity that is the employer and, (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

51. Cross Country's failure to pay Plaintiffs and Aggrieved Employees the contracted-for wages for each hour worked, and the proper overtime rate for each hour worked, means that Cross Country violated Labor Code § 226 by failing to provide proper itemized statements; in particular, the itemized statements failed to set forth all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

52. In committing such violations, Cross Country has acted neither in good faith nor with reasonable grounds to believe that its actions and omissions were not a violation of California law. Cross Country's unlawful conduct was willful because, among other reasons described herein,

Cross Country purposefully and knowingly reduced the contracted-for rate of pay after inducing Plaintiffs and Aggrieved Employees to travel to or within California as a travel nurse for Cross Country and purposefully and knowingly underpaid overtime. Cross Country's compensation system clearly violates the California Labor Code such that any belief by Cross Country that wages were not owed to Plaintiffs and Aggrieved Employees would be objectively unreasonable and in bad faith. Despite the ability to make such payment, Cross Country maintained customs, policies, practices, procedures, and routines incompatible with the requirements of the Labor Code.

53. Cross Country violated Labor Code §§ 1174 and 1175 by knowingly, intentionally, willfully, and unlawfully failing to provide Plaintiffs and Aggrieved Employees with timely and accurate wage statements in violation of Labor Code § 226.

54. As a direct and proximate result, Plaintiffs and Aggrieved Employees have suffered damages. Among other things, Cross Country's failure to provide accurate wage statements required for employees was in furtherance of Cross Country's above-described scheme to pay overtime to Plaintiffs and Aggrieved Employees at unlawfully low rates that did not include all compensation in calculating the regular rate. Cross Country's wage statement failures caused and will cause Plaintiffs and Aggrieved Employees extra work and effort to determine their true wages.

55. Cross Country has also required Plaintiffs and Aggrieved Employees to cover – out of their own pockets – certain expenses flowing directly from their duties as travel nurses. For instance, Plaintiffs are required to pay out-of-pocket for lodging, traveling, mileage, etc. Pursuant to Labor Code § 2802, employers must indemnify their employees for "all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties." Cross Country did not do so, and is therefore liable for civil penalties pursuant to Labor Code § 2698 et seq.

56. In addition, pursuant to Labor Code § 2800, "[a]n employer shall in all cases indemnify his employee for losses caused by the employer's want of ordinary care." Cross Country here failed to use ordinary care in, inter alia, breaching material terms in Plaintiffs' employment agreements, failing to exercise good faith and fair dealing pursuant to a contractual agreement, and engaging in negligent misrepresentation. These failures resulted in losses to Plaintiffs and

Aggrieved Employees, which Cross Country has not indemnified. Cross Country is therefore liable for civil penalties pursuant to Labor Code § 2698 et seq.

D. Cross Country and Travel Staff's Joint Employment

57. As alleged above, Cross Country and its wholly-owned subsidiary Travel Staff are alter egos of one another and should be considered the same corporate entity for purposes of this litigation.

58. To the extent the Court finds that Cross Country and Travel Staff should be treated as separate entities, both entities jointly employed Plaintiffs and other similarly situated travel nurses within the meaning of the FLSA and state law.

59. Travel Staff acknowledges employing Plaintiffs and similarly situated travel nurses. Due to the pervasive control Cross Country exercised over the terms and conditions of the employment of Plaintiffs and similarly situated travel nurses, Cross Country jointly employed these workers along with Travel Staff.

60. Upon information and belief, Cross Country controls all aspects of Travel Staff's business. Plaintiffs and similarly situated employees, Cross Country controls the employment relationship as a matter of economic reality. Cross Country instructs Travel Staff (to the extent there is a difference between the two) on how and when to execute employment policies. Travel Staff must and do follow Cross Country's operational instructions. Due to the pervasive control Cross Country both possesses and exercises over the employees at Travel Staff (both directly and indirectly), Cross Country is a joint employer of Plaintiffs and all other similarly situated travel nurses.

61. Upon information and belief, Cross Country maintains complete control over the policies and procedures for employees at Travel Staff.

62. Upon information and belief, at all relevant times, Cross Country, with and through Travel Staff (to the extent there is even a difference between the two), jointly employed Plaintiffs (and other similarly situated travel nurses) because:

a. Cross Country had the right to and did exercise control over the hiring and firing of Plaintiffs and all other similarly situated travel nurses;

b. Cross Country had the right to and did supervise the work schedules, conditions of employment, and the manner in which Plaintiffs and all other similarly situated travel nurses performed their jobs;

c. Cross Country had the right to and did determine the rate and method of payment for Plaintiffs and all other similarly situated travel nurses; and

d. Cross Country was primarily responsible for and did maintain the employment records for Plaintiffs and all other similarly situated employees.

