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and on behalf of all others similarly situated and aggrieved

Assigned for All purposes:
Judge Layne H. Melzer
Dep. CX102

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

BARBARA LIPTON, an individual
and on behalf of all others similarly situated
and aggrieved,

Plaintiff

v.

NEORA, LLC, a Texas limited liability
company; and DOES 1 through 100, inclusive,

Defendants.

CASE NO.: 30-2026-01567484-CU-OE-CXC

**CLASS AND REPRESENTATIVE
ACTION COMPLAINT FOR:**

1. Violation of Business and Professions Code §§ 17200, *et seq.* (Unfair Competition Law); and
2. Civil Penalties Under the Labor Code Private Attorneys' General Act (2004) For Civil Penalties Under Labor Code Sections 210, 226.3, 226.8, 558, 1174.5, 1197.1 and 2699, *et seq.*

DEMAND FOR JURY TRIAL

[Amount in Controversy Greater Than
\$35,000.00]

1 Plaintiff BARBARA LIPTON (“Plaintiff”), on behalf of Plaintiff and all others similarly
2 situated and aggrieved, alleges as follows:

3 **INTRODUCTION**

4 1. This is a Class Action, pursuant to Code of Civil Procedure section 382, against
5 NEORA, LLC, a Texas limited liability company, and any of its respective subsidiaries or affiliated
6 companies within the State of California (“NEORA” and collectively, with DOES 1 through 100,
7 as further defined below, “Defendants”) on behalf of Plaintiff and all other current and former non-
8 exempt California employees employed by or formerly employed by Defendants (“Class
9 Members”).

10 2. This is also a representative action, pursuant to the Labor Code Private Attorneys
11 General Act of 2004, codified at Labor Code section 2698, *et seq.* (“PAGA”), against Defendants,
12 as a proxy of the Labor and Workforce Development Agency of the State of California (“LWDA”),
13 on behalf of Plaintiff and all Aggrieved Employees that worked for Defendants during the PAGA
14 Period. Specifically, in connection with any alleged claims for failure to comply with Labor Code
15 sections 96, 98.6, 200, 201, 201.5, 202, 203, 203.5, 210, 212, 221, 222, 223, 226.8, 432.5, 510, 976,
16 1102.5, 1197, 1198, 1182.12, 2802, 2810.5, Business and Professions Code sections 16600 and
17 16700, and applicable Wage Orders, Plaintiff seeks to represent all current and former employees
18 that worked for Defendants during the PAGA Period. On all other claims mentioned herein, Plaintiff
19 seeks to represent only non-exempt current and former employees that worked for Defendants
20 during the PAGA Period. Collectively, these employees are herein referred to as “Aggrieved
21 Employees.” The “PAGA Period” refers to three years preceding the date notice was submitted to
22 the LWDA, continuing past the date of notice to the LWDA into perpetuity.

23 **PARTIES**

24 3. Plaintiff BARBARA LIPTON is a resident of the State of California. At all relevant
25 times herein, Plaintiff is informed and believes, and based thereon alleges, that Defendants
26 misclassified Plaintiff as an independent contractor when she was in fact a non-exempt employee.
27 Plaintiff worked as a salesperson, broker and/or agent with duties that included, but were not limited
28 to, purchasing NEORA’s products for personal use; selling; recruiting; advertising; networking;

1 promoting; attending educational events; purchasing new products on “roll outs;” attending
2 promotional events, seminars, and annual events; bookkeeping; computer training; educating; and
3 posting or communicating on social media and other outlets for purposes related to NEORA’s
4 financial benefit. Plaintiff is informed and believes, and based thereon alleges, that Plaintiff
5 BARBARA LIPTON worked for Defendants from approximately December of 2024 through
6 approximately June of 2025.

7 4. Plaintiff is informed, believes, and based thereon alleges that defendant NEORA is,
8 and at all times relevant hereto was, a limited liability company organized and existing under and
9 by virtue of the laws of the State of Texas and doing business in the County of Orange, State of
10 California. At all relevant times herein, NEORA employed Plaintiff and Aggrieved Employees
11 within the State of California.

