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As a Private Attorney General on Behalf of the State of California

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA**

Wesley Hunter, as a Private Attorney
General on behalf of the State of California,

Plaintiff,

vs.

Pre-Paid Legal Services, Inc.; Pre-Paid
Legal Access, Inc.; Pre-Paid Legal
Casualty, Inc.; Pre-Paid Legal Services, Inc.
of Florida; Legal Service Plans of Virginia,
Inc.; Ada Travel Service, Inc.; PPL Legal
Care of Canada Corporation; Warren
Schlichting; and Does 1-20, inclusive,

Defendants.

Case No.: **25CV136254**

REPRESENTATIVE ACTION COMPLAINT
FOR:

VIOLATION OF THE CALIFORNIA LABOR
CODE PRIVATE ATTORNEYS GENERAL
ACT OF 2004 (CAL. LABOR CODE §§ 2698,
ET SEQ.)

1 Plaintiff Wesley Hunter, as a Private Attorney General on behalf of the State of
2 California, hereby alleges as follows:

3 **NATURE OF ACTION AND INTRODUCTORY STATEMENT**

4 1. Plaintiff brings this representative action against Defendant Pre-Paid Legal
5 Services, Inc. d/b/a LegalShield (“Defendant LegalShield”), Defendant Pre-Paid Legal Access,
6 Inc., Defendant Pre-Paid Legal Casualty, Inc., Defendant Pre-Paid Legal Services, Inc. of
7 Florida, Defendant Legal Service Plans of Virginia, Inc., Defendant Ada Travel Service, Inc.,
8 Defendant PPL Legal Care of Canada Corporation, Defendant Warren Schlichting, and Does 1
9 through 20, inclusive (collectively, “Defendants”), in his representative capacity as a Private
10 Attorney General on behalf of the State of California. Plaintiff seeks to recover civil penalties for
11 all California-based aggrieved employees during the “Relevant Time Period” (defined as one
12 year and sixty-five days before the filing of this action until the date of commencement of trial)
13 who incurred wage and hour violations and losses as hereinafter described.

14 2. Defendant LegalShield is an Oklahoma corporation headquartered in Ada,
15 Oklahoma with operations throughout California selling pre-paid legal service plans to California
16 citizens through a multi-level marketing program that incentivizes Defendants’ workers to sell
17 pre-paid legal service plans by paying commissions on a worker’s own sales and also on those
18 of any new salespeople who the worker recruits for Defendants.

19 3. Defendant Pre-Paid Legal Access, Inc. is an Oklahoma corporation headquartered
20 in Ada, Oklahoma.

21 4. Defendant Pre-Paid Legal Casualty, Inc. is an Oklahoma corporation
22 headquartered in Ada, Oklahoma.

23 5. Defendant Pre-Paid Legal Services, Inc. of Florida is an Florida corporation
24 headquartered in Ada, Oklahoma.

25 6. Defendant Legal Service Plans of Virginia, Inc. is an Virginia corporation
26 headquartered in Ada, Oklahoma.

27 7. Defendant Ada Travel Service, Inc. is an Oklahoma corporation headquartered in
28 Ada, Oklahoma.

1 8. Defendant PPL Legal Care of Canada Corporation is a Canadian corporation
2 headquartered in Vancouver, Canada.

3 9. Defendant Warren Schlichting is an individual who is the Chief Executive Officer
4 of Pre-Paid Legal Services, Inc. d/b/a LegalShield.

5 10. On April 30, 2025, Plaintiff gave notice of these claims to the California Labor
6 and Workforce Development Agency (“LWDA”) and to the agent for service of process for each
7 of the Defendants. Plaintiff has not received a response from the LWDA indicating that it intends
8 to investigate these claims. Accordingly, Plaintiff has exhausted all notice requirements under
9 the Private Attorneys General Act of 2004 (“PAGA”). Plaintiff asserts claims for civil penalties
10 as a representative of the State of California, as authorized by the PAGA, and to the extent
11 permitted by law, on behalf of aggrieved employees who held the positions identified herein and
12 suffered one or more of the violations alleged. Labor Code §§ 2698, *et seq.*

13 11. Through this action, Plaintiff alleges that Defendants have engaged in a
14 systematic pattern of wage and hour violations under the California Labor Code and IWC Wage
15 Orders.