63. To the extent Cross Country and Travel Staff are not alter egos of one another, Cross Country and Travel Staff jointly employed Plaintiffs and all similarly situated travel nurses.

FIRST CAUSE OF ACTION: ENFORCEMENT OF THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004

64. Plaintiffs reallege and incorporate by reference, as though fully set forth herein, the prior paragraphs of this Complaint.

65. Under Labor Code § 2699(a), any provision of the Labor Code "that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in 2699.3."

66. At all relevant times, Plaintiffs and Aggrieved Employees are aggrieved employees within the meaning of Labor Code § 2699(c) because they were employed by Cross Country and suffered one or more of the alleged Labor Code violations committed by Cross Country.

67. Plaintiffs bring this PAGA action on behalf of the State of California with respect to themselves and all Aggrieved Employees employed by Cross Country during the PAGA Period.

68. This action involves allegations of violations of provisions of the Labor Code that provide for a civil penalty to be assessed and collected by the LWDA.

69. Under Cal. Lab. Code § 2699.3, Plaintiffs gave written notice by online submission to the LWDA on August 15, 2022 and July 27, 2023, and by certified mail to Cross Country of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations,[4] and the LWDA did not provide notice to Plaintiffs that it intends to investigate the alleged violations.

70. Under Cal. Lab. Code §§ 2698-2699.5, Plaintiffs, as representatives of the State of California and on behalf of themselves and all other similarly Aggrieved Employees, seek to recover civil penalties, including but not limited to penalties under §§ 210, 558, 1197.1, and 2699 for Cross Country's violation of the following Labor Code sections:

a. Unlawful solicitation of employees by misrepresentation in violation of Cal. Lab. Code § 970;

b. Unlawful failure to pay overtime in violation of Cal. Lab. Code § 510;

c. Unlawful failure to make timely payment of all wages in violation of Cal. Lab. Code §§ 201, 202, and/or 204;

d. Unlawful failure to furnish accurate wage statements in violation of California Labor Code §§ 226, 1174, and 1175;

e. Unlawful failure to indemnify employees for expenses and losses in violation of Cal. Lab. Code § 2802; and

f. Unlawful failure to indemnify employees for want of ordinary care in violation of Cal. Lab. Code § 2800.

71. Cal. Lab. Code § 2699(f)(2) provides a general penalty "[f]or all provisions of this code except those for which a civil penalty is specifically provided, there is established a civil penalty for a violation of these provisions" of "one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation and two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation."

[4] *See* Ex. 1 (PAGA Notice) and Ex. 2 (Amended PAGA Notice).

72. Cal. Lab. Code § 210(a)(1)-(2) provides for § 204 violations, that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who fails to pay the wages of each employee . . . shall be subject to a penalty as follows: (1) For any initial violation, one hundred dollars ($100) for each failure to pay each employee[; and] (2) [f]or each subsequent violation, or any willful or intentional violation, two hundred dollars ($200) for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld."

73. Cal. Lab. Code § 558(a)(1)-(3) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages[;] (2) [f]or each subsequent violation, one hundred dollars ($100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages[; and] (3) [w]ages recovered pursuant to this section shall be paid to the affected employee." See also Cal. Lab. Code § 558(d) ("The civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.").

74. Plaintiffs and Aggrieved Employees are entitled to an award of costs and reasonable attorney's fees under PAGA and additional relief as described herein and permitted by law.

REQUEST FOR RELIEF

75. Plaintiffs, individually and on behalf of all others similarly situated, respectfully request that the Court enter judgment in their favor and against Cross Country as follows:

76. That the Court award Plaintiffs, Aggrieved Employees, and the State of California PAGA penalties to the extent permitted by law and in an amount to be determined at trial;

77. That the Court award to Plaintiffs the costs and disbursements of the action, along with reasonable attorneys' fees, costs, and expenses as provided by law;

78. That the Court award pre-and post-judgment interest at the maximum legal rate;

79. That the Court grant all such other relief as it deems just and proper.

Dated: December 13, 2023

Respectfully submitted,

ALTSHULER BERZON LLP
Eve H. Cervantez
Robin S. Tholin

STUEVE SIEGEL HANSON LLP
George A. Hanson
J. Austin Moore
Alexander T. Ricke
K. Ross Merrill

