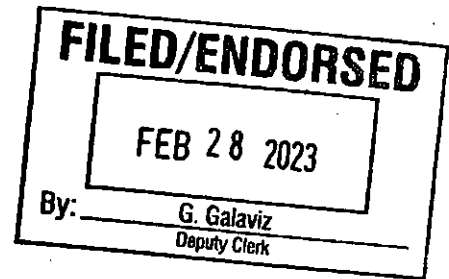


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11
12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13
14 COUNTY OF SACRAMENTO

15 KRISTAL MORRIS, individually and on
16 behalf of all others similarly situated,

17 Plaintiff,

18 v.

19 SACRAMENTO BEHAVIORAL
20 HEALTHCARE HOSPITAL, LLC,
21 SIGNATURE HEALTHCARE SERVICES,
22 LLC, VILLA OAKS, LLC doing business as
23 VILLA OAKS – SANTA ROSA, LLC,
24 VILLA OAKS – ANAHEIM, LLC, VILLA
25 OAKS – AV, LLC, VILLA OAKS –
26 BAKERSFIELD, LLC, GREEN RIVER
27 MANAGEMENT, LLC, KEBOK –
28 RANCHO ARROYO GRANDE, LLC,
VISTA LIFE PROPERTIES, LLC,
RIVERSIDE LIFE PROPERTIES, LLC,
ROSEVILLE LIFE PROPERTIES, LLC,
SAN JOSE LIFE PROPERTIES, LLC,
LIVERMORE LIFE PROPERTIES, LLC,
SOON KIM, and DOES 1 through 100,
inclusive,

Defendants.

Case No. 2022-00330937

ASSIGNED FOR ALL PURPOSES TO THE
HONORABLE JUDGE LAURI A. DAMRELL
DEPARTMENT 28

**FIRST AMENDED CLASS ACTION AND
PRIVATE ATTORNEYS GENERAL ACT
COMPLAINT FOR VIOLATIONS OF THE
LABOR CODE AND BUSINESS AND
PROFESSIONS CODE § 17200, et seq.**

DEMAND FOR JURY TRIAL

FILED AS A MATTER OF RIGHT
(LABOR CODE § 2699.3, subd. (a)(2)(C))

Complaint Filed: December 6, 2022

1 Plaintiff KRISTAL MORRIS, individually and on behalf of all others similarly situated,
2 alleges as follows:

3 **INTRODUCTION**

4 1. This is a class action necessitated by Defendants' knowing, intentional refusal to
5 pay wages and provide lawful working conditions to healthcare workers without legal
6 justification.

7 2. Defendant SIGNATURE HEALTHCARE SERVICES, LLC ("SIGNATURE")
8 "began as the parent company of two freestanding acute psychiatric care facilities located in
9 Southern California. . . Today, Signature owns and operates 19 freestanding acute psychiatric
10 hospitals throughout the United States . . ." See <https://signaturehc.com/about#company-history>
11 (last visited December 3, 2022).

12 3. Defendant SACRAMENTO BEHAVIORAL HEALTHCARE HOSPITAL, LLC
13 ("SBHH") is a 117-bed psychiatric facility for adolescents and adults in Sacramento, CA. SBHH
14 "is part of Signature Healthcare Services, LLC, which operates behavioral healthcare facilities
15 throughout the United States." See <https://norcalbehavioral.com/sacramento-location/> (last
16 visited December 3, 2022).

17 4. Defendant SOON KIM owns SBHH and SIGNATURE. Dr. Kim, as he is known,
18 owns and operates all SIGNATURE hospitals.

19 5. This class action is necessitated by Defendants' policy of not paying overtime
20 wages before 12 hours, rampant meal period and rest period violations and unlawful
21 withholding of premium wages in Sacramento. Additionally, this action seeks to hold
22 Defendants accountable for failure to provide proper wage statements to non-exempt workers
23 both in Sacramento and in all other facilities in California owned and managed by Defendant
24 SIGNATURE.

25 6. As a result of the uniform policies and practices alleged herein, Plaintiff seeks
26 classwide relief for violations of the California Labor Code and seeks unpaid wages and interest,
27 statutory damages and penalties, injunctive and other equitable relief, and reasonable attorneys'
28 fees and costs.

7. The allegations herein that relate to Plaintiff's personal actions are made based on Plaintiff's personal knowledge. The balance is made on information and belief based on the investigation of counsel.

PARTIES

8. Plaintiff KRISTAL MORRIS is an individual residing in California. Plaintiff has worked for Defendants at the "Sacramento Behavioral Healthcare Hospital" facility located at 1400 Expo Parkway, Sacramento, CA, 95815 since December 2021 as an hourly, non-exempt employee in the Nursing department.

9. Defendant SBHH is a California limited liability company located in Sacramento, California. It operates an acute psychiatric hospital in Sacramento that provides inpatient and outpatient mental health services.

10. Defendant SIGNATURE HEALTHCARE SERVICES, LLC is a Michigan limited liability company with its principal place of business in California. SIGNATURE does business throughout the State of California and manages and operates a chain of hospitals from its "Central Business Office" at 2065 Compton Avenue, Corona, CA, 92881. SIGNATURE HEALTHCARE SERVICES, LLC is the parent company of SBHH and controls all financial affairs of SBHH and every sister hospital owned by Defendant KIM and managed by SIGNATURE.

11. Defendants VILLA OAKS, LLC doing business as VILLA OAKS – SANTA ROSA, LLC, VILLA OAKS – ANAHEIM, LLC, VILLA OAKS – AV, LLC, VILLA OAKS – BAKERSFIELD, LLC, GREEN RIVER MANAGEMENT, LLC, KEBOK – RANCHO ARROYO GRANDE, LLC, VISTA LIFE PROPERTIES, LLC, RIVERSIDE LIFE PROPERTIES, LLC, ROSEVILLE LIFE PROPERTIES, LLC, SAN JOSE LIFE PROPERTIES, LLC, and LIVERMORE LIFE PROPERTIES, LLC are California limited liability companies. The principal office of each is 2065 Compton Avenue, Corona, CA, 92881, the “Central Business Office” of SIGNATURE. Each entity is titleholder to the real estate assets owned and managed by Defendants KIM and SIGNATURE.

12. Defendant SOON KIM is an individual who resides in both California and

Michigan.

13. Defendant SIGNATURE HEALTHCARE MANAGEMENT, INC. is a Delaware corporation. It is not itself a going business concern and has no customers or products or services but is merely an alter ego of Defendants KIM and SIGNATURE and a vehicle through which Defendant KIM pays himself income from the other entities he owns. Upon information and belief, Soon Kim is the sole or controlling shareholder of Signature Healthcare Management, Inc..

14. Plaintiff is ignorant of the true names and capacities of defendants sued herein as DOES 1 through 100, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff will amend this complaint to allege their true names and capacities when ascertained. Each of the fictitiously named defendants is legally responsible in some manner for the wrongs and injuries alleged herein.

15. Defendants DOES 1 through 90 are other entities owned and managed by Defendants KIM and SIGNATURE.

16. Defendants DOES 91 through 100 are managing agent employees of Defendants SBHH and/or SIGNATURE who exercised substantial independent authority and judgment in their corporate decision-making with respect to the wage and hour practices alleged herein.

VENUE AND JURISDICTION

17. Venue is proper in the Superior Court of Sacramento County under Code of Civil Procedure § 395 because Defendant SBHH's principal place of business is in Sacramento County and because Plaintiff and many Class members work or worked in Defendants' hospital in Sacramento County.

18. Jurisdiction is proper in this case in that the amount in controversy exceeds the jurisdictional minimum of this court.

GENERAL FACTUAL ALLEGATIONS

19. Plaintiff and the Class are or were classified as hourly, non-exempt employees by Defendants at all times pertinent to this case. Most of the Class members are healthcare workers — licensed nurses and unlicensed mental health workers.

20. Plaintiff and the Class are covered by California Industrial Welfare Wage Order No. 5-2001 (Title 8 Cal. Code of Regs. Tit. 8, § 11050, as well as potentially other Wage Orders.

21. The staffing ratios of Defendants' hospitals are regulated by Title 22 of the California Code of Regulations.

A. Adoption of Alternative Workweek Schedule Compensation Policy in Sacramento

Hospital

22. Defendants have failed to pay Plaintiff and fellow Sacramento Class members working in SBHH, the Sacramento hospital, all wages for all time worked, including overtime, pursuant to uniform classwide policies and practices arising from their failed implementation of an election for adoption of an Alternative Workweek Schedule.

23. Defendants started employing workers at SBHH as early as 2019. The hospital was not fully licensed and authorized to open to patients until December 2021. However, Class members worked at the hospital well before accepting patients, including in 2020.

24. In preparation for the hospital's opening, Defendants attempted to hold an Alternative Workweek Schedule ("AWS") election in or around October 2021.

25. In or around December 2021, SBHH opened for patient care with the Nursing and Assessment & Referral nurses, technicians and mental health workers (Sacramento Overtime Class) doing 12-hour shifts.

26. However, shifts exceeding 12 hours and even 16 hours were a regular occurrence after the hospital opened to patients.

27. Defendants followed almost none of the pre-election requirements of Labor Code § 511 and Wage Order 5 required to avail of an AWS exemption to normal overtime wage obligations. The election was null and void for reasons including:

a. Defendants failed to make a timely disclosure in writing to the affected employees, including the effects of the proposed arrangement on the employees' wages, hours, and benefits, prior to a secret ballot election.

b. Defendants failed to make any written disclosures at all to inform employees that voting for AWS in the upcoming election would affect the calculation of

1 overtime compensation.

- 2 c. Defendants failed to make a written disclosure that included meeting(s), duly
3 noticed, held at least fourteen (14) days prior to voting, for the specific purpose
4 of discussing the effects of the AWS on the employees' wages, hours, and
5 benefits.
- 6 d. The holding of the election was highly irregular, ad-hoc and rife with improper
7 management pressure. There were two separate elections held shortly after one
8 another; the first was scheduled for three (3) days in October, and not enough
9 employees voted and/or not enough voted "yes" in favor of adopting the AWS.
10 Displeased with the outcome of the first election, management announced at a
11 staff meeting that another election would take place, only approximately two
12 weeks after the first. The second election was held over two days on October
13 26-27, and was preceded by management heavily encouraging employees to
14 vote in favor of 12-hour shifts. It was this second election that SBHH claimed
15 was successful in adopting the AWS.
- 16 e. Before either of the abovementioned elections, Defendants failed to hold a
17 meeting for the purpose of discussing effects of the proposed arrangement on
18 the employees' wages, hours, and benefits, prior to a secret ballot election.
19 These compensation impacts were not discussed at any pre-election meetings.
- 20 f. Defendants failed to invite all affected employees to vote in the October 2021
21 elections. Assessment & Referral employees were supposedly swept into the
22 AWS system but were never invited to vote in the first place.
- 23 g. Defendants failed to secure a two-thirds vote in favor of AWS from all affected
24 employees prior to implementing AWS.

25 28. SBHH failed to provide all legally required information to the California
26 Department of Industrial Relations (DIR) about its AWS elections. According to a letter that
27 SBHH sent to the California Department of Industrial Relations, the (only) AWS election was
28 held on October 26 and 27, 2021. The first October election consisting of three days was not

1 reported to the DIR at all. The law additionally requires a report that includes the final tally
2 of the vote, the size of the unit, and the nature of the business of the employer. SBHH did not
3 provide the size of the unit or the final vote tally of either election to the DIR.

4 29. Defendants also failed to disclose the effect of AWS on overtime compensation
5 given that Defendants adopted a definition of the workday where the clock reset after midnight.
6 Such a workday definition did not align with Defendants' shifts under its previous system of
7 three 8-hour shifts, and also did not align with the AWS system of two 12-hour shifts per day.

8 30. At the same time, the only written overtime policies available to Plaintiff and the
9 Class -- the policy in Defendants' policies and procedures manual and the policy stated in their
10 new employee orientation papers -- stated that overtime would be paid after 8 hours.

11 31. When Ms. Morris began working at SBHH on or about December 27, 2021, she
12 signed a "14-Day Work Period Agreement", stating in pertinent part: "an employee will be paid
13 overtime (one and one-half times the employee's regular rate of pay) for hours worked in excess
14 of eight in a workday and/or 80 hours in the 14-day work period." This same pay policy was
15 communicated in a similar manner to members of the Sacramento Overtime Class, whether they
16 were hired before or after the 2021 AWS elections.

17 32. For some weeks in early 2022, Defendants paid certain Class members overtime
18 pay after 8 hours, because a newly hired administrative employee responsible for entering
19 certain newly hired employees into the payroll system was also relying on the written overtime
20 policy. After this so-called "error" was discovered by Hospital leadership, SBHH switched these
21 new hires to AWS payroll codes without advance notice, saying that the overtime pay was
22 accidental.

23 33. Hence, at all times it was the intent and policy of Defendants to *not pay overtime*
24 over 8 hours and before 12 hours per day pursuant to the faulty AWS election. But the flawed
25 election roll-out left most employees confused and in the dark about the AWS compensation
26 scheme -- even, apparently, certain low-level employees in hospital administration.

27 34. Defendants told employees, including Plaintiff, that it was a mistake that any
28 Class members had gotten paid overtime. They claimed that technically, Class members actually

1 owed that money to the Company. At the same time, Defendants claimed they would not try to
2 take the payments back. Instead they used the alleged overpayments to rebut employees' other
3 concerns about pay accuracy. For example, Class members did not receive itemized pay stubs
4 for some period and had great concerns about their inability to ascertain if they were being paid
5 correctly. Defendants' responses to these concerns fell along the lines of, "well, you were not
6 supposed to get any overtime pay, so the extra you received cancels everything out."

