

BOKHOUR LAW GROUP, P.C.

Mehrdad Bokhour, Esq., CA Bar No. 285256

mehrdad@bokhourlaw.com

1901 Avenue of the Stars, Suite 450

Los Angeles, California 90067

Tel: (310) 975-1493; Fax: (310) 675-0861

\$435 PAID

\$1,000 PAID

FALAKASSA LAW, P.C.

Joshua S. Falakassa, CA Bar No. 295045

josh@falakassalaw.com

1901 Avenue of the Stars, Suite 450

Los Angeles, California 90067

Tel: (818) 456-6168; Fax: (888) 505-0868

Attorneys for Plaintiff, on behalf of the State of California

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF STANISLAUS

CORRINA JOHNSON, on behalf of herself and
all others similarly situated,

Plaintiff,

v.

CONIFER REVENUE CYCLE SOLUTIONS,
LLC, a California Corporation; and DOES 1-50,
inclusive.

Defendants.

CASE NO.: CV-23-002463

**PAGA REPRESENTATIVE ACTION
COMPLAINT:**

(1) **CIVIL PENALTIES UNDER THE
PRIVATE ATTORNEYS
GENERAL ACT (LABOR CODE §
2698 *et seq.*)**

UNLIMITED CIVIL CASE

This case has been assigned to Judge Sandhu, Sonny S.
Dept. 24
Department _____ for all purposes including Trial.

1 Plaintiff Corrina Johnson (“Plaintiff”) on behalf of the State of California and other aggrieve
2 employees hereby brings this PAGA Representative Action Complaint (“Complaint”) against
3 Defendant Conifer Revenue Cycle Solutions, LLC (“Defendant”), and DOES 1 to 50 (collectively,
4 “Defendants”) and each of them, as follows:

5 **INTRODUCTION**

6 1. Defendant is a healthcare services company helping organizations strengthen their
7 financial performance, transition from volume to value-based care and enhance the consumer and
8 patient healthcare experience—with the goal of ultimately improving the quality, cost and access to
9 healthcare.

10 2. Plaintiff brings this PAGA representative action solely on behalf of the State of
11 California and other aggrieved employees against Defendants for alleged violations of the California
12 Labor Code.

13 3. As set forth below, Plaintiff alleges that Defendants failed to pay all minimum wages
14 and overtime compensation owed, and also failed to pay all sick pay wages and all reporting time pay
15 at the proper legal rates. Moreover, Plaintiff alleges that Defendants’ meal and rest period policies
16 and practices failed to allow and permit non-exempt employees to take all compliant and timely meal
17 and rest periods or pay premium wages at the “regular rate of pay” in lieu thereof. As a result, Plaintiff
18 alleges that Defendants failed to provide non-exempt employees with accurate written itemized wage
19 statements and failed to timely pay all final wages upon separation of employment.

20 4. Based on these alleged Labor Code violations, Plaintiff now brings this representative
21 action to recover civil penalties under the PAGA.

22 **JURISDICTION**

23 5. This is a representative action brought pursuant to Labor Code § 2698 *et. seq.* on
24 behalf of the State of California and the group of aggrieved employees defined as follows: “All
25 individuals who are or were employed as hourly, aggrieved, employees by Defendants, or their
26 predecessors or merged entities, in the State of California from January 2, 2022, and continuing to
27 the present (“aggrieved employees).”

28 6. Plaintiff, of behalf of the State of California brings this representative action pursuant

1 to Labor Code § 2699, *et seq.* seeking penalties for Defendants' violation of California Labor Code
2 §§ 201-203, 204, 210, 226, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1194, 1197.1,
3 1199, amongst others, and all applicable IWC Wage Orders.

4 7. Based upon the foregoing, Plaintiff and all aggrieved employees are aggrieved
5 employees within the meaning of Labor Code §2699, *et seq.*

6 8. This Court has jurisdiction over Defendants because, upon information and belief,
7 Defendants are citizens of California, Defendants have sufficient minimum contacts in California, or
8 otherwise intentionally avail themselves to the State of California so as to render the exercise of
9 jurisdiction over them by California courts consistent with the traditional notions of fair play and
10 substantial justice.

11 VENUE

12 9. Venue is proper in this judicial district pursuant to California Code of Civil Procedure
13 §§ 395(a) and 395.5, as many of the acts and omissions complained of herein occurred in the County
14 of Sacramento. Defendants own, maintain offices, transact business, have an agent or agents within
15 the County of Stanislaus, and/or otherwise are found within the County of Stanislaus, and Defendants
16 are within the jurisdiction of this Court for purposes of service of process.