By: *_/s/ Eve H. Cervantez_*__________

Attorneys for Plaintiffs Summers and Feldenheimer

EXHIBIT 1

Jason Hartley
hartley@hartleyllp.com

101 West Broadway, Suite 820
San Diego, CA 92101
Phone: (619) 400-5822
Fax: (619) 400-5832

August 16, 2022

VIA ELECTRONIC SUBMISSION

California Labor and Workforce
Development Agency
Attn: PAGA Administrator
800 Capitol Mall, Suite 5000
Sacramento, CA 95814

VIA CERTIFIED MAIL

Cross Country Healthcare, Inc.
6551 Park of Commerce Boulevard
Boca Raton, Florida 33487

Re: PAGA Notice Pursuant to California Labor Code § 2699.3

Dear PAGA Administrator,

The law firms of Hartley LLP and Stueve Siegel Hanson LLP represent Sandra Summers, who has worked within California as a travel nurse for Cross Country Healthcare, Inc. ("Employer"). Pursuant to California Labor Code § 2699.3(a) and (c), this letter shall serve as notice of Employer's violations of the California Labor Code and related regulations arising out of Employer's unlawful conduct with respect to its employment of Ms. Summers and other aggrieved employees. These violations give rise to civil penalties under California Labor Code § 2698, *et seq*. The Labor and Workforce Development Agency ("LWDA") may pursue legal redress, including civil and statutory penalties, against Employer for its violations of California's labor laws. If the LWDA elects not to pursue its own action, Ms. Summers, on behalf of herself and other aggrieved employees, may seek redress against Employer under the California Private Attorneys General Act of 2004 ("PAGA"). Ms. Summers respectfully requests that the LWDA notify undersigned counsel as to whether it intends to investigate Employer's alleged violations so that she can include the LWDA's findings in her action should the Agency decline to proceed.

FACTS, THEORIES, AND ALLEGED VIOLATIONS

Employer is a travel nursing agency, whose business involves placing nurses on short-term assignments at various work sites throughout the country. Hospitals and other healthcare facilities use travel nurses as a remedy to staff shortages, which have been severely exacerbated by the COVID-19 pandemic and its aftermath. In that way, travel nurses have played a vital role in keeping the healthcare system afloat. But traveling requires significant sacrifices from the nurses themselves, including leaving existing employment, traveling hundreds or thousands of miles away from their homes to an unfamiliar location and work environment, securing short-term housing, and bearing significant moving-related expenses.

To induce nurses to take on these roles, staffing agencies like Employer offer guaranteed pay rates, along with minimum hours during a specified date range. Employer offered Ms. Summers a contract providing that she would be paid $76.42 per hour and guaranteed 36 hours per week at John Muir Medical Center in Walnut Creek, California. The assignment was scheduled to commence on March 29, 2022, and end on June 25, 2022. In reliance on Employer's contractual promises, Ms. Summers forwent other employment opportunities, traveled from Maryland to California at her own expense, and secured short-term living arrangements for the duration of her assignment. But Employer had no intention of honoring its commitment. Partway through the assignment, Employer informed Ms. Summers that it intended to reduce her hourly rate from $76.42 to $59.46 and her overtime rate from $114.53 to $89.19 – a pay cut of approximately 22%. Ms. Summers had little choice but to continue the assignment at the lower rate.

Employer knew that, once Ms. Summers had moved away from her home and systems of support, it held all the cards in forcing a pay rate reduction in violation of its contractual obligations. This sort of fraudulent inducement is endemic in the travel nursing industry and serves as a means for companies like Employer to reduce labor costs and increase their own profits. Upon information and belief, Employer has subjected thousands of other aggrieved employees to similar misconduct.

Unlawful Solicitation of Employees By Misrepresentation in Violation of California Labor Code § 970

Under California Labor Code § 970, it is unlawful for an employer to "influence, persuade, or engage any person to change from one place to another in this State or from any place outside to any place within the State, or from any place within the State to any place outside, for the purpose of working in any branch of labor, through or by means of knowingly false representations" concerning . . . "[t]he length of time such work will last, or the compensation therefor." As described above, Employer made knowingly false representations concerning the compensation for nursing assignments to Ms. Summers and other aggrieved employees, thereby inducing them to travel for work. This violation of California Labor Code § 970 gives rise to civil penalties pursuant to California Labor Code § 2698, *et seq*.