7 35. In July 2022, Defendants finally provided a response to Class members' concerns
8 in a mass mailing to the Class containing a memorandum and "proposed" AWS agreements.
9 The mailing was signed by Chad Hickerson, CEO of the Sacramento and Santa Rosa hospitals
10 of Defendant SIGNATURE. Hickerson was an employee of SIGNATURE. In his
11 communication to the Class, Hickerson maintained that no overtime compensation was owed.

12 36. Thereafter, Plaintiff and certain other Class members made further efforts to
13 secure backpay. Despite attempts by Plaintiff and Class members to seek correct overtime pay,
14 Defendants refused.

15 37. In October 2022, SBHH announced there would be another AWS election to take
16 place on November 2 and 3, 2022. However, this election was also noncompliant and invalid.

17 38. Because no valid AWS election has occurred, Plaintiff and Sacramento Class
18 members are entitled to significant backpay for unpaid overtime.

19 **B. Defendants' Failure to Provide Proper Meal and Rest Periods Or Pay All Owed**

20 **Premium Wages in the Sacramento Hospital**

21 39. Plaintiff and fellow Sacramento Class members were responsible for the care of
22 patients at the hospital. Defendants are required to provide sufficient licensed and unlicensed
23 staff in order to meet the acuity needs of patients. As a matter of Hospital policy, Class members
24 were not permitted to leave their patient care and patient monitoring duties without being
25 relieved first by another appropriately licensed or trained staff member. In order for Plaintiff
26 and other Class members to receive a break, they had to be relieved by another individual with
27 their qualifications or higher qualifications.

28 40. Plaintiff was regularly in charge of far more patients, and was often responsible

1 for the primary care of as many as 19 patients. The law requires that the staffing ratio should
2 not exceed six patients to one registered nurse.

3 41. Defendants relied heavily on unlicensed mental health workers to provide direct
4 care and monitoring. Mental Health Workers provided general nursing assistance under the
5 direction of licensed nurses. They provided all-around monitoring and observations. Mental
6 Health Workers were tasked with supervising patients at the Hospital, assisting patients in their
7 daily life activities, escorting them from place to place onsite and taking patients to offsite
8 appointments. Oftentimes Mental Health Workers were occupied with one patient requiring a
9 higher level of care and observation, although they were also expected to monitor and work with
10 groups of patients.

11 42. Defendants' understaffing made it extremely difficult for Mental Health Workers
12 to assist one another in a timely manner, as they – like other Nursing personnel – were often
13 placed in a position of either leaving certain patients without adequate care and monitoring or
14 not assisting or relieving other staff.

15 43. Defendants did not provide sufficient relief staff. Defendants are responsible for
16 hiring and scheduling sufficient staff, including "break nurses" to ensure that there are
17 appropriate staff available to be assigned to relieve other staff. For example, sufficient "break
18 nurses" who are RNs are supposed to be scheduled to ensure that all RNs get appropriate and
19 lawful breaks during a shift. Defendants failed to do so.

20 44. Every single patient-care role was chronically understaffed at Aurora. Staffing
21 was determined by adherence to tight staffing budgets, and without enough staff to draw from
22 to meet State law requirements for staffing to acuity, and without enough staff to provide break
23 relief.

24 45. In fact, Defendants' effort to keep its labor costs down even resulted in reporting
25 time violations. Defendants enacted a consistent practice of "calling off" full-time staff from
26 assigned shifts during days when there was low patient census. When SBHH leadership felt that
27 there were more staff than minimally required at the beginning of a shift, SBHH would tell staff
28 who reported to work to go home without compensation. This affected RNs, LVNs, LPTs and

1 MHWs who were removed from their shifts with inadequate notice, sometimes getting messages
2 while on their commute to the hospital and sometimes being told after they showed up to work
3 that they had been "called off."

4 46. At all times, staffing budgets and policies emanated from, were controlled by, and
5 were monitored by Signature. Plaintiff alleges on information and belief that Defendants'
6 staffing policies were motivated by labor costs and the desire to maximize profits even though
7 it knew or should have known the staffing was insufficient to comply with the requirements of
8 the Labor Code.

9 47. Defendants' barebones staffing ratios were out of compliance with Title 22 of the
10 California Code of Regulations. Even if Defendants' own minimal staffing ratios were
11 considered lawful, the lack of sufficient dedicated break or float staff deprived Plaintiff and
12 Class members of the opportunity to take breaks. A unit could be considered fully staffed at the
13 beginning of a shift and become understaffed during the shift due to changes in acuity.

14 48. Defendants knew or should have known that the hospital's staffing model made
15 it impossible for Plaintiff and Class members to have the opportunity to take lawful meal and
16 rest breaks.

17 49. Defendants had a common practice against paying meal and rest break premiums.
18 Defendants seldom, if ever, paid premium wages to Plaintiff and Class members despite their
19 awareness that breaks were not provided during lengthy shifts.

20 50. In short, as a matter of classwide and centralized staffing and budgeting policies,
21 Defendants did not schedule a sufficient number of licensed or unlicensed staff to allow breaks
22 to be taken by Plaintiff or other Class members.

23 51. As a result of the facts alleged above, Plaintiff and the Sacramento Class were not
24 paid all earned wages and overtime wages as required by California law and they were not
25 furnished accurate and complete wage statements.

26 **C. Defendants' Inaccurate and Missing Paystubs**

27 52. Defendant SIGNATURE provides centralized timekeeping and payroll services
28 for every Signature hospital including SBHH. SIGNATURE's hospitals utilize the Kronos

1 system for human resources data management including non-exempt employees' timesheets and
2 issuance of itemized wage statements. Because of the centralized provision and control of
3 Kronos by SIGNATURE, all California employees' wage statements followed the same
4 uniform format with the same fields and codes.

5 ***Inaccurate Display of Hours and Rates***

6 53. For numerous years to the present, Defendants issued wage statements that failed
7 to state the correct hours of work and the correct corresponding hourly rates and made it
8 impossible for workers to figure out how much they were being paid for any given hour of work.

9 54. In addition to overtime rates, Class members working certain types of shifts were
10 entitled to shift differentials. Shift differentials were essentially a premium rate for shifts that
11 might be considered less desirable, such as weekend or graveyard shifts. But for overtime rates
12 and rates where there was a shift differential in effect, Defendants' wage statements did not state
13 the applicable hourly rates. Each wage statement only provided the differential hourly amount
14 that was above the base rate.

15 55. In the example below of a biweekly wage statement, the base hourly pay rate was
16 stated as \$19.20 per hour. But the wage statement identified the "Overtime" pay rate as \$9.73
17 per hour.

18

EARNINGS	HRS/UNITS	PAY RATE	CURRENT AMT
HW-Overtime	24 00	9 73	233 52
HW-Regular	72 00	19 20	1,382 40
OT Eve-PM	16 00	1 00	16 00
OT Wknd-Eve	8 00	1 50	12 00
REG Eve-PM	2 00	1 00	2 00
REG Wknd-Day	15 00	1 00	15 00
REG Wknd-Eve	1 00	1 50	1 50

19
20
21
22

23 (Source: SIGNATURE 0000201.)

24 56. In this second example of a biweekly wage statement, the base hourly pay rate
25 was stated as \$52.00 per hour. But the wage statement identified the "HW-Overtime" pay rate
26 as \$26.27 per hour. In fact, the overtime rate was \$78.27.

EARNINGS	HRS/UNITS	PAY RATE	CURRENT AMT
DBL Eve-PM	0.02	2.00	0.04
DBL Wknd-EVE	1.35	4.00	5.40
HW-Doubletime	1.37	52.54	71.98
HW-Overtime	15.92	26.27	418.22
HW-Regular	49.29	52.00	2,563.08
OT Eve-PM	11.92	2.00	23.84
OT Wknd-Eve	4.00	4.00	16.00
REG Eve-PM	1.06	2.00	2.12
REG Wknd-Day	7.52	3.00	22.56
REG Wknd-Eve	0.48	4.00	1.92

(Source: SIGNATURE 000556.)

57. As the sample paystubs indicate, Defendants displayed pay rates as shift differentials instead of the actual hourly rate being paid for the corresponding hour.

58. Systematically, the "overtime" rate on wage statements is facially inaccurate. Systematically, the wage statements fail to state the number of hours worked that correspond to the base hourly rate. The "HW-Regular" line does not reflect those hours but is instead some type of mathematical sum based on an undisclosed formula.

59. Systematically, in fact, the pay rates for all types of shifts are facially inaccurate.

60. Systematically, the wage statements fail to accurately state the hours worked.

61. Mathematical computations of the numbers on the wage statement and the regular and overtime hours logged on timesheets are necessary to clarify what the wage statements mean. Employees are not able to see on the face of their wage statements how many hours were paid at a specific hourly rate. The wage statements on their face do not allow employees to discern whether the displayed hours match up with their actual hours of work.

Failure to Furnish Wage Statements

62. For a period of at least two months starting in December 2021, Plaintiff and other hourly employees of Defendants throughout the State of California did not receive itemized paystubs (wage statements). Moreover, for each pay period for at least two months, Plaintiff and other hourly employees of Defendants throughout the State of California were not paid based on their actual work time, but instead paid an amount identical to their paycheck in the 11/21/2021 to 12/4/2021 pay period.

63. Defendants claimed that they were affected by a hack or ransomware incident that

1 originally targeted Kronos and disrupted their ability to use Kronos. Defendants had no backup
2 system other than manual timesheets. Despite the passage of time and restoration of Defendants'
3 access to Kronos, Defendants failed to establish any adequate replacement and delayed
4 providing non-exempt employees renewed access to the Kronos system themselves.

5 64. For a prolonged period after the original disruption, employees could not access
6 electronic wage statements and were not given paper copies. For some months, Defendants
7 issued no itemized wage statements at all to Class members.

8 65. To compound matters, Defendants failed to make proper tax withholdings and
9 have mishandled the tax accounting associated with payroll.

10 66. As a result, the Class members statewide have been injured by Defendants' failure
11 to furnish any wage statement at time of wage payment or at least semimonthly.

12 **D. Defendants' Liability Under California Labor Code, Integrated Enterprise, Joint**
13 **Employer, Alter Ego, and Agency Theories**

14 67. At all relevant times, Defendants collectively have been joint employers of
15 Plaintiff and the Class. At all relevant times, Defendants have been participants in a single joint
16 or integrated enterprise and promulgated the same, centralized and common employment
17 policies to Plaintiff and the Class.

18 68. At all times herein mentioned defendants and each of the Doe defendants are
19 Plaintiff's and class members' employer(s). Moreover, all Defendants are agents, partners, joint
20 venturers, alter egos, and aiders and abettors of one or more of their co-defendants, and, in
21 committing the acts alleged herein, were acting within the course and scope of said agency,
22 employment, partnership, and/or joint venture, or were aiding and abetting their co-defendants.

23 69. In actuality, each entity Defendant was and is not a separate company. Defendants
24 have such a unity of interest and ownership that separate personalities do not in reality exist and
25 the corporate structure is such that each entity Defendant is just a shield for the alter ego of the
26 other. Inequity will result if the acts in question are treated as those of one of these Defendants
27 over the others. Defendants should be held collectively liable for the acts described herein.

28 70. There was and is a unity of interest and ownership between the entity Defendants

1 and KIM such that the separate personalities of the corporations and the shareholder do not in
2 reality exist. Each entity defendant is wholly owned by defendant KIM. As joint employers,
3 alter egos, and an integrated enterprise, the entity Defendants employed common management.

4 71. In addition to identical equitable ownership in all of the entity Defendants, there
5 have been commingling of funds and other assets of the entities, the holding out by certain
6 entities that they are liable for the debts of the other, the use of the same offices and employees,
7 and use of entities as mere shells or conduits for the affairs of the other Defendants.

8 72. Further, Defendants have inadequate capitalization, have disregarded of corporate
9 formalities, have failed to segregate business records, and have identical officers and directors
10 (to the extent there are any directors at all).

11 73. At all relevant times, Defendant KIM used the various LLCs owned and
12 controlled by him to enrich his various companies at the expense of each hospital and its
13 workers. SBHH, the Defendant LLC associated with the Sacramento hospital acts as the paystub
14 employer nominally, and pays monies for rent, management services, and operational
15 technology (such as IT services) to the other LLCs owned by KIM.

16 74. As a result of KIM's structure of shell companies, KIM is able to direct all
17 hospital and real estate profits to himself while making SBHH – and every other LLC that is the
18 paystub employer of the hospital workers – appear financially impoverished.

19 75. Defendants and each of the DOE Defendants are legally responsible for all of the
20 unlawful conduct, policies, practices, acts and omissions as described in this Complaint as the
21 employer of Plaintiff and the Class.

22 76. Defendant KIM caused all of the unlawful conduct, policies, practices, acts and
23 omissions, and decisions described in this Complaint, and he did so in his own personal capacity,
24 as owner of the entity Defendants, and on behalf of the entity Defendants.

25 77. In addition, SBHH's acts and omissions can be imputed to SIGNATURE
26 HEALTHCARE SERVICES, LLC and SIGNATURE HEALTHCARE MANAGEMENT,
27 INC. because SBHH is merely a local affiliate performing essential and representative functions
28 for these other companies, which are parent companies.

1 78. California's Fair Day's Pay Act provides:

2 Any employer or other person acting on behalf of an employer, who violates, or
3 causes to be violated, any provision regulating minimum wages or hours and days
4 of work in any order of the Industrial Welfare Commission, or violates, or causes
5 to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable
6 as the employer for such violation ... For purposes of this section, the term "other
7 person acting on behalf of an employer" is limited to a natural person who is an
8 owner, director, officer, or managing agent of the employer, and the term
9 "managing agent" has the same meaning as in subdivision (b) of Section 3294 of
10 the Civil Code.