17 10. In determining proper venue for a PAGA Action, a Plaintiff is not limited to the
18 county/counties in which he or she suffered Labor Code violations, but instead may file suit in any
19 county in which an allegedly aggrieved employee suffered a Labor Code violation. (*See Crestwood*
20 *Behavioral Health v. Superior Court*, No. A160523, 2021 Cal. App. LEXIS 137 (Ct. App. Feb. 17,
21 2021).

22 PARTIES

23 11. At all relevant times herein, Plaintiff, who is over the age of 18, was and currently is a
24 California resident residing in the State of California.

25 12. Plaintiff is informed and believes and thereon alleges that Defendant is a California
26 corporation authorized to and doing business in California and is and/or was the legal employer of
27 Plaintiff and the aggrieved employees during the applicable statutory periods. Plaintiff was, and is, a
28 victim of Defendants' policies and/or practices complained of herein and has been deprived of the

1 rights guaranteed to her by California Labor Code §§ 201-203, 204, 210, 221, 226(a), 226(e), 226.3,
2 226.7, 510, 512, 516, 1194, 1194.2, 1197.1, 1199, and applicable Wage Orders.

3 13. Plaintiff is informed and believes, and based thereon alleges, that during the four years
4 preceding the filing of the Complaint and continuing to the present, Defendants did (and continue to
5 do) business in the State of California, County of Stanislaus.

6 14. Plaintiff does not know the true names or capacities, whether individual, partner, or
7 corporate, of the defendants sued herein as DOES 1 to 50, inclusive, and for that reason, said
8 Defendants are sued under such fictitious names, and Plaintiff will seek leave from this Court to
9 amend this Complaint when such true names and capacities are discovered. Plaintiff is informed, and
10 believes, and thereon alleges, that each of said fictitious defendants, whether individual, partners, or
11 corporate, were responsible in some manner for the acts and omissions alleged herein, and
12 proximately caused Plaintiff and the aggrieved employees labor code violations as alleged.

13 15. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
14 herein, Defendants were and are the employers of Plaintiff and the aggrieved employees. At all times
15 herein mentioned, each of said Defendants participated in the doing of the acts hereinafter alleged to
16 have been done by the named Defendants; and furthermore, the Defendants, and each of them, were
17 the agents, servants, and employees of each and every one of the other Defendants, as well as the
18 agents of all Defendants, and at all times herein mentioned were acting within the course and scope
19 of said agency and employment. Defendants, and each of them, approved of, condoned, and/or
20 otherwise ratified each and every one of the acts or omissions complained of herein.

21 16. At all times mentioned herein, Defendants, and each of them, were members of and
22 engaged in a joint venture, partnership, and common enterprise, and acting within the course and
23 scope of and in pursuance of said joint venture, partnership, and common enterprise. Plaintiff alleges
24 that all Defendants were joint employers for all purposes of Plaintiff and the aggrieved employees.

25 **PAGA REPRESENTATIVE ACTION ALLEGATIONS**

26 17. Defendants are a healthcare services company helping organizations strengthen their
27 financial performance, transition from volume to value-based care and enhance the consumer and
28 patient healthcare experience—with the goal of ultimately improving the quality, cost and access to

1 healthcare.

2 18. Plaintiff started working for Defendants on or about May 2, 2022, as a non-exempt
3 employee with the title of “Financial Counselor” out of its Turlock, California location. Plaintiff and
4 other aggrieved employees (including all non-exempt positions) were responsible for all aspects of
5 Defendants’ business across the State of California. However, in these roles Plaintiff and other
6 aggrieved employees were often not afforded all protections and rights conferred under the California
7 Labor Code and applicable Wage Orders.

8 19. First, at all relevant times, Defendants has had a consistent practice/policy of unfairly
9 rounding and editing Plaintiff’s and other aggrieved employees’ time entries without approval or
10 consent. As a result of this practice, over a period of time, Plaintiff and other aggrieved employees
11 are not compensated for all the hours that they work and all of the overtime hours they work, in
12 violation of Labor Code §§ 204, 510, 1194, 1197.1, 1199, and applicable Wage Orders.