Unlawful Failure to Make Timely Payment of All Wages Due Upon Termination in Violation of California Labor Code §§ 201, 202, 203, and/or 204

Employer's failure to pay Ms. Summers and other aggrieved employees for every hour worked at the agreed-upon hourly rate stated in their written employment contracts resulted in Employer failing to make timely payment of the wages aggrieved employees earned on regular paydays, in violation of California Labor Code § 204, and timely payment of the wages aggrieved employees earned when they stopped working for Employer due to discharge, layoff or resignation, in violation of California Labor Code §§ 201, 202, and/or 203. These violations give rise to civil penalties pursuant to California Labor Code § 2698, *et seq*.

Failure to Indemnify Employees for Expenses and Losses in Violation of California Labor Code § 2802

Employer required Ms. Summers and other aggrieved employees to pay Employer's business expenses, each of which flow directly from the nurses' work on behalf of the Employer and which inure to the benefit of the Employer. And though Employer reimbursed Ms. Summers and other employees for *some* of their travel costs, Ms. Summers incurred travel expenses which were not reimbursed. Pursuant to California Labor Code § 2802, employers must indemnify their employees for "all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties." Employer did not do so, and is therefore liable for civil penalties pursuant to California Labor Code § 2698 *et seq*.

Failure to Indemnify Employees for Want of Ordinary Care in Violation of California Labor Code § 2800

Pursuant to Labor Code § 2800, "[a]n employer shall in all cases indemnify his employee for losses caused by the employer's want of ordinary care." As noted above, Ms. Summers asserts that Employer's failure to honor the contract was purposeful and fraudulent. However, in the alternative, it was at least negligent. For example, Employer failed to use ordinary care in, *inter alia*, omitting material terms in proffering employment agreements, failing to exercise good faith and fair dealing pursuant to a contractual agreement, and engaging in negligent misrepresentation. These failures resulted in losses to Ms. Summers and other aggrieved employees, which Employer has not indemnified. Employer is therefore liable for civil penalties pursuant to California Labor Code § 2698 *et seq*.

Conclusion

Should the LWDA decline to proceed in this matter, Ms. Summers intends to seek all civil penalties, interest, and attorney's fees permitted under the California Labor Code for these violations. Should you require anything further or have additional questions, please do not hesitate to contact us.

Very truly yours,

Jason S. Hartley

EXHIBIT 2

July 27, 2023

VIA ELECTRONIC SUBMISSION

California Labor and Workforce
Development Agency
Attn: PAGA Administrator
800 Capitol Mall, Suite 5000
Sacramento, CA 95814

VIA CERTIFIED MAIL

Cross Country Healthcare, Inc.
6551 Park of Commerce Boulevard
Boca Raton, Florida 33487

Re: Amended PAGA Notice Pursuant to California Labor Code § 2699.3

Dear PAGA Administrator,

The law firm Stueve Siegel Hanson LLP represent Sandra Summers and Dariia Feldenheimer ("Claimants"), who both worked in California as travel nurses for Cross Country Healthcare, Inc. ("Employer"). Pursuant to California Labor Code § 2699.3(a) and (c), this letter shall serve as notice of Employer's violations of the California Labor Code and related regulations arising out of Employer's unlawful conduct with respect to its employment of Claimants and other aggrieved employees. These violations give rise to civil penalties under California Labor Code § 2698, *et seq*.

Ms. Summers previously submitted a PAGA Notice detailing some of these issues on August 15, 2022. The Labor and Workforce Development Agency ("LWDA") may pursue legal redress, including civil and statutory penalties, against Employer for its violations of California's labor laws. The LWDA did not do so with respect to Ms. Summers' earlier PAGA Notice. If the LWDA elects not to pursue its own action, Claimants, on behalf of herself and other aggrieved employees, may seek redress against Employer under the California Private Attorneys General Act of 2004 ("PAGA"). Claimants respectfully request that the LWDA notify undersigned counsel as to whether it intends to investigate Employer's alleged violations so that they can include the LWDA's findings in her action should the Agency decline to proceed.

FACTS, THEORIES, AND ALLEGED VIOLATIONS

Employer is a travel nursing agency, whose business involves placing nurses on short-term assignments at various work sites throughout the country. Hospitals and other healthcare facilities use travel nurses as a remedy to staff shortages, which have been severely exacerbated by the COVID-19 pandemic and its aftermath. In that way, travel nurses have played a vital role in keeping the healthcare system afloat. But traveling requires significant sacrifices from the nurses themselves, including leaving existing employment, traveling hundreds or thousands of miles away from their homes to an unfamiliar location and work environment, securing short-term housing, and bearing significant moving-related expenses. To induce nurses to take on these roles, staffing agencies like Employer offer guaranteed pay rates, along with minimum hours during a specified date range.