11 Cal. Labor Code § 558.1.

12 79. Defendant KIM is an owner, director, and managing agent of SBHH and
13 SIGNATURE. Defendant KIM is liable under Section 558.1 through his maintenance of staffing
14 policies affecting class members at SBHH. Defendant KIM contributed to and caused the
15 nonpayment of wages.

16 80. Defendants DOES 91 through 100 contributed to and caused the nonpayment of
17 wages by acting as managing agents with respect to their decision-making affecting class
18 members' wage and hour conditions.

19 CLASS ACTION ALLEGATIONS

20 81. Pursuant to Code of Civil Procedure § 382, Plaintiff brings this action on behalf
21 of the following **Sacramento Class**:

22 All non-exempt, hourly employees registered nurses, licensed vocational
23 nurses, licensed psychiatric technicians, and mental health
24 workers/technicians employed in the Sacramento Behavioral Healthcare
25 Hospital between four (4) years prior to the filing of this action to the
26 present.

27 82. Plaintiff seeks to represent the following **Sacramento Overtime Subclass**:

28 All non-exempt, hourly registered nurses, licensed vocational nurses,
licensed psychiatric technicians and mental health workers/technicians in
the Nursing Services and Assessment & Referral departments who were
covered by an Alternative Workweek Schedule in the Sacramento
Behavioral Healthcare Hospital between four (4) years prior to the filing
of this action to the present.

83. Plaintiff seeks to represent the following statewide **California Wage Statement**

Class:

All non-exempt, hourly employees of all Signature Healthcare Services,
LLC hospitals in California between December 5, 2021 to the present.

1 84. Plaintiff reserves the right to modify or amend the class definitions before the
2 Court determines whether certification is appropriate.

3 85. Class certification is appropriate because this action satisfies the applicable
4 numerosity, commonality, typicality, adequacy, predominance, and superiority requirements.

5 86. Numerosity: The potential members of each Class are so numerous that joinder
6 of all the members of the Class is impracticable. There are over 100 Class members employed
7 during the relevant time periods.

8 87. The exact number and identity of the Class members are readily ascertainable
9 through inspection of Defendants' records.

10 88. Commonality: There are questions of law and fact common to the Class or
11 Subclass that predominate over any individualized questions, including but not limited to: (i)
12 What are and were the policies, practices, programs, procedures, protocols and plans of
13 Defendants regarding the compensation of Class members; (ii) whether Defendants provided
14 Plaintiff and members of the Class meal and rest periods as required by California law; (iii)
15 whether Defendants paid premium wages for noncompliant meal or rest periods; (iv) whether
16 Defendants failed to pay wages to Plaintiff and the Class as required by the Labor Code §§ 510,
17 1194, 1194.2 and 1199 and applicable IWC Wage Orders; (v) whether Defendants followed the
18 pre-election requirements of Labor Code § 511 and Wage Order 5; (vi) whether the AWS
19 elections in Sacramento were null and void under the Labor Code and Wage Orders; (vii)
20 whether Defendants failed to provide any wage statements at all for a period of time; (viii)
21 whether Defendants' uniform wage statement format failed to state the applicable hourly rates
22 and corresponding hours correctly; (ix) whether Defendants provided Plaintiff and members of
23 the Class accurate wage statements showing all hours worked; and (x) whether Defendants
24 engaged in unfair competition proscribed by the Business and Professions Code by engaging in
25 the conduct described hereinabove as to members of the Class;

26 89. Typicality: Plaintiff's claims are typical of the claims of the Classes she seeks to
27 represent. Defendants' conduct is common as to the members of each Class and represents a
28

1 common thread of conduct resulting in injury to all members of the Class. Plaintiff has suffered
2 the harm alleged and has no interests antagonistic to any other Class member.

3 90. Adequacy: Plaintiff is a member of each Class and Subclass and will fairly and
4 adequately represent and protect the interests of the Class. Plaintiff's interests do not conflict
5 with the interests of other Class members.

6 91. Counsel for Plaintiff and the Class are competent and experienced in employment
7 Class actions and representative actions. Plaintiff's counsel will fairly and adequately protect
8 and represent the interests of the Class.

9 92. Superiority: A class action is superior to other available means for the fair and
10 efficient adjudication of this controversy. Individual joinder of all Class members is
11 impracticable, and questions of law and fact common to the Class predominate over any
12 questions affecting only individual members of the Class. Each member of the Proposed Class
13 has been damaged and is entitled to relief because of Defendants' illegal policies and practices
14 of failing to provide compliant meal and rest periods and failing to pay all wages. Class
15 treatment will allow those similarly situated persons to litigate their claims in the manner that
16 is most efficient and economical for the parties and the judicial system.

17 93. Community of interest. Plaintiff and the Class share a community of interest in
18 the outcome of this action and the enforcement of their rights under the California Labor Code.

19 **PRIVATE ATTORNEYS GENERAL ACT ALLEGATIONS**

20 94. Pursuant to Labor Code § 2699.3(a), Plaintiff gave written notice by certified
21 mail to Defendants and online to the Labor & Workforce Development Agency ("LWDA")
22 on December 9, 2022 of the factual and legal bases for the Labor Code violations alleged in
23 this Complaint. See **Exhibit 1**. Plaintiff incorporates the contents of Exhibit 1 by reference.

24 95. The LWDA assigned case number LWDA-CM-923072-22 and did not provide
25 notice of its intention to investigate Defendants' alleged violations within the requisite period.

26 96. Defendants have not provided notice of an attempt to cure any violation that is
27 curable under PAGA. In addition, Plaintiff is informed and believe and alleges that the Labor
28 Code violations are in fact not cured and remain ongoing.

FIRST CAUSE OF ACTION

Failure to Pay Wages and Overtime

(On behalf of the Sacramento Overtime Class against All Defendants)

(California Labor Code §§ 510, 1194, 1194.2 and 1199, Cal. Code Regs., tit. 8, § 11050(3))

97. Plaintiff re-alleges and incorporates by reference the allegations contained in the preceding paragraphs as though fully set forth herein.

98. Labor Code § 510(a) states that eight hours of labor constitutes a day's work and any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek must be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Labor Code §§ 1194, 1194.2, and 1199 require an employer to pay its employees the legal minimum wage and the legal overtime compensation applicable. California law also requires that any compensation, including a bonus, must be included in the regular rate of pay.

99. Defendants have had a consistent policy of failing to pay wages and/or overtime to Plaintiff and the Class after adopting 12-hour shifts.

100. Plaintiff and the Class were forced to work on a regular and consistent basis without receiving compensation for all hours worked at the proper rate. Specifically, Plaintiff and the Class were not paid at the proper overtime rates when they were working more than eight (8) hours in one day or forty (40) hours in one week. Plaintiff and the Class should have been paid at the rate of one and one-half (1 1/2) times their regular rate of pay for hours after 8 hours and before 12 hours, and at the rate of two times their regular rate of pay after 12 hours.

101. By maintaining such overtime-avoidance practices without any valid exemption, Defendants willfully violated Labor Code §§ 510, 1194, 1194.2, and 1199.

102. As a result of the unlawful acts of Defendants, Plaintiff and the Class have been deprived of wages and overtime in amounts to be determined at trial and are entitled to recovery of such amounts and liquidated damages, plus interest, penalties, attorneys' fees, and costs.

SECOND CAUSE OF ACTION

Failure to Provide Meal Periods and Failure to Pay Meal Period Premiums

(On behalf of the Sacramento Class against All Defendants)

(California Labor Code §§ 226.7(a), 512(a), 516; Cal. Code Regs., tit. 8, § 11050(11))

103. Plaintiff re-alleges and incorporates by reference the allegations contained in the

1 preceding paragraphs as though fully set forth herein.

2 104. Section 11(A) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(11)(A))
3 reiterates the legislative mandate set out in Labor Code § 512, subdivision (a), and provides that
4 “[n]o employer shall employ any person for a work period of more than five (5) hours without
5 a meal period of not less than thirty (30) minutes.” During such a meal period, the employee is
6 to be relieved of all duty such that they can freely attend to personal pursuits, including leaving
7 the job site for 30 minutes.

8 105. Plaintiff and members of the Sacramento Class regularly worked shifts of six
9 hours or longer. By virtue of Aurora’s staffing policies, Defendants have impeded, discouraged,
10 and/or dissuaded Plaintiff and members of the Class from taking meal periods by not relieving
11 them of duty on time and providing an uninterrupted off-duty meal period.

12 106. In addition, in violation of statute and regulations, Plaintiff and members of the
13 Sacramento Class regularly worked shifts of ten hours or longer without receiving either a
14 timely first meal period or timely second meal period.

15 107. In addition, in violation of statute and regulations, Plaintiff and members of the
16 Sacramento Class regularly worked shifts that were between 12 and 16 hours long without
17 receiving either a timely first meal period or timely second meal period.

18 108. Section 11(D) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(11)(D))
19 provides that “[i]f an employer fails to provide an employee a meal period in accordance with
20 the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay
21 at the employee’s regular rate of compensation for each work day that the meal period was not
22 provided.” This parallels the requirement in Labor Code § 226.7, subdivision (b), that an
23 employee be paid one additional hour of pay at the employee’s regular rate of compensation for
24 each workday that a compliant meal period is not provided.

25 109. Under Wage Order 5-2001 and Labor Code § 226.7, subdivision (b), Plaintiff and
26 members of the Class are entitled to one hour of pay at their regular rate for each shift during
27 which they were not provided “off duty” 30-minute meal periods on time.

28 110. Furthermore, Plaintiff and members of the Class were not provided on-duty meal

1 periods pursuant to any lawful on-duty meal period agreements. Any such agreements are null
2 and void and served as unenforceable and unlawful waivers of meal periods.

3 111. Even if there were any lawful on-duty meal period agreements, Defendants
4 regularly failed to provide on-duty meal periods on time.

5 112. Plaintiff and members of the Class have been deprived of their rightfully earned
6 compensation for missed or untimely off-duty meal periods as a direct and proximate result of
7 Defendants' policies and failure and refusal to pay that compensation. Plaintiff and members of
8 the Class are entitled to recover such amounts that have been withheld including interest and
9 attorneys' fees and costs under Labor Code § 218.5 and other applicable law.

10 **THIRD CAUSE OF ACTION**

11 **Failure to Provide Rest Periods and Pay Rest Period Premiums** 12 **(On behalf of the Sacramento Class against All Defendants)** 13 **(California Labor Code §§ 226.7(a), 516; Cal. Code Regs., tit. 8, § 11050(12))**

14 113. Plaintiff re-alleges and incorporates by reference the allegations contained in the
15 preceding paragraphs as though fully set forth herein.

16 114. Section 12(A) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(12)(A))
17 provides that "[e]very employer shall authorize and permit all employees to take rest periods,
18 which insofar as practicable shall be in the middle of each work period." The authorized rest
19 period time "shall be based on the total hours worked daily at the rate of ten (10) minutes net
20 rest time per four (4) hours or major fraction thereof." During such a rest period, the employee
21 is to be relieved of all duty.

22 115. Since the start of the Class Period and continuing to the present, Plaintiff and
23 members of the Class worked shifts of four hours or longer. Plaintiff and members of the Class
24 were subject to a corporate culture that caused them to do whatever it took to service customers
25 and succeed within Aurora, which meant skipping or delaying rest periods. By virtue of
26 Aurora's culture, Defendants have impeded, discouraged, and/or dissuaded Plaintiff and
27 members of the Class from sometimes taking timely rest periods.

28 116. Section 12(B) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(12)(B))
provides that "[i]f an employer fails to provide an employee a rest period in accordance with

1 the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay
2 at the employee's regular rate of compensation for each workday that the rest period was not
3 provided." This parallels the requirement in Labor Code § 226.7, subdivision (b), that an
4 employee be paid one additional hour of pay at the employee's regular rate of compensation for
5 each workday that a legal rest period is not provided.

6 117. Under Wage Order 5-2001 and Labor Code § 226.7, subdivision (b), Plaintiff and
7 members of the Class are entitled to one hour of pay at their regular rate for each shift during
8 which they were not provided rest periods.

9 118. Plaintiff and members of the Class have been deprived of their rightfully earned
10 compensation for missed or untimely rest periods as a direct and proximate result of Defendants'
11 policies and failure and refusal to pay that compensation. Plaintiff and members of the Class are
12 entitled to recover such amounts that have been withheld including interest and attorneys' fees
13 and costs under Labor Code § 218.5 and other applicable law.

14 **FOURTH CAUSE OF ACTION**
15 **Failure to Provide Accurate Wage Statements**
16 **(On behalf of the Sacramento Class against All Defendants)**
17 **(California Labor Code § 226)**

18 119. Plaintiff re-alleges and incorporates by reference the allegations contained in the
19 preceding paragraphs as though fully set forth herein, and further alleges as follows:

20 120. Labor Code § 226 requires that Defendants provide Plaintiff and Class members
21 with timely and accurate statements showing:

- 22 (1) gross wages earned,
- 23 (2) total hours worked by the employee, except for any employee whose
24 compensation is solely based on salary and who is legally exempt from
25 payment of overtime under Labor Code section 515(a) or any applicable Wage
26 Order,
- 27 (3) the number of piece-rate units earned and any applicable piece rate if the
28 employee is paid on a piece-rate basis,
- (4) all deductions, provided that all deductions made on written orders of the
employee may be aggregated and shown as one item,
- (5) net wages earned,
- (6) the inclusive dates of the period for which the employee is paid,
- (7) the name of the employee and only the last four digits of his or her social
security number or an employee identification number other than a social
security number,
- (8) the name and address of the legal entity that is the employer and, if the
employer is a farm labor contractor, as defined in subdivision (b) of Section

1682, the name and address of the legal entity that secured the services of 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[.]