12 5. NEORA is a company that educates and sells skincare and wellness products and
13 experiences by advertising, promoting, marketing and recruiting directly to California residents to
14 join NEORA’s labor force. NEORA also advertises both directly and through distributors to a
15 national audience. NEORA uses workers in California for its “direct selling model.” NEORA
16 advertises: “Ready to own your boss era? For just \$20 and zero inventory requirements, our Brand
17 Partners can start earning from Day One with an automatic 50% off the clean beauty and wellness
18 products they love. You decide how your business fits into your lifestyle and which perks and
19 rewards you want—with the flexibility to grow at your own pace. Brand Partner Exclusives:
20 Commissions for referrals[.] Incentives including Car Bonuses and beachfront trips[.] A fun, like-
21 minded community that fosters friendship and support[.] Leadership training & development[.]”

22 6. The true names and capacities, whether individual, corporate, associate, or otherwise,
23 of defendants sued herein as DOES 1 through 100, inclusive, are currently unknown to Plaintiff,
24 who therefore sues defendants by such fictitious names under Code of Civil Procedure section 474.
25 Plaintiff is informed and believes and based thereon alleges that each of the defendants designated
26 herein as DOE is legally responsible in some manner for the unlawful acts referred to herein.
27 Plaintiff will seek leave of court to amend this complaint to reflect the true names and capacities of
28 the defendants designated hereinafter as DOES when such identities become known.

1 **JOINT LIABILITY ALLEGATIONS**

2 7. Plaintiff is informed and believes, and based thereon alleges, that each defendant
3 acted in all respects pertinent to this action, as the agent of the other defendant(s), carried out a joint
4 scheme, business plan or policy in all respects pertinent hereto, and the acts of each defendant are
5 legally attributable to the other defendants. Whenever, heretofore or hereinafter, reference is made
6 to "Defendants," it shall include NEORA, and any of their parent, subsidiary, or affiliated companies
7 within the State of California, as well as DOES 1 through 100 identified herein.

8 8. Plaintiff is informed and believes and based thereon alleges that at all times
9 mentioned herein, each of the Defendants was the agent, principal, employee, employer,
10 representative, joint venture or co-conspirator of each of the other defendants, either actually or
11 ostensibly, and in doing the things alleged herein acted within the course and scope of such agency,
12 employment, joint venture, and conspiracy.

13 9. All of the acts and conduct described herein of each and every corporate defendant
14 was duly authorized, ordered, and directed by the respective and collective defendant corporate
15 employers, and the officers and management-level employees of said corporate employers. In
16 addition thereto, said corporate employers participated in the aforementioned acts and conduct of
17 their said employees, agents, and representatives, and each of them; and upon completion of the
18 aforesaid acts and conduct of said corporate employees, agents, and representatives, the defendant
19 corporation respectively and collectively ratified, accepted the benefits of, condoned, lauded,
20 acquiesced, authorized, and otherwise approved of each and all of the said acts and conduct of the
21 aforementioned corporate employees, agents and representatives.

22 10. As a result of the aforementioned facts, Plaintiff is informed and believes, and based
23 thereon alleges that Defendants, and each of them, are joint employers.

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1 **JURISDICTION**

2 11. Jurisdiction exists in the Superior Court of the State of California pursuant to Code
3 of Civil Procedure section 410.10.

4 12. Venue is proper in Orange County, California pursuant to Code of Civil Procedure
5 sections 392, *et seq.* because, among other things, Orange County is where the causes of action
6 complained of herein arose; the county in which the employment relationship began; the county in
7 which performance of the employment contract, or part of it, between Plaintiff and Defendants was
8 due to be performed; and the county in which the employment contract, or part of it, between
9 Plaintiff and Defendants was actually performed. Moreover, the unlawful acts alleged herein have
10 a direct effect on Plaintiff and Aggrieved Employees in Orange County, and Defendants employ
11 Class Members and Aggrieved Employees in Orange County.