16 12. Plaintiff is informed and believes, and thereon alleges, during the Relevant Time
17 Period, Defendants had a consistent policy of violating state wage and hour laws by, among other
18 things:

- 19 (a) Defendants misclassified aggrieved employees as independent contractors;
- 20 (b) Failing to pay all wages for all hours worked, including minimum, regular, and
21 overtime wages;
- 22 (c) Failing to provide legally compliant off-duty meal periods or compensation in
23 lieu thereof;
- 24 (d) Failing to provide legally compliant duty-free rest breaks or provide
25 compensation in lieu thereof;
- 26 (e) Failing to indemnify all reasonable and necessary business expenses;
- 27 (f) Failing to provide accurate, itemized wage statements;
- 28 (g) Failing to pay all wages due upon termination or separation of employment; and

1 (h) Failing to timely maintain and produce all payroll, time and personnel records.

2 13. Plaintiff brings this representative action seeking monetary relief against
3 Defendants on behalf of the aggrieved employees to recover, among other things, penalties,
4 attorney's fees, costs and expenses pursuant to the PAGA.

5 **JURISDICTION AND VENUE**

6 14. The monetary relief sought by Plaintiff exceeds the minimal jurisdictional limits
7 of the Superior Court and will be established according to proof at trial.

8 15. The Superior Court has jurisdiction over this action pursuant to the California
9 Constitution, Article VI, § 10, which grants the Superior Court original jurisdiction in all causes,
10 except those given by statutes to other courts. The statutes under which this action is brought do
11 not specify any other basis for jurisdiction.

12 16. The Superior Court has jurisdiction over all Defendants because, upon
13 information and belief, Defendants transact business and have offices in this county, acts and
14 omissions alleged herein took place in this county and Defendants intentionally avail themselves
15 of the California market so as to render the exercise of jurisdiction over them by the California
16 courts consistent with traditional notions of fair play and substantial justice. Further, Defendants
17 failed to file and obtain a certificate of qualification and designate its principal place of business
18 in California. As a foreign limited liability company that is not qualified to do business in
19 California, it may be sued in any county in the state. *Easton v. Superior Court*, 12 CA3d 243, 90
20 CR 642 (1970).

21 **THE PARTIES**

22 17. Plaintiff is a citizen of California and was employed by Defendants in California
23 during the Relevant Time Period as alleged herein.

24 18. Plaintiff is informed and believes, and thereon alleges, that Defendant
25 LegalShield was and is an Oklahoma corporation doing business throughout the State of
26 California, and at all times hereinafter mentioned, was and is an employer as defined in and
27 subject to the California Labor Code and Industrial Welfare Commission ("IWC") Wage Orders,
28 whose employees are and were engaged throughout this county and the State of California.

1 19. Plaintiff is unaware of the true names or capacities of the defendants sued herein
2 under the fictitious names DOES 1 through 20, but will seek leave of this Court to amend this
3 Complaint and serve such fictitiously named defendants once their names and capacities become
4 known.

5 20. Plaintiff is informed and believes and thereon alleges, that DOES 1 through 20
6 are or were the partners, agents, owners, shareholders, managers, or employees of Defendants at
7 all relevant times.

8 21. Plaintiff is informed and believes, and thereon alleges, that each and all of the acts
9 and omissions alleged herein were performed by, or are attributable to, Defendant LegalShield,
10 Defendant Pre-Paid Legal Access, Inc., Defendant Pre-Paid Legal Casualty, Inc., Defendant Pre-
11 Paid Legal Services, Inc. of Florida, Defendant Legal Service Plans of Virginia, Inc., Defendant
12 Ada Travel Service, Inc., Defendant PPL Legal Care of Canada Corporation, Defendant Warren
13 Schlichting, and/or DOES 1 through 20, acting as the agent or alter ego for the other, with legal
14 authority to act on the other's behalf. The acts of any and all Defendants were in accordance with,
15 and represent, the official policy of Defendants.

16 22. Plaintiff is informed and believes and thereon alleges, that each of the Defendants
17 is in some manner intentionally, negligently, or otherwise responsible for the acts, omissions,
18 occurrences, and transactions alleged herein.

19 **GENERAL ALLEGATIONS**

20 23. At all relevant times mentioned herein, Defendants employed Plaintiff and other
21 persons as non-exempt employees.

22 24. Defendants employed Plaintiff during the Relevant Time Period.

23 25. Plaintiff is informed and believes, and thereon alleges, that at all times mentioned
24 herein, Defendants were advised by skilled lawyers, employees, and other professionals who
25 were knowledgeable about California's wage and hour laws, employment and personnel
26 practices, and the requirements of California law.

27 26. Through this action, Plaintiff alleges Defendants have engaged in a systematic
28 pattern of wage and hour violations under the California Labor Code and IWC Wage Orders.