121. IWC Wage Order 5 § 7(B) similarly requires employers semimonthly or at the time of each payment of wages to furnish to each employee an accurate itemized statement in writing. These required disclosures of information are essential to enable employees to determine whether they have been paid in compliance with the law.

122. Labor Code § 226 requires employers to list on an itemized wage statement “all amounts earned and now owing, not just those amounts actually paid. A statement that conceals amounts earned, on the ground that they also were not paid, is not an accurate statement, and it does not comply with the statute.” *Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal.5th 93, 119.

123. Defendants’ policies and practices of failing to pay meal period premium wages and rest period premium wages necessarily meant that the itemized wage statements of Plaintiffs and putative class members failed to contain the information required by Labor Code § 226(a) because they failed to reflect the proper wage rates and wages earned. The wage statements provided to Sacramento Class members were incomplete.

124. Labor Code § 226(e) provides that an employee who suffers injury as a result of a knowing and intentional failure by an employer to comply with § 226(a) may recover the greater of actual damages or the penalties designated by statute of \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period up to an aggregate penalty of \$4,000.

125. The employer’s failure to list wages that an employee earned but was not paid “deprives the employee of information needed to evaluate whether the payment is correct, and in so doing results in injury under the terms of the statute.” *Naranjo*, 13 Cal.5th at 120.

126. As a result of Defendants’ knowing and intentional failure list the correct wage rates and wages earned on Plaintiffs’ wage statements, Defendants deprived Plaintiff and Class members of information needed to evaluate whether Defendants’ payments to them were

1 correct. This establishes injury under Labor Code § 226(e)(2).

2 127. As a result of Defendants' knowing and intentional violations, Plaintiff and
3 Sacramento Class members seek statutory penalties under Labor Code § 226(e) in amounts not
4 to exceed \$4,000 for each pay period in which they were provided with inaccurate wage
5 statements, costs and reasonable attorneys' fees.

6 **FIFTH CAUSE OF ACTION**

7 **Failure to Provide Accurate Wage Statements**

8 **(On behalf of the California Wage Statement Class against All Defendants)**
9 **(California Labor Code § 226, Cal. Code Regs., tit. 8, § 11050(7))**

10 128. Plaintiff re-alleges and incorporates by reference the allegations contained in the
11 preceding paragraphs as though fully set forth herein, and further alleges as follows:

12 129. To the extent Defendants furnished wage statements, the uniformly formatted and
13 coded statements failed to state correct hourly rates in effect during the pay period and the
14 corresponding number of hours worked at each hourly rate by the employee.

15 130. Plaintiff and members of the Class have been injured by Defendants' knowing
16 and intentional failure to include the applicable hourly rates and corresponding hours worked.
17 Plaintiff and members of the Class were not able to verify that they were paid the proper amount
18 without guesswork and calculations. The need to conduct mathematical calculations is contrary
19 to the requirements of Labor Code § 226, subdivision (e).

20 131. For a period of time after a disruption to the Kronos program occurring in
21 December 2021, Defendants knowingly and intentionally failed to furnish wage statements to
22 Plaintiff and members of the California Wage Statement Class with each wage statement or
23 semimonthly, which constitutes injury under Labor Code section 226.

24 132. As a consequence of Defendants' knowing and intentional failure to state the
25 correct hourly rates and correct corresponding hours, as well as their knowing and intentional
26 failure to provide any wage statements for a period of time, Plaintiff and California Wage
27 Statement Class members seek statutory penalties under Labor Code § 226(e) in amounts not to
28 exceed \$4,000 for each pay period in which they were provided with inaccurate wage
statements, costs and reasonable attorneys' fees.

SIXTH CAUSE OF ACTION
Unfair Competition
(On behalf of all Classes against All Defendants)
(Cal. Bus. & Prof. Code § 17200)

133. Plaintiff re-alleges and incorporates by reference the allegations contained in the preceding paragraphs as though fully set forth herein, and further alleges as follows:

134. The Unfair Competition Law ("UCL"), California Business & Professions Code § 17200, *et seq.*, prohibits unfair competition in the form of any unlawful, unfair or fraudulent business acts or practices. The UCL provides that a Court may enjoin acts of unfair competition, and order restitution to affected members of the public.

135. Defendants have committed acts of unfair competition as defined by the UCL, by engaging in the unlawful, unfair and fraudulent business practices and acts described in this Complaint, including, but not limited to:

a. Failure to pay overtime wages to Plaintiff and Sacramento Overtime Class members in violation of Labor Code §§ 510, 1194, 1194.2 and 1199.

b. Failing to provide Plaintiff and Sacramento Class members meal and rest periods during which they were relieved of all duty, in violation of Labor Code §§ 226.7 and 512, and applicable Wage Orders;

c. Failing to maintain accurate records showing daily hours worked and wages paid, in violation of Labor Code § 1174, subdivision (d) and applicable Wage Orders, which impose a requirement on all employers to "keep accurate information with respect to each employee," including "[t]ime records showing when the employee begins and ends each work period" as well as "total daily hours worked."

d. Failing to provide Plaintiff and Class members with wage statements showing all hours worked, the corresponding pay rates, and all wages earned, in violation of California Labor Code § 226; and

e. Failing to pay all accrued wages and other compensation due immediately to each member of the Class who was terminated or within 72 hours to each member of the Class who resigned, in violation of California Labor Code § 203.

1 136. The violations of these laws and regulations, as well as of the fundamental
2 California public policies protecting wages and safe and healthy working conditions underlying
3 them, serve as unlawful predicate acts and practices for purposes of Business and Professions
4 Code § 17200, et seq.

5 137. The acts and practices described above constitute unfair, unlawful and fraudulent
6 business practices, and unfair competition, within the meaning of Business and Professions
7 Code § 17200 *et seq.* Among other things, the acts and practices have taken from Plaintiff and
8 the Class wages rightfully earned by them, while enabling Defendants to gain an unfair
9 competitive advantage over law-abiding employers and competitors.

10 138. Business and Professions Code § 17203 provides that a court may make such
11 orders or judgments as may be necessary to prevent the use or employment by any person of
12 any practice which constitutes unfair competition. Injunctive relief is necessary and appropriate
13 to prevent Defendants from repeating its unlawful, unfair and fraudulent business acts and
14 business practices alleged above. If Defendants are not enjoined from this conduct, they will
15 continue to engage in these unlawful practices. Monetary compensation alone will not afford
16 adequate and complete relief to Plaintiff and Class members because it is impossible to
17 determine the amount of damages that will compensate for Defendants' actions in the future if
18 such actions are not enjoined now. Thus, without injunctive relief, a multiplicity of actions will
19 result from Defendants' continuing conduct.

20 139. As a direct and proximate result of the aforementioned acts and practices, Plaintiff
21 and Class members have suffered a loss of money and property, in the form of unpaid wages
22 that are due and payable to them.

23 140. Business and Professions Code § 17203 provides that the Court may restore to
24 any person in interest any money or property that may have been acquired by means of such
25 unfair competition. Plaintiff and Class members are entitled to restitution and disgorgement of
26 profits pursuant to Business and Professions Code § 17203 for all wages and payments
27 unlawfully withheld from employees. Plaintiff and Class members have an ownership interest
28 in any profits Defendants may have gained through interest or earnings on the Class's money

1 that Defendants wrongfully obtained.

2 141. Business and Professions Code § 17202 provides: "Notwithstanding Section 3369
3 of the Civil Code, specific or preventive relief may be granted to enforce a penalty, forfeiture,
4 or penal law in a case of unfair competition." Plaintiff and Class members are entitled to enforce
5 all applicable penalty provisions of the Labor Code pursuant to Business and Professions Code
6 § 17202.

7 142. Plaintiff requests that the Court issue a preliminary and permanent injunction
8 requiring Defendants to advise all Class members of their rights pursuant to the California Labor
9 Code and Wage Orders, and to provide Plaintiff and Class members all applicable benefits
10 afforded by California's Labor Code and Wage Orders, including but not limited to (a) payment
11 of all wages earned for all hours worked; and (b) provision of accurate wage statements.

12 143. Plaintiff's success in this action will enforce important rights affecting the public
13 interest and in that regard Plaintiffs sue on behalf of themselves as well as others similarly
14 situated. Plaintiff and Class members seek and are entitled to unpaid wages, declaratory and
15 injunctive relief, and all other equitable remedies owing to them.

16 144. Plaintiff takes upon enforcement of these laws as a private attorney general. There
17 is a financial burden involved in pursuing this action, the action is seeking to vindicate a public
18 right, and it would be against the interests of justice to penalize Plaintiff or the Class to pay
19 attorneys' fees from the recovery in this action. Attorneys' fees are appropriate pursuant to Code
20 of Civil Procedure § 1021.5 and otherwise.

21 **SEVENTH CAUSE OF ACTION**
22 **Private Attorneys General Act**
23 **(On behalf of the Aggrieved Employees against All Defendants)**
24 **(Cal. Labor Code § 2698 et seq.)**

25 145. Plaintiff incorporates by reference as though fully set forth herein the preceding
26 paragraphs of this Complaint.

27 146. Plaintiff and other current and former employees who were employed by
28 Defendants during the applicable statutory period and suffered one or more of the Labor Code
violations set forth herein are "aggrieved employees" under the Private Attorneys General Act

1 ("PAGA"), Labor Code § 2698 *et seq.* Accordingly, Plaintiff seeks to recover civil penalties
2 on behalf of the State of California, herself and all other current and former aggrieved
3 employees of Defendants, the civil penalties provided by PAGA, plus reasonable attorneys'
4 fees and costs, for the following violations:

- 5 (1) Failure to pay overtime wages for all hours worked in violation of Labor Code
6 §§ 510, 516, 1194, 1194.2, 1197, 1197.1 and 1199 and the appropriate wage orders;
- 7 (2) Failure to provide meal and rest breaks and pay missed meal/rest break premiums
8 in violation of Labor Code §§ 226.7, 512 and 516 and the appropriate wage orders;
- 9 (3) Failure to maintain and provide accurate itemized wage statements in violation of
10 Labor Code § 226;
- 11 (4) Failure to keep required records of work time in violation of Labor Code § 1174
12 and the appropriate wage orders;
- 13 (5) Failure to produce records of work time to employees who requested their records,
14 in violation of Labor Code §§ 226 and 1199 and the appropriate wage orders;
- 15 (6) Failure to timely pay wages upon separation from employment pursuant to Labor
16 Code §§ 201-203;
- 17 (7) Failure to pay nondiscretionary bonuses in violation of Labor Code §§ 200-203;
- 18 (8) Failure to pay reporting time in violation of Labor Code § 1198 and the appropriate
19 wage orders.

20 **PRAYER FOR RELIEF**

21 WHEREFORE, Plaintiff respectfully prays for relief as follows:

- 22 1. Declaratory relief as pled or as the Court may deem proper;
- 23 2. Preliminary, permanent and mandatory injunctive relief prohibiting Defendants,
24 their officers, agents and all those acting in concert with them, from committing in the future
25 those violations of law herein alleged;
- 26 3. Equitable accounting to identify, locate and restore to all current and former
27 employees the wages they are due, with interest thereon;
- 28 4. Award Plaintiff and the Class compensatory and liquidated damages, including

1 lost wages and all other sums of money owed to Plaintiff and Class Members, together with
2 interest on these amounts, according to proof;

3 5. Award of statutory and civil penalties pursuant to the Labor Code in amounts
4 according to proof;

5 6. Award of pre-judgment and post-judgment interest on all monetary amounts
6 awarded in this action, as provided by law;

7 7. Award of reasonable attorneys' fees as provided by Labor Code §§ 1194, 218.5
8 226(e), Code of Civil Procedure § 1021.5, and all other applicable law;

9 8. All costs of suit as provided by the Labor Code, Code of Civil Procedure § 1021.5,
10 and all other applicable law; and

11 9. For such other and further relief as this Court deems equitable, just and proper.

12
13 Respectfully submitted,

14 Dated: February 17, 2023

VALERIAN LAW, P.C.

15
16 By:



Xinying Valerian
Dan Gildor

17
18 *Attorneys for Plaintiff KRISTAL MORRIS and*
19 *the Proposed Class*
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Exhibit 1

VALERIAN LAW, PC

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Xinying Valerian
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December 9, 2022

VIA ONLINE FILING

Labor and Workforce Development Agency
Department of Industrial Relations

Re: LWDA-CM-923072-22 AMENDED PAGA NOTICE

Dear Labor and Workforce Development Agency:

This is an amended notification letter, pursuant to the Private Attorney General Act, California Labor Code § 2698 *et seq.* ("PAGA"), concerning violations of the Labor Code and the applicable IWC Wage Order committed by Defendants Sacramento Behavioral Healthcare Hospital, LLC, Signature Healthcare Services, LLC, Soon Kim and the other co-defendants listed on the service list on pages 3 and 4. Our original submission inadvertently omitted Exhibit A.

The undersigned counsel submits this letter on behalf of aggrieved employees Kristal Morris, Ronald McAlister, Alexis Rose, Melly Galeos and Julian Garcia ("Plaintiffs") to inform the LWDA and Defendants of Plaintiffs' intention to sue under PAGA on behalf of the State of California for Labor Code violations occurring between one year before the date of this letter and continuing to the date of judgment (the "PAGA Period"). Plaintiffs seek to recover for violations experienced by hourly, non-exempt employees of Defendants in California ("Aggrieved Employees").