Sandra Summers

For instance, on or about March 23, 2022, Employer offered Ms. Summers a contract providing that she would be paid $76.42 per hour plus a weekly stipend amount, for a guaranteed 36 hours per week at John Muir Medical Center in Walnut Creek, California. The assignment was scheduled from March 29, 2022 to June 25, 2022. In reliance on Employer's contractual promises, Ms. Summers forwent other employment opportunities, traveled from Maryland to California at her own expense, and secured short-term living arrangements for the duration of her assignment. But Employer had no intention of honoring its commitment. Employer intended to implement, or is in the pattern and practice of implementing, mid-contract rate or hour reductions—that is, Employer, after an aggrieved employee signs their contract and acts in reliance on it, gives a take-it-or-leave it demand to accept less pay or be terminated. Partway through the assignment, on or about May 27, 2022, Employer informed Ms. Summers that it intended to reduce her hourly rate from $76.42 to $59.46 and her overtime rate from $114.53 to $89.19 – a pay cut of approximately 22%. Ms. Summers had little choice but to continue the assignment at the lower rate.

Dariia Feldenheimer

Similarly, after completing a prior contract, on or about February 12, 2021, Employer offered Ms. Feldenheimer a contract providing that she would be paid $67.33 per hour plus a weekly stipend amount, for a guaranteed 36 hours per week at John Muir Medical Center in Concord, California. The assignment was scheduled from February 15, 2021 to May 15, 2021. In reliance on Employer's contractual promises, Ms. Feldenheimer forwent other employment opportunities, she had already traveled from Washington to California at her own expense, and secured short-term living arrangements for the duration of her assignment. But Employer had no intention of honoring its commitment. Employer intended to implement, or is in the pattern and practice of implementing, mid-contract rate or hour reductions—that is, Employer, after an aggrieved employee signs their contract and acts in reliance on it, gives a take-it-or-leave it demand to accept less pay or be terminated. Partway through that assignment, on or about April 13, 2021, Employer informed Ms. Feldenheimer that it intended to reduce her hourly rate from $67.33 to $49.58 and her overtime rate from $101 to $74.35 – a pay cut of approximately 26%. Ms. Feldenheimer had little choice but to continue the assignment at the lower rate.

Employer knew that, once travel nurses had moved away from their home and systems of support, it held all the cards in forcing a pay rate reduction in violation of its contractual obligations. This sort of fraudulent inducement is endemic in the travel nursing industry and serves as a means for companies like Employer to reduce labor costs and increase their own profits. Upon information and belief, Employer has subjected thousands of other aggrieved employees to similar misconduct.

In addition, Employer is underpaying its travel employees for overtime hours worked. By law, employers like Employer must pay their employees one-and-a-half times their "regular rate" for all hours worked over forty in a workweek or over eight or 12 hours in single workday. But in determining this "regular rate," Employer has only included its employees' direct hourly cash wage among other items and has excluded, in violation of the law, other parts of its employees' compensation packages (for example, compensation styled as "stipends" that are not true stipends but rather payments tied to hours worked), thereby resulting in an artificially low rate of pay for overtime hours worked.

Unlawful Solicitation of Employees By Misrepresentation in Violation of California Labor Code § 970

Under California Labor Code § 970, it is unlawful for an employer to "influence, persuade, or engage any person to change from one place to another in this State or from any place outside to any place within the State, or from any place within the State to any place outside, for the purpose of working in any branch of labor, through or by means of knowingly false representations" concerning . . . "[t]he length of time such work will last, or the compensation therefor." As described above, Employer made knowingly false representations concerning the compensation for nursing assignments to Ms. Summers and other aggrieved employees, thereby inducing them to travel for work. This violation of California Labor Code § 970 gives rise to civil penalties pursuant to California Labor Code § 2698, *et seq*.