13 20. Here, Defendants’ time rounding/editing policy/practice is not neutral on its face or in
14 its application as Plaintiff and other aggrieved employees are subject to discipline, including
15 termination for being tardy in reporting to work, or returning from a meal period. Moreover, because
16 Defendants is capable of tracking the time worked by aggrieved employees to the exact minute, the
17 policy itself exists not for the convenience or benefit of the employees who are trying to accurately
18 report their time, but for Defendants’ benefit. As a result, the policy is not neutral on its face, on of
19 Labor Code §§ 204, 210, 510, 1194, 1197.1, 1199, and applicable Wage Orders.

20 21. Labor Code § 1197.1 authorizes employees who are paid less than the minimum fixed
21 by an applicable state or local law, or by an order of the commission a civil penalty, restitution of
22 wages, and liquidate damages as follows: (1) for any initial violation that is intentionally committed,
23 one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee
24 is underpaid....[and] (2) [f]or each subsequent violation for the same specific offense, two hundred
25 fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is
26 underpaid regardless of whether the initial violation is intentionally committed. Additionally, Labor
27 Code § 510 requires an employer to compensate an employee who works more than eight (8) hours
28 in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the

1 seventh consecutive day, no less than one and one-half times (11/2) the regular rate of pay.

2 22. In addition, Labor Code § 510 obligates employers to compensate employees at no
3 less than twice the regular rate of pay when an employee works more than twelve (12) hours in a
4 workday or more than eight (8) hours on the seventh consecutive day of work. Pursuant to Section 3
5 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8)
6 hours in any workday or more than 40 hours in any workweek unless the employee receives one and
7 one-half (11/2) times such employee's regular rate of pay for all hours worked over 40 hours in the
8 workweek.

9 23. Accordingly, to the extent permitted by law, Plaintiff and other aggrieved employees
10 are entitled to unpaid minimum and overtime wages and penalties.

11 24. Furthermore, at all relevant times, Plaintiff and other aggrieved employees were not
12 properly paid at the correct overtime rate for all hours worked in excess of eight (8) hours per workday
13 and/or forty (40) hours per workweek. Although Plaintiff and other aggrieved employees regularly
14 worked overtime hours, they were not compensated at one and one-half times their "regular rate of
15 pay" because Defendant failed to properly calculate non-exempt employees' overtime rate.

16 25. Further, Defendant also failed to include all forms of compensation, including, but not
17 limited to, non-discretionary bonuses, shift differentials, incentive pay, and other forms of
18 remuneration when calculating the "regular rate of pay" used for payment of overtime wages. As a
19 result, Plaintiff and other aggrieved employees were not paid for all overtime hours at the "regular
20 rate of pay."

21 26. Under the California Labor Code (as well as the FLSA), courts have consistently held
22 that regularly paid non-discretionary bonuses (and other forms of pay) must be included in
23 determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v.*
24 *The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency
25 bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F.
26 Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgement to Plaintiff under
27 California and federal law on the grounds, that Defendant improperly calculated overtime by
28 excluding annual bonuses paid to employees from the "regular rate of compensation"].)

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2 27. By their policy of requiring Plaintiff and the other aggrieved employees to work in
3 excess of eight (8) hours in a workday and/or forty (40) hours in a workweek without compensating
4 them at the lawful rate of one-half (1 1/2) their “regular rate of pay,” Defendant willfully violated the
5 provisions of Labor Code § 510 and the applicable Wage Orders.

6 28. Accordingly, to the extent permitted by law, Plaintiff and other aggrieved employees
7 are entitled to recover unpaid wages and penalties for violations of Labor Code §§ 204, 210, 510,
8 1197.1.

9 29. Moreover, at all relevant times, Defendant failed in its obligation to provide Plaintiff
10 and other aggrieved employees the legally required paid sick days at the legal “regular rate of pay”
11 pursuant to Labor Code §§ 246(a),(b).

12 30. Pursuant to Labor Code § 246(a),(b), “[a]n employee who, on or after July 1, 2015,
13 works in California for the same employer for 30 or more days within a year from the commencement
14 of employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours
15 worked, beginning at the commencement of employment.” Additionally, Labor Code § 246(l)(1)
16 provides that paid sick time for non-exempt employees must be “calculated in the same manner as
17 the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not
18 the employee actually works overtime in that workweek.” Furthermore, Labor Code § 246(l)(2) states
19 that the paid sick time must be “calculated by dividing the employee’s total wages, not including
20 overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90
21 days of employment.” Finally, Labor Code §246(i) requires employers to “provide an employee with
22 written notice that sets forth the amount of paid sick leave available, or paid time off leave an
23 employer provides in lieu of sick leave, for use on either the employee’s itemized wage statement
24 described in Section 226 or in a separate writing provided on the designated pay date with the
25 employee’s payment of wages.”