I. Allegations Pled in the Morris Complaint Attached as Exhibit A

Plaintiffs expressly incorporate by reference their allegations stated in the enclosed Exhibit A. On the basis of the facts alleged in Exhibit A, Plaintiff believes there have been violations of Labor Code sections 226(a), 226.7(a) and 226.7(b), 510(a), 511(a), 511(e), 512(a), 516, 1174, 1194, 1194.2, 1198, and 1199.

II. Additional Allegations

In addition to the allegations in Exhibit A, Plaintiffs allege:

(A) Hourly, non-exempt employees who have separated from employment have not been paid the wages they are owed. This is principally due to Defendants' failures to pay overtime wages, meal period premiums and rest period premiums, the details of which are set forth in Exhibit A. However, employees have also separated from employment following nonpayment of nondiscretionary bonuses, which are wages under Labor Code § 200.

(B) Hourly, non-exempt employees have not been paid nondiscretionary bonuses in violation of Labor Code sections 200, 201, 202, and 203. Defendants have offered various types of lump sum bonuses but failed to pay them. These include new-hire and retention bonuses (such as bonuses after reaching 90 days or 1 year), referral bonuses to encourage employees to refer new candidates, and bonuses for working extra hours.

(C) Hourly, non-exempt employees who report to work as scheduled have been called off work without notice and without any compensation at all. Subdivision 5 of the Wage Orders requires reporting time pay for each workday an employee is required to report for work and does report but is not put to work or is furnished less than half said employee's usual or scheduled day's work. No reporting time has been paid by Defendants in violation of Wage Order 5 and Labor Code section 1198.

(D) In violation of Labor Code sections 432.5, 226.7, 512, 1198, 1198 and the Wage Orders, Defendants have required hourly, non-exempt employees to execute on-duty meal agreements as a condition of employment. Such on-duty meal period agreements were required to be executed as a matter of course for all new hires, even if they did not have direct patient care responsibilities. Furthermore, such on-duty meal period agreements were required to be executed during the lengthy period in 2020 through 2021 when the hospital was not yet even opened to patients. Defendants used on-duty meal agreements as blanket, *de facto* waivers of meal periods for all hourly employees in order to unlawfully avoid paying premium wages.

(E) Hourly non-exempt employees have experienced rampant recordkeeping violations. Among other things the Wage Orders require employers to keep records showing when the employee begins and ends each work period and meal period. Defendants maintain timesheets and other timecard forms in electronic and paper formats but have failed to furnish any of them to employees upon request. In August 2022 named Plaintiffs requested their timesheets maintained by Defendants pursuant to Section 7 of the Wage Orders and Labor Code section 226. Defendants failed to produce the records of work periods and in violation of these regulations and sections 226 and 1199.

III. Conclusion

As a result of the past, present and ongoing violations pled herein, Plaintiffs provide this notice to the LWDA and Defendants pursuant to California Labor Code § 2699.3 and

request investigation or notice to the undersigned if the LWDA does not intend to investigate.

Regards,



Xinying Valerian, Esq.

Enclosure: Exhibit A

Service List

Via Certified Mail:

Anthony C. Ocegüera
Lewis Brisbois Bisgaard & Smith LLP
2020 West El Camino Avenue, Suite 700
Sacramento, California 95833
*Counsel for Signature Healthcare Services, LLC,
Sacramento Behavioral Healthcare Hospital, LLC, and Soon Kim*

VILLA OAKS, LLC doing business as VILLA OAKS – SANTA ROSA, LLC
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VILLA OAKS – BAKERSFIELD, LLC
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KEBOK - RANCHO ARROYO GRANDE, LLC
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Exhibit A

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6 *Attorneys for Plaintiff and the Proposed Class*

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF SACRAMENTO
10

11 KRISTAL MORRIS, individually and on
12 behalf of all others similarly situated,

13 Plaintiff,

14 v.

15 SACRAMENTO BEHAVIORAL
16 HEALTHCARE HOSPITAL, LLC,
SIGNATURE HEALTHCARE SERVICES,
17 LLC, VILLA OAKS, LLC doing business as
VILLA OAKS – SANTA ROSA, LLC,
18 VILLA OAKS – ANAHEIM, LLC, VILLA
OAKS – AV, LLC, VILLA OAKS –
19 BAKERSFIELD, LLC, GREEN RIVER
MANAGEMENT, LLC, KEBOK –
20 RANCHO ARROYO GRANDE, LLC,
VISTA LIFE PROPERTIES, LLC,
21 RIVERSIDE LIFE PROPERTIES, LLC,
ROSEVILLE LIFE PROPERTIES, LLC,
22 SAN JOSE LIFE PROPERTIES, LLC,
LIVERMORE LIFE PROPERTIES, LLC,
23 SOON KIM, and DOES 1 through 100,
24 inclusive,

25 Defendants.
26
27
28

Case No.

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE LABOR CODE**

DEMAND FOR JURY TRIAL

1 Plaintiff KRISTAL MORRIS, individually and on behalf of all others similarly situated,
2 alleges as follows:

3 **INTRODUCTION**

4 1. This is a class action necessitated by Defendants' knowing, intentional refusal to
5 pay wages and provide lawful working conditions to healthcare workers without legal
6 justification.

7 2. Defendant SIGNATURE HEALTHCARE SERVICES, LLC ("SIGNATURE")
8 "began as the parent company of two freestanding acute psychiatric care facilities located in
9 Southern California. . . Today, Signature owns and operates 19 freestanding acute psychiatric
10 hospitals throughout the United States . . ." See <https://signaturehc.com/about#company-history>
11 (last visited December 3, 2022).

12 3. Defendant SACRAMENTO BEHAVIORAL HEALTHCARE HOSPITAL, LLC
13 ("SBHH") is a 117-bed psychiatric facility for adolescents and adults in Sacramento, CA. SBHH
14 "is part of Signature Healthcare Services, LLC, which operates behavioral healthcare facilities
15 throughout the United States." See <https://norcalbehavioral.com/sacramento-location/> (last
16 visited December 3, 2022).

17 4. Defendant SOON KIM owns SBHH and SIGNATURE. Dr. Kim, as he is known,
18 owns and operates all SIGNATURE hospitals.

19 5. This class action is necessitated by Defendants' policy of not paying overtime
20 wages before 12 hours, rampant meal period and rest period violations and unlawful
21 withholding of premium wages in Sacramento. Additionally, this action seeks to hold
22 Defendants accountable for failure to provide proper wage statements to non-exempt workers
23 both in Sacramento and in all other facilities in California owned and managed by Defendant
24 SIGNATURE.

25 6. As a result of the uniform policies and practices alleged herein, Plaintiff seeks
26 classwide relief for violations of the California Labor Code and seeks unpaid wages and interest,
27 statutory damages and penalties, injunctive and other equitable relief, and reasonable attorneys'
28 fees and costs.

7. The allegations herein that relate to Plaintiff's personal actions are made based on Plaintiff's personal knowledge. The balance is made on information and belief based on the investigation of counsel.

PARTIES

8. Plaintiff KRISTAL MORRIS is an individual residing in California. Plaintiff has worked for Defendants at the “Sacramento Behavioral Healthcare Hospital” facility located at 1400 Expo Parkway, Sacramento, CA, 95815 since December 2021 as an hourly, non-exempt employee in the Nursing department.

9. Defendant SBHH is a California limited liability company located in Sacramento, California. It operates an acute psychiatric hospital in Sacramento that provides inpatient and outpatient mental health services.

10. Defendant SIGNATURE HEALTHCARE SERVICES, LLC is a Michigan limited liability company with its principal place of business in California. SIGNATURE does business throughout the State of California and manages and operates a chain of hospitals from its "Central Business Office" at 2065 Compton Avenue, Corona, CA, 92881. SIGNATURE HEALTHCARE SERVICES, LLC is the parent company of SBHH and controls all financial affairs of SBHH and every sister hospital owned by Defendant KIM and managed by SIGNATURE.

11. Defendants VILLA OAKS, LLC doing business as VILLA OAKS – SANTA ROSA, LLC, VILLA OAKS – ANAHEIM, LLC, VILLA OAKS – AV, LLC, VILLA OAKS – BAKERSFIELD, LLC, GREEN RIVER MANAGEMENT, LLC, KEBOK – RANCHO ARROYO GRANDE, LLC, VISTA LIFE PROPERTIES, LLC, RIVERSIDE LIFE PROPERTIES, LLC, ROSEVILLE LIFE PROPERTIES, LLC, SAN JOSE LIFE PROPERTIES, LLC, and LIVERMORE LIFE PROPERTIES, LLC are California limited liability companies. The principal office of each is 2065 Compton Avenue, Corona, CA, 92881, the “Central Business Office” of SIGNATURE. Each entity is titleholder to the real estate assets owned and managed by Defendants KIM and SIGNATURE.

12. Defendant SOON KIM is an individual who resides in both California and

Michigan.

13. Defendant SIGNATURE HEALTHCARE MANAGEMENT, INC. is a Delaware corporation. It is not itself a going business concern and has no customers or products or services but is merely an alter ego of Defendants KIM and SIGNATURE and a vehicle through which Defendant KIM pays himself income from the other entities he owns. Upon information and belief, Soon Kim is the sole or controlling shareholder of Signature Healthcare Management, Inc..

14. Plaintiff is ignorant of the true names and capacities of defendants sued herein as DOES 1 through 100, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff will amend this complaint to allege their true names and capacities when ascertained. Each of the fictitiously named defendants is legally responsible in some manner for the wrongs and injuries alleged herein.

15. Defendants DOES 1 through 90 are other entities owned and managed by Defendants KIM and SIGNATURE.

16. Defendants DOES 91 through 100 are managing agent employees of Defendants SBHH and/or SIGNATURE who exercised substantial independent authority and judgment in their corporate decision-making with respect to the wage and hour practices alleged herein.

VENUE AND JURISDICTION

17. Venue is proper in the Superior Court of Sacramento County under Code of Civil Procedure § 395 because Defendant SBHH's principal place of business is in Sacramento County and because Plaintiff and many Class members work or worked in Defendants' hospital in Sacramento County.

18. Jurisdiction is proper in this case in that the amount in controversy exceeds the jurisdictional minimum of this court.

GENERAL FACTUAL ALLEGATIONS

19. Plaintiff and the Class are or were classified as hourly, non-exempt employees by Defendants at all times pertinent to this case. Most of the Class members are healthcare workers – licensed nurses and unlicensed mental health workers.

20. Plaintiff and the Class are covered by California Industrial Welfare Wage Order No. 5-2001 (Title 8 Cal. Code of Regs. Tit. 8, § 11050, as well as potentially other Wage Orders.

21. The staffing ratios of Defendants' hospitals are regulated by Title 22 of the California Code of Regulations.

A. Adoption of Alternative Workweek Schedule Compensation Policy in Sacramento

Hospital

22. Defendants have failed to pay Plaintiff and fellow Sacramento Class members working in SBHH, the Sacramento hospital, all wages for all time worked, including overtime, pursuant to uniform classwide policies and practices arising from their failed implementation of an election for adoption of an Alternative Workweek Schedule.

23. Defendants started employing workers at SBHH as early as 2019. The hospital was not fully licensed and authorized to open to patients until December 2021. However, Class members worked at the hospital well before accepting patients, including in 2020.

24. In preparation for the hospital's opening, Defendants attempted to hold an Alternative Workweek Schedule ("AWS") election in or around October 2021.

25. In or around December 2021, SBHH opened for patient care with the Nursing and Assessment & Referral nurses, technicians and mental health workers (Sacramento Overtime Class) doing 12-hour shifts.

26. However, shifts exceeding 12 hours and even 16 hours were a regular occurrence after the hospital opened to patients.

27. Defendants followed almost none of the pre-election requirements of Labor Code § 511 and Wage Order 5 required to avail of an AWS exemption to normal overtime wage obligations. The election was null and void for reasons including:

- a. Defendants failed to make a timely disclosure in writing to the affected employees, including the effects of the proposed arrangement on the employees' wages, hours, and benefits, prior to a secret ballot election.
- b. Defendants failed to make any written disclosures at all to inform employees that voting for AWS in the upcoming election would affect the calculation of

overtime compensation.

- c. Defendants failed to make a written disclosure that included meeting(s), duly noticed, held at least fourteen (14) days prior to voting, for the specific purpose of discussing the effects of the AWS on the employees' wages, hours, and benefits.
- d. The holding of the election was highly irregular, ad-hoc and rife with improper management pressure. There were two separate elections held shortly after one another; the first was scheduled for three (3) days in October, and not enough employees voted and/or not enough voted "yes" in favor of adopting the AWS. Displeased with the outcome of the first election, management announced at a staff meeting that another election would take place, only approximately two weeks after the first. The second election was held over two days on October 26-27, and was preceded by management heavily encouraging employees to vote in favor of 12-hour shifts. It was this second election that SBHH claimed was successful in adopting the AWS.
- e. Before either of the abovementioned elections, Defendants failed to hold a meeting for the purpose of discussing effects of the proposed arrangement on the employees' wages, hours, and benefits, prior to a secret ballot election. These compensation impacts were not discussed at any pre-election meetings.
- f. Defendants failed to invite all affected employees to vote in the October 2021 elections. Assessment & Referral employees were supposedly swept into the AWS system but were never invited to vote in the first place.
- g. Defendants failed to secure a two-thirds vote in favor of AWS from all affected employees prior to implementing AWS.

28. SBHH failed to provide all legally required information to the California Department of Industrial Relations (DIR) about its AWS elections. According to a letter that SBHH sent to the California Department of Industrial Relations, the (only) AWS election was held on October 26 and 27, 2021. The first October election consisting of three days was not

1 reported to the DIR at all. The law additionally requires a report that includes the final tally
2 of the vote, the size of the unit, and the nature of the business of the employer. SBHH did not
3 provide the size of the unit or the final vote tally of either election to the DIR.