1 27. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
2 should have known that Plaintiff and aggrieved employees were entitled to receive wages for all
3 hours worked and that they were not receiving all wages earned for work that was required to be
4 performed. In violation of the Labor Code and IWC Wage Orders, Plaintiff and aggrieved
5 employees were not paid wages (including minimum wages and overtime wages) when
6 Defendants required Plaintiff and aggrieved employees to work off-the-clock. For example,
7 Plaintiff regularly worked through his unpaid meal break, including by spending his meal break
8 engaged in marketing and selling pre-paid legal service plans to California citizens and in
9 recruiting new salespeople to work for Defendants.

10 28. Plaintiff is informed and believes, and thereon alleges, Defendants failed to
11 provide Plaintiff and aggrieved employees timely, uninterrupted, off-duty meal periods of no
12 less than thirty minutes for each period of five hours worked. Plaintiff and aggrieved employees
13 would also often be required to work through meal periods, would be otherwise interrupted
14 during their meal period, or would take late meal periods without being paid meal period
15 premiums at the regular rate in lieu. These policies, among others, have resulted in a denial of
16 these employees' rights to 30-minute meal periods in violation of California law.

17 29. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
18 should have known that Plaintiff and aggrieved employees were entitled to receive all required
19 meal periods or payment of one (1) additional hour of pay at Plaintiff and aggrieved employees'
20 regular rate of pay when they did not receive a timely meal period. In violation of the Labor
21 Code and IWC Wage Orders, Plaintiff and aggrieved employees did not receive all timely meal
22 periods or payment of one (1) additional hour of pay at Plaintiff and aggrieved employees'
23 regular rate of pay when they did not receive a timely, uninterrupted meal periods.

24 30. Upon information and belief, Defendants failed to provide Plaintiff and aggrieved
25 employees timely, uninterrupted, on-the-clock rest periods of no less than ten minutes for every
26 four hours worked, or every major fraction thereof. Defendants also routinely failed to provide
27 Plaintiff and aggrieved employees with a second rest period for shifts lasting longer than six
28 hours, or a third rest period for shifts lasting longer than ten hours. These policies, among others,

1 have resulted in a denial of these aggrieved employees' rights to a ten-minute rest period in
2 violation of California law.

3 31. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
4 should have known that Plaintiff and aggrieved employees were entitled to receive all rest breaks
5 or payment of one (1) additional hour of pay at Plaintiff and aggrieved employees' regular rate
6 of pay when a rest break was missed. In violation of the Labor Code and IWC Wage Orders,
7 Plaintiff and aggrieved employees did not receive all rest breaks or payment of one (1) additional
8 hour of pay at Plaintiff and aggrieved employees' regular rate of pay when a rest break was
9 missed.

10 32. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
11 should have known that the aggrieved employees were entitled to reimbursement for necessary
12 expenditures incurred in connection with the performance and execution of their job duties. In
13 violation of the California Labor Code, the aggrieved employees did not receive adequate
14 reimbursement for necessary business expenses, including but not limited to reimbursement for
15 use of their personal cell phones and personal automobiles.

16 33. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
17 should have known that Plaintiff and aggrieved employees were entitled to receive itemized
18 wage statements that accurately showed their gross and net wages earned, inclusive dates of pay
19 periods, total hours worked, and all applicable hourly rates in effect and the number of hours
20 worked at each hourly rate in accordance with California law. In violation of the Labor Code,
21 Plaintiff and aggrieved employees were not provided with accurate itemized wage statements.

22 34. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or
23 should have known that Plaintiff and aggrieved employees who separated from Defendants were
24 entitled to timely payment of wages upon separation of employment. In violation of the
25 California Labor Code, Plaintiff and aggrieved employees did not receive payment of all wages
26 including, but not limited to, meal period premiums, regular, minimum, and overtime wages,
27 and paid leave within the required time during their employment and upon separation of their
28 employment.

35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff is entitled to receive a copy of his entire personnel records within 21 days of requesting to receive such records. In violation of the California Labor Code, Defendants did not timely provide Plaintiff with his personnel file upon Plaintiff's request. Furthermore, Defendants failed to produce any of Plaintiff's time records whatsoever.

36. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known they had a duty to compensate Plaintiff and aggrieved employees, and Defendants had the financial ability to pay such compensation but willfully, knowingly and intentionally failed to do so all in order to increase Defendants' profits.

FIRST CAUSE OF ACTION

ENFORCEMENT OF LABOR CODE § 2698 ET SEQ. (“PAGA”)

37. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

38. Pursuant to 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 (“LWDA”) or any of its departments, divisions, commissions, boards, agencies or employees for violation of the code may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of themselves or herself and other current or former employees pursuant to the procedures specified in Labor Code § 2699.3.