26 31. Here, at all relevant times, Defendants failed in its obligation to provide Plaintiff and
27 other aggrieved employees the legally required paid sick days at the “regular rate of pay” pursuant to
28 Labor Code §§ 246(a),(b). Instead, Defendants paid sick time at the non-exempt employees’ base rate

1 of pay, rather than the “regular rate of pay” as required by Labor Code §§ 246(l)(1-2).

2 32. Accordingly, to the extent permitted by law, Plaintiff and other aggrieved employees
3 are entitled to recover unpaid sick pay and penalties for violations of Labor Code § 246.

4 33. At all relevant times, Plaintiff and the non-exempt employees were denied compliant
5 and timely 30-minute off-duty meal periods as mandated by California law. Due to Defendants’
6 uniform meal period policies/practices and work demands, the aggrieved employees were often
7 unable to take timely and uninterrupted 30-minute first meal periods before the end of the fifth hour
8 of work.

9 34. Further, when the non-exempt employees worked in excess of 10.0 hours in a shift,
10 they were not always allowed and permitted to take a mandated second meal period before the end
11 of the tenth hour of work in violation of the Labor Code and applicable Wage Orders.

12 35. Additionally, the non-exempt employees were not properly paid meal period
13 premiums for missed or non-compliant meal periods at the “regular rate of pay” pursuant to *Ferra v.*
14 *Loews Hollywood Hotel, LLC* (2021) 11 5th 858 and Labor Code 226.7.

15 36. Accordingly, due to Defendant’ uniform meal period practices, Plaintiff and aggrieved
16 employees were also regularly denied legally compliant meal periods in violation of Labor Code §§
17 226.7, 1512, 516, and applicable Wage Orders.

18 37. Moreover, at all relevant times, Plaintiff and the aggrieved employees were not
19 provided with all 10-minute rest periods for every four hours worked, or major fraction thereof due
20 to Defendants’ uniform rest period policies/practices and work demands. As a result, the non-exempt
21 employees were and are routinely unable to take a net 10-minute duty free rest periods for every
22 major fraction of four hours worked. This includes a second rest period for shifts in excess of six
23 hours, and a third rest period for shifts in excess of 10 hours in a workday.

24 38. Here, Defendants’ rest period policy fails to conform with the Labor Code, which
25 requires the provision of a net 10-minute rest period for every four hours of work “or major faction
26 thereof,” including a second meal period for shifts of 8.0 hours and third meal periods for shifts in
27 excess of 10.0 hours. Finally, the policy fails to provide for payment of rest period premium payments
28 at the “regular rate of pay” as required by Labor Code § 226.7. In practice, by not relieving all non-

1 exempt employees of all duties during rest periods, Defendant failed to provide legally compliant rest
2 periods. See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal. 5th 257, 269 [concluding that
3 “during rest periods employers must relieve employees of all duties and relinquish control over how
4 employees spend their time.”]. In *Augustus*, the California Supreme Court expressly rejected the
5 employers’ assertion that it could provide an on-duty rest period to employees who worked as security
6 guards and further explained “that employers [must] relinquish any control over how employees
7 spend their break time and relieve their employees of all duties.” *Id.* at 273.

8 39. Each time the non-exempt employees were unable to take a compliant rest period,
9 Defendant failed and continues to fail to adequately pay rest period premium payments at the “regular
10 rate of pay” as required by Labor Code § 226.7.

11 40. Accordingly, due to Defendant’ uniform rest period policies/practices and work
12 demands, the non-exempt employees were also regularly denied legally compliant rest breaks in
13 violation of Labor Code §§ 226.7, 512, and applicable Wage Orders.

14 41. As a result of Defendant’ failure to pay Plaintiff and other aggrieved employees all
15 minimum and overtime wages and sick pay, reporting time and meal and rest period premiums at the
16 “regular rate of pay,” Defendant issued wage statements which failed to accurately identify the gross
17 wages earned, the total hours worked, the net wages earned, and the correct corresponding number
18 of hours worked at each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

19 42. Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of
20 Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per
21 employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for
22 each violation in a subsequent citation, for which the employer fails to provide the employee a wage
23 deduction statement or fails to keep the required in subdivision (a) of Section 226.”

24 43. Thus, for the violations of Labor Code § 226 described above, Plaintiff and other
25 aggrieved employees may also recover Labor Code § 226.3 penalties for Defendant’ violations of
26 Labor Code § 226(a).