4 29. Defendants also failed to disclose the effect of AWS on overtime compensation
5 given that Defendants adopted a definition of the workday where the clock reset after midnight.
6 Such a workday definition did not align with Defendants' shifts under its previous system of
7 three 8-hour shifts, and also did not align with the AWS system of two 12-hour shifts per day.

8 30. At the same time, the only written overtime policies available to Plaintiff and the
9 Class -- the policy in Defendants' policies and procedures manual and the policy stated in their
10 new employee orientation papers -- stated that overtime would be paid after 8 hours.

11 31. When Ms. Morris began working at SBHH on or about December 27, 2021, she
12 signed a "14-Day Work Period Agreement", stating in pertinent part: "an employee will be paid
13 overtime (one and one-half times the employee's regular rate of pay) for hours worked in excess
14 of eight in a workday and/or 80 hours in the 14-day work period." This same pay policy was
15 communicated in a similar manner to members of the Sacramento Overtime Class, whether they
16 were hired before or after the 2021 AWS elections.

17 32. For some weeks in early 2022, Defendants paid certain Class members overtime
18 pay after 8 hours, because a newly hired administrative employee responsible for entering
19 certain newly hired employees into the payroll system was also relying on the written overtime
20 policy. After this so-called "error" was discovered by Hospital leadership, SBHH switched these
21 new hires to AWS payroll codes without advance notice, saying that the overtime pay was
22 accidental.

23 33. Hence, at all times it was the intent and policy of Defendants to *not pay overtime*
24 over 8 hours and before 12 hours per day pursuant to the faulty AWS election. But the flawed
25 election roll-out left most employees confused and in the dark about the AWS compensation
26 scheme -- even, apparently, certain low-level employees in hospital administration.

27 34. Defendants told employees, including Plaintiff, that it was a mistake that any
28 Class members had gotten paid overtime. They claimed that technically, Class members actually

1 owed that money to the Company. At the same time, Defendants claimed they would not try to
2 take the payments back. Instead they used the alleged overpayments to rebut employees' other
3 concerns about pay accuracy. For example, Class members did not receive itemized pay stubs
4 for some period and had great concerns about their inability to ascertain if they were being paid
5 correctly. Defendants' responses to these concerns fell along the lines of, "well, you were not
6 supposed to get any overtime pay, so the extra you received cancels everything out."

7 35. In July 2022, Defendants finally provided a response to Class members' concerns
8 in a mass mailing to the Class containing a memorandum and "proposed" AWS agreements.
9 The mailing was signed by Chad Hickerson, CEO of the Sacramento and Santa Rosa hospitals
10 of Defendant SIGNATURE. Hickerson was an employee of SIGNATURE. In his
11 communication to the Class, Hickerson maintained that no overtime compensation was owed.

12 36. Thereafter, Plaintiff and certain other Class members made further efforts to
13 secure backpay. Despite attempts by Plaintiff and Class members to seek correct overtime pay,
14 Defendants refused.

15 37. In October 2022, SBHH announced there would be another AWS election to take
16 place on November 2 and 3, 2022. However, this election was also noncompliant and invalid.

17 38. Because no valid AWS election has occurred, Plaintiff and Sacramento Class
18 members are entitled to significant backpay for unpaid overtime.

19 **B. Defendants' Failure to Provide Proper Meal and Rest Periods Or Pay All Owed**
20 **Premium Wages in the Sacramento Hospital**

21 39. Plaintiff and fellow Sacramento Class members were responsible for the care of
22 patients at the hospital. Defendants are required to provide sufficient licensed and unlicensed
23 staff in order to meet the acuity needs of patients. As a matter of Hospital policy, Class members
24 were not permitted to leave their patient care and patient monitoring duties without being
25 relieved first by another appropriately licensed or trained staff member. In order for Plaintiff
26 and other Class members to receive a break, they had to be relieved by another individual with
27 their qualifications or higher qualifications.

28 40. Plaintiff was regularly in charge of far more patients, and was often responsible

1 for the primary care of as many as 19 patients. The law requires that the staffing ratio should
2 not exceed six patients to one registered nurse.

3 41. Defendants relied heavily on unlicensed mental health workers to provide direct
4 care and monitoring. Mental Health Workers provided general nursing assistance under the
5 direction of licensed nurses. They provided all-around monitoring and observations. Mental
6 Health Workers were tasked with supervising patients at the Hospital, assisting patients in their
7 daily life activities, escorting them from place to place onsite and taking patients to offsite
8 appointments. Oftentimes Mental Health Workers were occupied with one patient requiring a
9 higher level of care and observation, although they were also expected to monitor and work with
10 groups of patients.

11 42. Defendants' understaffing made it extremely difficult for Mental Health Workers
12 to assist one another in a timely manner, as they – like other Nursing personnel – were often
13 placed in a position of either leaving certain patients without adequate care and monitoring or
14 not assisting or relieving other staff.

15 43. Defendants did not provide sufficient relief staff. Defendants are responsible for
16 hiring and scheduling sufficient staff, including "break nurses" to ensure that there are
17 appropriate staff available to be assigned to relieve other staff. For example, sufficient "break
18 nurses" who are RNs are supposed to be scheduled to ensure that all RNs get appropriate and
19 lawful breaks during a shift. Defendants failed to do so.

20 44. Every single patient-care role was chronically understaffed at Aurora. Staffing
21 was determined by adherence to tight staffing budgets, and without enough staff to draw from
22 to meet State law requirements for staffing to acuity, and without enough staff to provide break
23 relief.

24 45. In fact, Defendants' effort to keep its labor costs down even resulted in reporting
25 time violations. Defendants enacted a consistent practice of "calling off" full-time staff from
26 assigned shifts during days when there was low patient census. When SBHH leadership felt that
27 there were more staff than minimally required at the beginning of a shift, SBHH would tell staff
28 who reported to work to go home without compensation. This affected RNs, LVNs, LPTs and

1 MHWs who were removed from their shifts with inadequate notice, sometimes getting messages
2 while on their commute to the hospital and sometimes being told after they showed up to work
3 that they had been "called off."

4 46. At all times, staffing budgets and policies emanated from, were controlled by, and
5 were monitored by Signature. Plaintiff alleges on information and belief that Defendants'
6 staffing policies were motivated by labor costs and the desire to maximize profits even though
7 it knew or should have known the staffing was insufficient to comply with the requirements of
8 the Labor Code.

9 47. Defendants' barebones staffing ratios were out of compliance with Title 22 of the
10 California Code of Regulations. Even if Defendants' own minimal staffing ratios were
11 considered lawful, the lack of sufficient dedicated break or float staff deprived Plaintiff and
12 Class members of the opportunity to take breaks. A unit could be considered fully staffed at the
13 beginning of a shift and become understaffed during the shift due to changes in acuity.

14 48. Defendants knew or should have known that the hospital's staffing model made
15 it impossible for Plaintiff and Class members to have the opportunity to take lawful meal and
16 rest breaks.

17 49. Defendants had a common practice against paying meal and rest break premiums.
18 Defendants seldom, if ever, paid premium wages to Plaintiff and Class members despite their
19 awareness that breaks were not provided during lengthy shifts.

20 50. In short, as a matter of classwide and centralized staffing and budgeting policies,
21 Defendants did not schedule a sufficient number of licensed or unlicensed staff to allow breaks
22 to be taken by Plaintiff or other Class members.

23 51. As a result of the facts alleged above, Plaintiff and the Sacramento Class were not
24 paid all earned wages and overtime wages as required by California law and they were not
25 furnished accurate and complete wage statements.

26 **C. Defendants' Inaccurate and Missing Paystubs**

27 52. Defendant SIGNATURE provides centralized timekeeping and payroll services
28 for every Signature hospital including SBHH. SIGNATURE's hospitals utilize the Kronos

1 system for human resources data management including non-exempt employees' timesheets and
2 issuance of itemized wage statements. Because of the centralized provision and control of
3 Kronos by SIGNATURE, all California employees' wage statements followed the same
4 uniform format with the same fields and codes.

5 ***Inaccurate Display of Hours and Rates***

6 53. For numerous years to the present, Defendants issued wage statements that failed
7 to state the correct hours of work and the correct corresponding hourly rates and made it
8 impossible for workers to figure out how much they were being paid for any given hour of work.

9 54. In addition to overtime rates, Class members working certain types of shifts were
10 entitled to shift differentials. Shift differentials were essentially a premium rate for shifts that
11 might be considered less desirable, such as weekend or graveyard shifts. But for overtime rates
12 and rates where there was a shift differential in effect, Defendants' wage statements did not state
13 the applicable hourly rates. Each wage statement only provided the differential hourly amount
14 that was above the base rate.

15 55. In the example below of a biweekly wage statement, the base hourly pay rate was
16 stated as \$19.20 per hour. But the wage statement identified the "Overtime" pay rate as \$9.73
17 per hour.

18

EARNINGS	HRS/UNITS	PAY RATE	CURRENT AMT
HW-Overtime	24 00	9 73	233 52
HW-Regular	72 00	19 20	1,382 40
OT Eve-PM	16 00	1 00	16 00
OT Wknd-Eve	8 00	1 50	12 00
REG Eve-PM	2 00	1 00	2 00
REG Wknd-Day	15 00	1 00	15 00
REG Wknd-Eve	1 00	1 50	1 50

19
20
21
22

23 (Source: SIGNATURE 0000201.)

24 56. In this second example of a biweekly wage statement, the base hourly pay rate
25 was stated as \$52.00 per hour. But the wage statement identified the "HW-Overtime" pay rate
26 as \$26.27 per hour. In fact, the overtime rate was \$78.27.

EARNINGS	HRS/UNITS	PAY RATE	CURRENT AMT
DBL Eve-PM	0.02	2.00	0.04
DBL Wknd-EVE	1.35	4.00	5.40
HW-Doubletime	1.37	52.54	71.98
HW-Overtime	15.92	26.27	418.22
HW-Regular	49.29	52.00	2,563.08
OT Eve-PM	11.92	2.00	23.84
OT Wknd-Eve	4.00	4.00	16.00
REG Eve-PM	1.06	2.00	2.12
REG Wknd-Day	7.52	3.00	22.56
REG Wknd-Eve	0.48	4.00	1.92

(Source: SIGNATURE 000556.)

57. As the sample paystubs indicate, Defendants displayed pay rates as shift differentials instead of the actual hourly rate being paid for the corresponding hour.

58. Systematically, the "overtime" rate on wage statements is facially inaccurate. Systematically, the wage statements fail to state the number of hours worked that correspond to the base hourly rate. The "HW-Regular" line does not reflect those hours but is instead some type of mathematical sum based on an undisclosed formula.

59. Systematically, in fact, the pay rates for all types of shifts are facially inaccurate.

60. Systematically, the wage statements fail to accurately state the hours worked.

61. Mathematical computations of the numbers on the wage statement and the regular and overtime hours logged on timesheets are necessary to clarify what the wage statements mean. Employees are not able to see on the face of their wage statements how many hours were paid at a specific hourly rate. The wage statements on their face do not allow employees to discern whether the displayed hours match up with their actual hours of work.

Failure to Furnish Wage Statements

62. For a period of at least two months starting in December 2021, Plaintiff and other hourly employees of Defendants throughout the State of California did not receive itemized paystubs (wage statements). Moreover, for each pay period for at least two months, Plaintiff and other hourly employees of Defendants throughout the State of California were not paid based on their actual work time, but instead paid an amount identical to their paycheck in the 11/21/2021 to 12/4/2021 pay period.

63. Defendants claimed that they were affected by a hack or ransomware incident that

1 originally targeted Kronos and disrupted their ability to use Kronos. Defendants had no backup
2 system other than manual timesheets. Despite the passage of time and restoration of Defendants'
3 access to Kronos, Defendants failed to establish any adequate replacement and delayed
4 providing non-exempt employees renewed access to the Kronos system themselves.

5 64. For a prolonged period after the original disruption, employees could not access
6 electronic wage statements and were not given paper copies. For some months, Defendants
7 issued no itemized wage statements at all to Class members.

8 65. To compound matters, Defendants failed to make proper tax withholdings and
9 have mishandled the tax accounting associated with payroll.

10 66. As a result, the Class members statewide have been injured by Defendants' failure
11 to furnish any wage statement at time of wage payment or at least semimonthly.

12 **D. Defendants' Liability Under California Labor Code, Integrated Enterprise, Joint**
13 **Employer, Alter Ego, and Agency Theories**

14 67. At all relevant times, Defendants collectively have been joint employers of
15 Plaintiff and the Class. At all relevant times, Defendants have been participants in a single joint
16 or integrated enterprise and promulgated the same, centralized and common employment
17 policies to Plaintiff and the Class.

18 68. At all times herein mentioned defendants and each of the Doe defendants are
19 Plaintiff's and class members' employer(s). Moreover, all Defendants are agents, partners, joint
20 venturers, alter egos, and aiders and abettors of one or more of their co-defendants, and, in
21 committing the acts alleged herein, were acting within the course and scope of said agency,
22 employment, partnership, and/or joint venture, or were aiding and abetting their co-defendants.

23 69. In actuality, each entity Defendant was and is not a separate company. Defendants
24 have such a unity of interest and ownership that separate personalities do not in reality exist and
25 the corporate structure is such that each entity Defendant is just a shield for the alter ego of the
26 other. Inequity will result if the acts in question are treated as those of one of these Defendants
27 over the others. Defendants should be held collectively liable for the acts described herein.

28 70. There was and is a unity of interest and ownership between the entity Defendants

1 and KIM such that the separate personalities of the corporations and the shareholder do not in
2 reality exist. Each entity defendant is wholly owned by defendant KIM. As joint employers,
3 alter egos, and an integrated enterprise, the entity Defendants employed common management.