Failure to Indemnify Employees for Expenses and Losses in Violation of California Labor Code § 2802

Employer required Ms. Summers and other aggrieved employees to pay Employer's business expenses, each of which flow directly from the nurses' work on behalf of the Employer and which inure to the benefit of the Employer. And though Employer reimbursed Ms. Summers and other employees for *some* of their travel costs, Ms. Summers incurred travel expenses which were not reimbursed. Pursuant to California Labor Code § 2802, employers must indemnify their employees for "all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties." Employer did not do so, and is therefore liable for civil penalties pursuant to California Labor Code § 2698 *et seq.*

Failure to Indemnify Employees for Want of Ordinary Care in Violation of California Labor Code § 2800

Pursuant to Labor Code § 2800, "[a]n employer shall in all cases indemnify his employee for losses caused by the employer's want of ordinary care." As noted above, Ms. Summers asserts that Employer's failure to honor the contract was purposeful and fraudulent. However, in the alternative, it was at least negligent. For example, Employer failed to use ordinary care in, *inter alia*, omitting material terms in proffering employment agreements, failing to exercise good faith and fair dealing pursuant to a contractual agreement, and engaging in negligent misrepresentation. These failures resulted in losses to Ms. Summers and other aggrieved employees, which Employer has not indemnified. Employer is therefore liable for civil penalties pursuant to California Labor Code § 2698 *et seq.*

Failure to Pay Overtime Premium in Violation of California Labor Code §§ 510, 1194

IWC Wage Order No. 4-2001 applies to Claimants' employment with Employer, and no exemptions apply. California Labor Code § 1198 provides that it is unlawful to employ persons for longer than the hours set by the IWC without just compensation. All Claimants worked in excess of 8 and 12 hours in a single day, in excess of 40 hours in a week and also worked in excess of 8 and 12 hours on the seventh day of work. All Claimants regularly worked time for which they were owed overtime or double time as provide by California law; however, Employer paid them based on an unlawful regular rate of pay. The regular rate of pay did not include weekly wages that Employer referred to as "stipends." Employer violated California law, in relevant part, by failing to compensate Claimants for overtime wages as required by California Labor Code §§ 510, 1194; 8 C.C.R. § 11040; and IWC Wage Order 4-2001. Employer violated California law, in relevant part, by willfully failing to compensate Claimants for overtime hours as required by law. Employer has acted neither in good faith nor with reasonable grounds to believe that its actions and omissions were not a violation of California law. Employer's unlawful conduct was willful because, among other reasons described herein, Employer knew or should have known that it was not correctly calculating the regular rate of pay or overtime wages of Claimants. *See, e.g.*, *Clarke v. AMN Servs., LLC*, 987 F.3d 848 (9th Cir.), *cert. denied*, 211 L. Ed. 2d 400, 142 S. Ct. 710 (2021).

Failure to Furnish Accurate Wage Statements in Violation of California Labor Code §§ 226, 1174, 1175

California Labor Code § 226 requires employers to provide employees, on each payday, itemized statements showing, among other things: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee, (8) the name and address of the legal entity that is the employer and, (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Employer willfully violated its obligations under California law, including those under California Labor Code §§ 226(a), *et seq.*, by knowingly and intentionally failing to provide Claimants with timely and accurate wage statements. Employer violated California Labor Code §§ 1174 and 1175 by knowingly, intentionally, and unlawfully failing to provide Claimants with timely and accurate wage statements in violation of California Labor Code § 226. As a direct and proximate result, Claimants have suffered damages. Among other things, Employer's failure to provide accurate wage statements required for employees was in furtherance of Employer's above-described scheme to pay overtime to Claimants at unlawfully low rates that did not include all necessary wages. Employer's wage statement failures caused and will cause Claimants extra work and effort to determine their true wages.

Unlawful Failure to Make Timely Payment of All Wages Due Upon Termination in Violation of California Labor Code §§ 201, 202, 203, and/or 204

Employer's failure to pay Claimants and other aggrieved employees for every hour worked or contracted for at the agreed-upon hourly rate stated in their written employment contracts, as well as Employer's failure to pay Claimants the proper rate of overtime pay, resulted in Employer failing to make timely payment of the wages aggrieved employees earned on regular paydays, in violation of California Labor Code § 204, and timely payment of the wages aggrieved employees earned when they stopped working for Employer due to discharge, layoff or resignation, in violation of California Labor Code §§ 201, 202, and/or 203. These violations give rise to civil penalties pursuant to California Labor Code § 2698 *et seq.*

Conclusion

Should the LWDA decline to proceed in this matter, Claimants intends to seek all civil penalties, interest, and attorney's fees permitted under the California Labor Code for these violations. Should you require anything further or have additional questions, please do not hesitate to contact us.

Sincerely,

Alexander T. Ricke