27 44. As a further result of Defendant’ failure to pay all minimum and overtime wages, sick
28 pay and reporting time wages, and meal and rest period premiums at the “regular rate of pay,”

1 Defendant also failed and continues to fail to pay the aggrieved employees all wages due in a timely
2 manner upon separation of employment in violation of Labor Code § 201-203.

3 **FIRST CAUSE OF ACTION**

4 **PRIVATE ATTORNEYS GENERAL ACT**

5 *(Plaintiff and Similarly Aggrieved Employees Against All Defendants)*

6 45. Plaintiff re-alleges and incorporates by reference each and every allegation set forth
7 in the preceding paragraphs.

8 46. Defendants have committed several Labor Code violations against Plaintiff and
9 other similarly aggrieved employees. Plaintiff, an “aggrieved employee” within the meaning of Labor
10 Code § 2698 *et seq.*, acting on behalf of the State of California, brings this representative action
11 against Defendants to recover the civil penalties due to Plaintiff, other similarly aggrieved employees,
12 and the State of California according to proof pursuant to Labor Code § 2699 (a) and (f) including,
13 but not limited to (1) \$100 for each initial violation and \$200 for each subsequent violation per
14 employee per pay period for those violations of the Labor Code for which no civil penalty is
15 specifically provided based on the following Labor Code violations:

16 (a) Defendants’ failure to pay all minimum wages for all hours worked due to Defendant’s
17 timekeeping policy/practices;

18 (b) Defendant’s failure to pay all overtime wages at the “regular rate of pay” because
19 Defendants’ timekeeping policies/practices;

20 (c) Defendant’s failure to pay all sick pay and vacation pay wages at the “regular rate of
21 pay” because Defendants’ timekeeping policies/practices;

22 (d) Defendants’ failure to allow and permit legally compliant meal periods or compensation
23 at the “regular rate of pay” in lieu thereof;

24 (e) Defendants’ failure to allow and permit legally compliant rest periods or compensation
25 at the “regular rate of pay” in lieu thereof;

26 (f) Defendants’ failure to reimburse all business expenses incurred in violation of Labor
27 Code § 2802;

28 (g) Defendants’ failure to furnish legally compliant wage statements pursuant to Labor

1 Code § 226(a); and

2 (h) Defendants' failure to timely pay final wages to aggrieved employees at the time of
3 separation from employment were unlawful.

4 47. On or about January 2, 2023, Plaintiff notified Defendant Conifer Revenue
5 Cycle Solutions, LLC via certified mail, and the California Labor and Workforce Development
6 Agency ("LWDA") via its website of Defendant's violations of the California Labor Code § 2698 *et*
7 *seq.* with respect to violations of the California Labor Code identified in Paragraph 46(a)-(g).

8 48. Now that sixty-five days (65) have passed from Plaintiff notifying Defendant
9 of these violations, Plaintiff has exhausted his administrative requirements for bringing a claim under
10 the Private Attorneys General Act with respect to these violations.

11 49. Plaintiff was compelled to retain the services of counsel to file this court action
12 to protect the interest of the State of California and of other similarly aggrieved employees, and to
13 assess and collect the civil penalties owed by Defendants.

14 50. Plaintiff has therefore incurred attorneys' fees and costs, which she is entitled
15 to receive under California Labor Code § 2699.

16 **PRAYER FOR RELIEF**

17 **WHEREFORE**, Plaintiff prays for judgment on behalf of the State of California against
18 Defendants, as follows:

19 51. Upon the First Cause of Action, civil penalties due to the State of California
20 according to proof pursuant to Labor Code § 2699 (a) and (f) including: (1) \$100 for each initial
21 violation and \$200 for each subsequent violation per employee per pay period for those violations
22 of the Labor Code for which no civil penalty is specifically provided under the Labor Code;

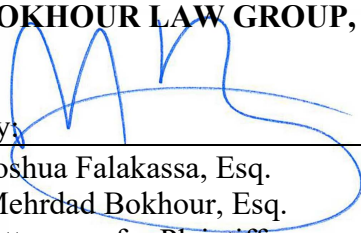
23 52. For attorneys' fees and costs as provided by Labor Code § 2698 *et seq.*, and Code
24 of Civil Procedure §1021.5; and

25 53. For such other and further relief, the Court may deem just and proper.

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Dated: May 2, 2023

FALAKSSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.

By: 

Joshua Falakassa, Esq.
Mehrdad Bokhour, Esq.
Attorneys for Plaintiff