4 71. In addition to identical equitable ownership in all of the entity Defendants, there
5 have been commingling of funds and other assets of the entities, the holding out by certain
6 entities that they are liable for the debts of the other, the use of the same offices and employees,
7 and use of entities as mere shells or conduits for the affairs of the other Defendants.

8 72. Further, Defendants have inadequate capitalization, have disregarded of corporate
9 formalities, have failed to segregate business records, and have identical officers and directors
10 (to the extent there are any directors at all).

11 73. At all relevant times, Defendant KIM used the various LLCs owned and
12 controlled by him to enrich his various companies at the expense of each hospital and its
13 workers. SBHH, the Defendant LLC associated with the Sacramento hospital acts as the paystub
14 employer nominally, and pays monies for rent, management services, and operational
15 technology (such as IT services) to the other LLCs owned by KIM.

16 74. As a result of KIM's structure of shell companies, KIM is able to direct all
17 hospital and real estate profits to himself while making SBHH – and every other LLC that is the
18 paystub employer of the hospital workers – appear financially impoverished.

19 75. Defendants and each of the DOE Defendants are legally responsible for all of the
20 unlawful conduct, policies, practices, acts and omissions as described in this Complaint as the
21 employer of Plaintiff and the Class.

22 76. Defendant KIM caused all of the unlawful conduct, policies, practices, acts and
23 omissions, and decisions described in this Complaint, and he did so in his own personal capacity,
24 as owner of the entity Defendants, and on behalf of the entity Defendants.

25 77. In addition, SBHH's acts and omissions can be imputed to SIGNATURE
26 HEALTHCARE SERVICES, LLC and SIGNATURE HEALTHCARE MANAGEMENT,
27 INC. because SBHH is merely a local affiliate performing essential and representative functions
28 for these other companies, which are parent companies.

1 78. California's Fair Day's Pay Act provides:

2 Any employer or other person acting on behalf of an employer, who violates, or
3 causes to be violated, any provision regulating minimum wages or hours and days
4 of work in any order of the Industrial Welfare Commission, or violates, or causes
5 to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable
6 as the employer for such violation ... For purposes of this section, the term "other
person acting on behalf of an employer" is limited to a natural person who is an
owner, director, officer, or managing agent of the employer, and the term
"managing agent" has the same meaning as in subdivision (b) of Section 3294 of
the Civil Code.

7 Cal. Labor Code § 558.1.

8 79. Defendant KIM is an owner, director, and managing agent of SBHH and
9 SIGNATURE. Defendant KIM is liable under Section 558.1 through his maintenance of staffing
10 policies affecting class members at SBHH. Defendant KIM contributed to and caused the
11 nonpayment of wages.

12 80. Defendants DOES 91 through 100 contributed to and caused the nonpayment of
13 wages by acting as managing agents with respect to their decision-making affecting class
14 members' wage and hour conditions.

15 **CLASS ACTION ALLEGATIONS**

16 81. Pursuant to Code of Civil Procedure § 382, Plaintiff brings this action on behalf
17 of the following **Sacramento Class**:

18 All non-exempt, hourly employees registered nurses, licensed vocational
19 nurses, licensed psychiatric technicians, and mental health
20 workers/technicians employed in the Sacramento Behavioral Healthcare
Hospital between four (4) years prior to the filing of this action to the
present.

21 82. Plaintiff seeks to represent the following **Sacramento Overtime Subclass**:

22 All non-exempt, hourly registered nurses, licensed vocational nurses,
23 licensed psychiatric technicians and mental health workers/technicians in
24 the Nursing Services and Assessment & Referral departments who were
covered by an Alternative Workweek Schedule in the Sacramento
Behavioral Healthcare Hospital between four (4) years prior to the filing
of this action to the present.

25 83. Plaintiff seeks to represent the following statewide **California Wage Statement**

26 **Class:**

27 All non-exempt, hourly employees of all Signature Healthcare Services,
28 LLC hospitals in California between December 5, 2021 to the present.

1 84. Plaintiff reserves the right to modify or amend the class definitions before the
2 Court determines whether certification is appropriate.

3 85. Class certification is appropriate because this action satisfies the applicable
4 numerosity, commonality, typicality, adequacy, predominance, and superiority requirements.

5 86. Numerosity: The potential members of each Class are so numerous that joinder
6 of all the members of the Class is impracticable. There are over 100 Class members employed
7 during the relevant time periods.

8 87. The exact number and identity of the Class members are readily ascertainable
9 through inspection of Defendants' records.

10 88. Commonality: There are questions of law and fact common to the Class or
11 Subclass that predominate over any individualized questions, including but not limited to: (i)
12 What are and were the policies, practices, programs, procedures, protocols and plans of
13 Defendants regarding the compensation of Class members; (ii) whether Defendants provided
14 Plaintiff and members of the Class meal and rest periods as required by California law; (iii)
15 whether Defendants paid premium wages for noncompliant meal or rest periods; (iv) whether
16 Defendants failed to pay wages to Plaintiff and the Class as required by the Labor Code §§ 510,
17 1194, 1194.2 and 1199 and applicable IWC Wage Orders; (v) whether Defendants followed the
18 pre-election requirements of Labor Code § 511 and Wage Order 5; (vi) whether the AWS
19 elections in Sacramento were null and void under the Labor Code and Wage Orders; (vii)
20 whether Defendants failed to provide any wage statements at all for a period of time; (viii)
21 whether Defendants' uniform wage statement format failed to state the applicable hourly rates
22 and corresponding hours correctly; (ix) whether Defendants provided Plaintiff and members of
23 the Class accurate wage statements showing all hours worked; and (x) whether Defendants
24 engaged in unfair competition proscribed by the Business and Professions Code by engaging in
25 the conduct described hereinabove as to members of the Class;

26 89. Typicality: Plaintiff's claims are typical of the claims of the Classes she seeks to
27 represent. Defendants' conduct is common as to the members of each Class and represents a
28

1 common thread of conduct resulting in injury to all members of the Class. Plaintiff has suffered
2 the harm alleged and has no interests antagonistic to any other Class member.

3 90. Adequacy: Plaintiff is a member of each Class and Subclass and will fairly and
4 adequately represent and protect the interests of the Class. Plaintiff's interests do not conflict
5 with the interests of other Class members.

6 91. Counsel for Plaintiff and the Class are competent and experienced in employment
7 Class actions and representative actions. Plaintiff's counsel will fairly and adequately protect
8 and represent the interests of the Class.

9 92. Superiority: A class action is superior to other available means for the fair and
10 efficient adjudication of this controversy. Individual joinder of all Class members is
11 impracticable, and questions of law and fact common to the Class predominate over any
12 questions affecting only individual members of the Class. Each member of the Proposed Class
13 has been damaged and is entitled to relief because of Defendants' illegal policies and practices
14 of failing to provide compliant meal and rest periods and failing to pay all wages. Class
15 treatment will allow those similarly situated persons to litigate their claims in the manner that
16 is most efficient and economical for the parties and the judicial system.

17 93. Community of interest. Plaintiff and the Class share a community of interest in
18 the outcome of this action and the enforcement of their rights under the California Labor Code.

19
20 **FIRST CAUSE OF ACTION**
21 **Failure to Pay Wages and Overtime**
(On behalf of the Sacramento Overtime Class against All Defendants)
(California Labor Code §§ 510, 1194, 1194.2 and 1199, Cal. Code Regs., tit. 8, § 11050(3))

22 94. Plaintiff re-alleges and incorporates by reference the allegations contained in the
23 preceding paragraphs as though fully set forth herein.

24 95. Labor Code § 510(a) states that eight hours of labor constitutes a day's work and
25 any work in excess of eight hours in one workday and any work in excess of 40 hours in any
26 one workweek must be compensated at the rate of no less than one and one-half times the regular
27 rate of pay for an employee. Labor Code §§ 1194, 1194.2, and 1199 require an employer to pay
28 its employees the legal minimum wage and the legal overtime compensation applicable.

1 California law also requires that any compensation, including a bonus, must be included in the
2 regular rate of pay.

3 96. Defendants have had a consistent policy of failing to pay wages and/or overtime
4 to Plaintiff and the Class after adopting 12-hour shifts.

5 97. Plaintiff and the Class were forced to work on a regular and consistent basis
6 without receiving compensation for all hours worked at the proper rate. Specifically, Plaintiff
7 and the Class were not paid at the proper overtime rates when they were working more than
8 eight (8) hours in one day or forty (40) hours in one week. Plaintiff and the Class should have
9 been paid at the rate of one and one-half (1 1/2) times their regular rate of pay for hours after 8
10 hours and before 12 hours, and at the rate of two times their regular rate of pay after 12 hours.

11 98. By maintaining such overtime-avoidance practices without any valid exemption,
12 Defendants willfully violated Labor Code §§ 510, 1194, 1194.2, and 1199.

13 99. As a result of the unlawful acts of Defendants, Plaintiff and the Class have been
14 deprived of wages and overtime in amounts to be determined at trial and are entitled to recovery
15 of such amounts and liquidated damages, plus interest, penalties, attorneys' fees, and costs.

16 **SECOND CAUSE OF ACTION**

17 **Failure to Provide Meal Periods and Failure to Pay Meal Period Premiums**
18 **(On behalf of the Sacramento Class against All Defendants)**
(California Labor Code §§ 226.7(a), 512(a), 516; Cal. Code Regs., tit. 8, § 11050(11))

19 100. Plaintiff re-alleges and incorporates by reference the allegations contained in the
20 preceding paragraphs as though fully set forth herein.

21 101. Section 11(A) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(11)(A))
22 reiterates the legislative mandate set out in Labor Code § 512, subdivision (a), and provides that
23 "[n]o employer shall employ any person for a work period of more than five (5) hours without
24 a meal period of not less than thirty (30) minutes." During such a meal period, the employee is
25 to be relieved of all duty such that they can freely attend to personal pursuits, including leaving
26 the job site for 30 minutes.

27 102. Plaintiff and members of the Sacramento Class regularly worked shifts of six
28 hours or longer. By virtue of Aurora's staffing policies, Defendants have impeded, discouraged,

1 and/or dissuaded Plaintiff and members of the Class from taking meal periods by not relieving
2 them of duty on time and providing an uninterrupted off-duty meal period.

3 103. In addition, in violation of statute and regulations, Plaintiff and members of the
4 Sacramento Class regularly worked shifts of ten hours or longer without receiving either a
5 timely first meal period or timely second meal period.

6 104. In addition, in violation of statute and regulations, Plaintiff and members of the
7 Sacramento Class regularly worked shifts that were between 12 and 16 hours long without
8 receiving either a timely first meal period or timely second meal period.

9 105. Section 11(D) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(11)(D))
10 provides that "[i]f an employer fails to provide an employee a meal period in accordance with
11 the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay
12 at the employee's regular rate of compensation for each work day that the meal period was not
13 provided." This parallels the requirement in Labor Code § 226.7, subdivision (b), that an
14 employee be paid one additional hour of pay at the employee's regular rate of compensation for
15 each workday that a compliant meal period is not provided.

16 106. Under Wage Order 5-2001 and Labor Code § 226.7, subdivision (b), Plaintiff and
17 members of the Class are entitled to one hour of pay at their regular rate for each shift during
18 which they were not provided "off duty" 30-minute meal periods on time.

19 107. Furthermore, Plaintiff and members of the Class were not provided on-duty meal
20 periods pursuant to any lawful on-duty meal period agreements. Any such agreements are null
21 and void and served as unenforceable and unlawful waivers of meal periods.

22 108. Even if there were any lawful on-duty meal period agreements, Defendants
23 regularly failed to provide on-duty meal periods on time.

24 109. Plaintiff and members of the Class have been deprived of their rightfully earned
25 compensation for missed or untimely off-duty meal periods as a direct and proximate result of
26 Defendants' policies and failure and refusal to pay that compensation. Plaintiff and members of
27 the Class are entitled to recover such amounts that have been withheld including interest and
28 attorneys' fees and costs under Labor Code § 218.5 and other applicable law.

THIRD CAUSE OF ACTION
Failure to Provide Rest Periods and Pay Rest Period Premiums
(On behalf of the Sacramento Class against All Defendants)
(California Labor Code §§ 226.7(a), 516; Cal. Code Regs., tit. 8, § 11050(12))

110. Plaintiff re-alleges and incorporates by reference the allegations contained in the preceding paragraphs as though fully set forth herein.

111. Section 12(A) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(12)(A)) provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period." The authorized rest period time "shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof." During such a rest period, the employee is to be relieved of all duty.

112. Since the start of the Class Period and continuing to the present, Plaintiff and members of the Class worked shifts of four hours or longer. Plaintiff and members of the Class were subject to a corporate culture that caused them to do whatever it took to service customers and succeed within Aurora, which meant skipping or delaying rest periods. By virtue of Aurora's culture, Defendants have impeded, discouraged, and/or dissuaded Plaintiff and members of the Class from sometimes taking timely rest periods.

113. Section 12(B) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(12)(B)) provides that "[i]f an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period was not provided." This parallels the requirement in Labor Code § 226.7, subdivision (b), that an employee be paid one additional hour of pay at the employee's regular rate of compensation for each workday that a legal rest period is not provided.

114. Under Wage Order 5-2001 and Labor Code § 226.7, subdivision (b), Plaintiff and members of the Class are entitled to one hour of pay at their regular rate for each shift during which they were not provided rest periods.