39. For all provisions of the Labor Code except those for which a civil penalty is specifically provided, Labor Code § 2699(f) imposes upon Defendants a penalty of one hundred dollars (\$100.00) for each aggrieved employee per pay period for the initial violations and two hundred dollars (\$200.000) for each aggrieved employee per pay period for each subsequent pay period in which Defendants violated these provisions of the Labor Code.

40. Labor Code section 558 subjects any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of Part 2, Chapter 1, of the Labor Code or any provision regulating hours and days of work in any IWC Wage Order to a civil penalty in the amount of \$50 for any initial violation for each pay period in which an employee

1 is underpaid in addition to an amount sufficient to recover underpaid wages, and \$100 for each
2 subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall
3 be paid to each affected employee. Labor Code section 558.1 expressly defines “employer or
4 other person acting on behalf of an employer” to include a “natural person who is an owner,
5 director, officer, or managing agent of the employer.”

6 41. Labor Code § 1197.1 states: “Any employer or other person acting either
7 individually or as an officer, agent, or employee of another person, who pays or causes to be paid
8 to any employee a wage less than the minimum fixed by an order of the commission shall be
9 subject to a civil penalty, restitution of wages, liquidated damages payable to the employee, and
10 any applicable penalties imposed pursuant to Section 203. For any initial violation that is
11 intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay
12 period for which the employee is underpaid. For each subsequent violation for the same specific
13 offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for
14 which the employee is underpaid regardless of whether the initial violation is intentionally
15 committed.”

16 42. Labor Code § 226.3 authorizes penalties of \$250 per employee per violation in an
17 initial citation and \$1,000 per employee for each violation in a subsequent citation for a private
18 employer’s failure to comply with Labor Code § 226(a).

19 43. Labor Code § 1174.5 imposes a civil penalty of \$500 for Employers’ failure to
20 maintain accurate and complete records.

21 44. Defendants’ conduct with respect to Plaintiff and other aggrieved employees
22 violates numerous Labor Code sections including, but not limited to, the following:

- 23 a. Violation of Labor Code §§ 226.8 and 2753 for willfully misclassifying an
24 individual as an independent contractor even though they should legally be
25 considered an employee potentially subjecting Defendants to a civil penalty
26 of up to fifteen thousand dollars (\$15,000) for each violation and if Defendants
27 have engaged in a pattern and practice of these violations up to twenty-five
28 thousand dollars (\$25,000) for each violation;

- b. Violation of Labor Code §§ 218, 510, 1194, 1194.2, 1197, 1197.1, 1198, and 1199(c) for failure to pay all wages for all hours worked, including minimum, regular, and overtime wages;
- c. Violation of Labor Code §§ 226.7 and 512 for failure to provide meal periods or compensation in lieu thereof;
- d. Violation of Labor Code § 226.7 for failure to authorize or permit rest breaks or provide compensation in lieu thereof;
- e. Violation of Labor Code §§ 2802, 2804, and the IWC Wage Orders for failure to reimburse for reasonable and necessary business expenses;
- f. Violation of Labor Code § 226 for failure to provide accurate, itemized wage statements;
- g. Violation of Labor Code §§ 201-204, 256, 1198, and 2699 for failure to timely pay all wages due during and upon termination of employment;
- h. Violation of Labor Code §1174 for failure to maintain time and payroll records; and
- i. Violation of Labor Code §§ 226, 1198.5, and the IWC Wage Orders for failure to produce all personnel records.

45. Plaintiff is an “aggrieved employee” because he was employed by the alleged violators and had one or more of the alleged violations committed against him, and therefore is properly suited to represent the interests of all other aggrieved employees.

46. Plaintiff has exhausted the procedural requirements under Labor Code § 2699.3 as to Defendants and is therefore able to pursue a claim for penalties on behalf of themselves and all other aggrieved employees under PAGA.

47. Pursuant to Labor Code §§ 2699(a), 2699.3 and 2699.5, Plaintiff is entitled to recover civil penalties for violations of the Labor Code sections cited above.

48. For bringing this action, Plaintiff is entitled to attorney’s fees and costs incurred herein.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff, on behalf of all other aggrieved employees, prays for judgment
3 against Defendants as follows:

- 4 1. For civil penalties against Defendants;
- 5 2. For reasonable attorney's fees and costs of suit to the extent permitted by law,
6 including pursuant to California Labor Code §§ 2699(g) and California Code of Civil Procedure
7 § 1021.5; and
- 8 3. For such other relief as the Court deems just and proper.

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10 Dated: August 8, 2025

11 **LEBE LAW, APLC**

12 By: _____

13 Jonathan M. Lebe

14 Anthony J. Lebe

15 Attorneys for Plaintiff Wesley Hunter, as a Private
16 Attorney General on behalf of the State of California

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