115. Plaintiff and members of the Class have been deprived of their rightfully earned

1 compensation for missed or untimely rest periods as a direct and proximate result of Defendants'
2 policies and failure and refusal to pay that compensation. Plaintiff and members of the Class are
3 entitled to recover such amounts that have been withheld including interest and attorneys' fees
4 and costs under Labor Code § 218.5 and other applicable law.

5
6 **FOURTH CAUSE OF ACTION**
7 **Failure to Provide Accurate Wage Statements**
8 **(On behalf of the Sacramento Class against All Defendants)**
9 **(California Labor Code § 226)**

10 116. Plaintiff re-alleges and incorporates by reference the allegations contained in the
11 preceding paragraphs as though fully set forth herein, and further alleges as follows:

12 117. Labor Code § 226 requires that Defendants provide Plaintiff and Class members
13 with timely and accurate statements showing:

- 14 (1) gross wages earned,
- 15 (2) total hours worked by the employee, except for any employee whose
16 compensation is solely based on salary and who is legally exempt from
17 payment of overtime under Labor Code section 515(a) or any applicable Wage
18 Order,
- 19 (3) the number of piece-rate units earned and any applicable piece rate if the
20 employee is paid on a piece-rate basis,
- 21 (4) all deductions, provided that all deductions made on written orders of the
22 employee may be aggregated and shown as one item,
- (5) net wages earned,
- (6) the inclusive dates of the period for which the employee is paid,
- (7) the name of the employee and only the last four digits of his or her social
security number or an employee identification number other than a social
security number,
- (8) the name and address of the legal entity that is the employer and, if the
employer is a farm labor contractor, as defined in subdivision (b) of Section
1682, the name and address of the legal entity that secured the services of 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[.]

23 118. IWC Wage Order 5 § 7(B) similarly requires employers semimonthly or at the
24 time of each payment of wages to furnish to each employee an accurate itemized statement in
25 writing. These required disclosures of information are essential to enable employees to
26 determine whether they have been paid in compliance with the law.

27 119. Labor Code § 226 requires employers to list on an itemized wage statement "all
28 amounts earned and now owing, not just those amounts actually paid. A statement that conceals

1 amounts earned, on the ground that they also were not paid, is not an accurate statement, and it
2 does not comply with the statute.” *Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal.5th
3 93, 119.

4 120. Defendants’ policies and practices of failing to pay meal period premium wages
5 and rest period premium wages necessarily meant that the itemized wage statements of Plaintiffs
6 and putative class members failed to contain the information required by Labor Code § 226(a)
7 because they failed to reflect the proper wage rates and wages earned. The wage statements
8 provided to Sacramento Class members were incomplete.

9 121. Labor Code § 226(e) provides that an employee who suffers injury as a result of
10 a knowing and intentional failure by an employer to comply with § 226(a) may recover the
11 greater of actual damages or the penalties designated by statute of \$50 for the initial pay period
12 in which a violation occurs and \$100 per employee for each violation in a subsequent pay period
13 up to an aggregate penalty of \$4,000.

14 122. The employer’s failure to list wages that an employee earned but was not paid
15 “deprives the employee of information needed to evaluate whether the payment is correct, and
16 in so doing results in injury under the terms of the statute.” *Naranjo*, 13 Cal.5th at 120.

17 123. As a result of Defendants’ knowing and intentional failure list the correct wage
18 rates and wages earned on Plaintiffs’ wage statements, Defendants deprived Plaintiff and Class
19 members of information needed to evaluate whether Defendants’ payments to them were
20 correct. This establishes injury under Labor Code § 226(e)(2).

21 124. As a result of Defendants’ knowing and intentional violations, Plaintiff and
22 Sacramento Class members seek statutory penalties under Labor Code § 226(e) in amounts not
23 to exceed \$4,000 for each pay period in which they were provided with inaccurate wage
24 statements, costs and reasonable attorneys’ fees.

25 **FIFTH CAUSE OF ACTION**
26 **Failure to Provide Accurate Wage Statements**
27 **(On behalf of the California Wage Statement Class against All Defendants)**
28 **(California Labor Code § 226, Cal. Code Regs., tit. 8, § 11050(7))**

125. Plaintiff re-alleges and incorporates by reference the allegations contained in the

preceding paragraphs as though fully set forth herein, and further alleges as follows:

126. To the extent Defendants furnished wage statements, the uniformly formatted and coded statements failed to state correct hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

127. Plaintiff and members of the Class have been injured by Defendants' knowing and intentional failure to include the applicable hourly rates and corresponding hours worked. Plaintiff and members of the Class were not able to verify that they were paid the proper amount without guesswork and calculations. The need to conduct mathematical calculations is contrary to the requirements of Labor Code § 226, subdivision (e).

128. For a period of time after a disruption to the Kronos program occurring in December 2021, Defendants knowingly and intentionally failed to furnish wage statements to Plaintiff and members of the California Wage Statement Class with each wage statement or semimonthly, which constitutes injury under Labor Code section 226.

129. As a consequence of Defendants' knowing and intentional failure to state the correct hourly rates and correct corresponding hours, as well as their knowing and intentional failure to provide any wage statements for a period of time, Plaintiff and California Wage Statement Class members seek statutory penalties under Labor Code § 226(e) in amounts not to exceed \$4,000 for each pay period in which they were provided with inaccurate wage statements, costs and reasonable attorneys' fees.

SIXTH CAUSE OF ACTION

Unfair Competition

(On behalf of all Classes against All Defendants)

(Cal. Bus. & Prof. Code § 17200)

130. Plaintiff re-alleges and incorporates by reference the allegations contained in the preceding paragraphs as though fully set forth herein, and further alleges as follows:

131. The Unfair Competition Law ("UCL"), California Business & Professions Code § 17200, *et seq.*, prohibits unfair competition in the form of any unlawful, unfair or fraudulent business acts or practices. The UCL provides that a Court may enjoin acts of unfair competition, and order restitution to affected members of the public.

1 132. Defendants have committed acts of unfair competition as defined by the UCL, by
2 engaging in the unlawful, unfair and fraudulent business practices and acts described in this
3 Complaint, including, but not limited to:

4 a. Failure to pay overtime wages to Plaintiff and Sacramento Overtime Class
5 members in violation of Labor Code §§ 510, 1194, 1194.2 and 1199.

6 b. Failing to provide Plaintiff and Sacramento Class members meal and rest
7 periods during which they were relieved of all duty, in violation of Labor Code §§ 226.7 and
8 512, and applicable Wage Orders;

9 c. Failing to maintain accurate records showing daily hours worked and
10 wages paid, in violation of Labor Code § 1174, subdivision (d) and applicable Wage Orders,
11 which impose a requirement on all employers to "keep accurate information with respect to each
12 employee," including "[t]ime records showing when the employee begins and ends each work
13 period" as well as "total daily hours worked."

14 d. Failing to provide Plaintiff and Class members with wage statements
15 showing all hours worked, the corresponding pay rates, and all wages earned, in violation of
16 California Labor Code § 226; and

17 e. Failing to pay all accrued wages and other compensation due immediately
18 to each member of the Class who was terminated or within 72 hours to each member of the Class
19 who resigned, in violation of California Labor Code § 203.

20 133. The violations of these laws and regulations, as well as of the fundamental
21 California public policies protecting wages and safe and healthy working conditions underlying
22 them, serve as unlawful predicate acts and practices for purposes of Business and Professions
23 Code § 17200, *et seq.*

24 134. The acts and practices described above constitute unfair, unlawful and fraudulent
25 business practices, and unfair competition, within the meaning of Business and Professions
26 Code § 17200 *et seq.* Among other things, the acts and practices have taken from Plaintiff and
27 the Class wages rightfully earned by them, while enabling Defendants to gain an unfair
28 competitive advantage over law-abiding employers and competitors.

1 135. Business and Professions Code § 17203 provides that a court may make such
2 orders or judgments as may be necessary to prevent the use or employment by any person of
3 any practice which constitutes unfair competition. Injunctive relief is necessary and appropriate
4 to prevent Defendants from repeating its unlawful, unfair and fraudulent business acts and
5 business practices alleged above. If Defendants are not enjoined from this conduct, they will
6 continue to engage in these unlawful practices. Monetary compensation alone will not afford
7 adequate and complete relief to Plaintiff and Class members because it is impossible to
8 determine the amount of damages that will compensate for Defendants' actions in the future if
9 such actions are not enjoined now. Thus, without injunctive relief, a multiplicity of actions will
10 result from Defendants' continuing conduct.

11 136. As a direct and proximate result of the aforementioned acts and practices, Plaintiff
12 and Class members have suffered a loss of money and property, in the form of unpaid wages
13 that are due and payable to them.

14 137. Business and Professions Code § 17203 provides that the Court may restore to
15 any person in interest any money or property that may have been acquired by means of such
16 unfair competition. Plaintiff and Class members are entitled to restitution and disgorgement of
17 profits pursuant to Business and Professions Code § 17203 for all wages and payments
18 unlawfully withheld from employees. Plaintiff and Class members have an ownership interest
19 in any profits Defendants may have gained through interest or earnings on the Class's money
20 that Defendants wrongfully obtained.

21 138. Business and Professions Code § 17202 provides: "Notwithstanding Section 3369
22 of the Civil Code, specific or preventive relief may be granted to enforce a penalty, forfeiture,
23 or penal law in a case of unfair competition." Plaintiff and Class members are entitled to enforce
24 all applicable penalty provisions of the Labor Code pursuant to Business and Professions Code
25 § 17202.

26 139. Plaintiff requests that the Court issue a preliminary and permanent injunction
27 requiring Defendants to advise all Class members of their rights pursuant to the California Labor
28 Code and Wage Orders, and to provide Plaintiff and Class members all applicable benefits

1 afforded by California's Labor Code and Wage Orders, including but not limited to (a) payment
2 of all wages earned for all hours worked; and (b) provision of accurate wage statements.

3 140. Plaintiff's success in this action will enforce important rights affecting the public
4 interest and in that regard Plaintiffs sue on behalf of themselves as well as others similarly
5 situated. Plaintiff and Class members seek and are entitled to unpaid wages, declaratory and
6 injunctive relief, and all other equitable remedies owing to them.

7 141. Plaintiff takes upon enforcement of these laws as a private attorney general. There
8 is a financial burden involved in pursuing this action, the action is seeking to vindicate a public
9 right, and it would be against the interests of justice to penalize Plaintiff or the Class to pay
10 attorneys' fees from the recovery in this action. Attorneys' fees are appropriate pursuant to Code
11 of Civil Procedure § 1021.5 and otherwise.

12
13 **PRAYER FOR RELIEF**

14 WHEREFORE, Plaintiff respectfully prays for relief as follows:

- 15 1. Declaratory relief as pled or as the Court may deem proper;
- 16 2. Preliminary, permanent and mandatory injunctive relief prohibiting Defendants,
17 their officers, agents and all those acting in concert with them, from committing in the future
18 those violations of law herein alleged;
- 19 3. Equitable accounting to identify, locate and restore to all current and former
20 employees the wages they are due, with interest thereon;
- 21 4. Award Plaintiff and the Class compensatory and liquidated damages, including
22 lost wages and all other sums of money owed to Plaintiff and Class Members, together with
23 interest on these amounts, according to proof;
- 24 5. Award of statutory and civil penalties pursuant to the Labor Code in amounts
25 according to proof;
- 26 6. Award of pre-judgment and post-judgment interest on all monetary amounts
27 awarded in this action, as provided by law;
- 28 7. Award of reasonable attorneys' fees as provided by Labor Code §§ 1194, 218.5.

226(e), Code of Civil Procedure § 1021.5, and all other applicable law;

8. All costs of suit as provided by the Labor Code, Code of Civil Procedure § 1021.5, and all other applicable law; and

9. For such other and further relief as this Court deems equitable, just and proper.

Respectfully submitted,

VALERIAN LAW, P.C.

Dated: December 5, 2022

By:



Xinying Valerian
Dominic Valerian

*Attorneys for Plaintiff KRISTAL MORRIS and
the Proposed Class*

DEMAND FOR JURY TRIAL

Plaintiff hereby requests a jury trial on all claims so triable.

Dated: December 5, 2022

VALERIAN LAW, P.C.

By:



Xinying Valerian
Dominic Valerian

*Attorneys for Plaintiff KRISTAL MORRIS and
the Proposed Class*

PROOF OF SERVICE

I, Eileen Torrez, am over the age of 18 years and not a party to this action. I am employed by Valerian Law, P.C., in Alameda County. My business address is Valerian Law, P.C., 1530 Solano Avenue, Albany, CA 94707 and my electronic service address is: eileen@valerian.law. I am readily familiar with the business' practice for filing electronically.

On February 17, 2023, in the matter of *Morris v. Sacramento Behavioral Healthcare Hospital, LLC, et al.*, Case No. 2022-00330937, I served true and correct copies of the following document(s):

- **FIRST AMENDED CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT COMPLAINT FOR VIOLATIONS OF THE LABOR CODE AND BUSINESS AND PROFESSIONS CODE § 17200, et seq.**

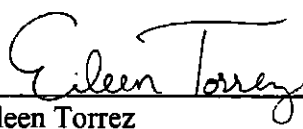
I served the document(s) by the following means:

☒ **By Electronic Mail** –By sending the document(s) via electronic mail without transmission error to the email address(es) set forth below, in the ordinary course of business following ordinary business practices, pursuant to CCP § 1010.6.

Anthony Oceguela (anthony.oceguera@lewisbrisbois.com)
Elaine McCormick (elaine.mccormick@lewisbrisbois.com)
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LEWIS BRISBOIS BISGAARD & SMITH LLP

*Attorneys for Defendants
Sacramento Behavioral
Healthcare Hospital, LLC and
Signature Healthcare Services,
LLC, et al.*

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed in Albany, California on February 17, 2023.


Eileen Torrez