12 **CLASS ACTION ALLEGATIONS**

13 13. Plaintiff brings this action on behalf of Plaintiff and Class Members as a class action
14 pursuant to Code of Civil Procedure section 382. Plaintiff seeks to represent a class of all current
15 and former non-exempt employees of Defendants within the State of California at any time
16 commencing four (4) years preceding the filing of Plaintiff's complaint up until the time that notice
17 of the class action is provided to the class (collectively referred to as "Class Members").

18 14. Plaintiff reserves the right under California Rule of Court rule 3.765, subdivision (b)
19 to amend or modify the class description with greater specificity, further divide the defined class
20 into subclasses, and to further specify or limit the issues for which certification is sought.

21 15. This action has been brought and may properly be maintained as a class action under
22 the provisions of Code of Civil Procedure section 382 because there is a well-defined community
23 of interest in the litigation and the proposed Class is easily ascertainable.

24 **A. Numerosity**

25 16. The potential Class Members as defined are so numerous that joinder of all the
26 members of the Class is impracticable. While the precise number of Class Members has not been
27 determined yet, Plaintiff is informed and believes that there are over seventy-five (75) Class
28 Members employed by Defendants within the State of California.

1 17. Accounting for employee turnover during the relevant periods necessarily increases
2 this number. Plaintiff alleges Defendants' employment records would provide information as to the
3 number and location of all Class Members. Joinder of all members of the proposed Class is not
4 practicable.

5 **B. Commonality**

6 18. There are questions of law and fact common to Class Members. These common
7 questions include, but are not limited to:

- 8 a. Did Defendants violate the Unfair Competition Law, Business and Professions Code
9 section 17200, *et seq.*, by their unlawful practices as alleged herein?
- 10 b. Are Class Members entitled to restitution of wages under Business and Professions
11 Code section 17203?
- 12 c. Are Class Members entitled to injunctive relief under Business and Professions Code
13 section 17203?
- 14 d. Are Class Members entitled to costs and attorneys' fees?
- 15 e. Are Class Members entitled to interest?

16 **C. Typicality**

17 19. The claims of Plaintiff herein alleged are typical of those claims which could be
18 alleged by any Class Member, and the relief sought is typical of the relief which would be sought
19 by each Class Member in separate actions. Plaintiff and Class Members sustained injuries and
20 damages arising out of and caused by Defendants' common course of conduct in violation of laws
21 and regulations that have the force and effect of law and statutes as alleged herein.

22 **D. Adequacy of Representation**

23 20. Plaintiff will fairly and adequately represent and protect the interest of Class
24 Members. Counsel who represents Plaintiff is competent and experienced in litigating wage and
25 hour class actions.

26 **E. Superiority of Class Action**

27 21. A class action is superior to other available means for the fair and efficient
28 adjudication of this controversy. Individual joinder of all Class Members is not practicable, and

1 questions of law and fact common to Class Members predominate over any questions affecting only
2 individual Class Members. Class Members, as further described therein, have been damaged and
3 are entitled to recovery by reason of Defendants' policies and/or practices that have resulted in the
4 violation of the Labor Code at times, as set out herein.

5 22. Class action treatment will allow Class Members to litigate their claims in a manner
6 that is most efficient and economical for the parties and the judicial system. Plaintiff is unaware of
7 any difficulties that are likely to be encountered in the management of this action that would
8 preclude its maintenance as a class action.

9 **PAGA REPRESENTATIVE ALLEGATIONS**

10 23. Plaintiff is an "Aggrieved Employee" under PAGA, as Plaintiff was employed by
11 Defendants during the PAGA Period and suffered the Labor Code violations set forth herein, even
12 if not in the precise exact fashion as other Aggrieved Employees. Accordingly, Plaintiff seeks to
13 recover civil penalties under PAGA, plus reasonable attorneys' fees and costs, for Plaintiff and all
14 other Aggrieved Employees of Defendants during the PAGA Period.

15 24. Specifically, Plaintiff seeks to recover PAGA civil penalties through a representative
16 action permitted by PAGA and the California Supreme Court in, among other authorities, *Arias v.*
17 *Superior Court* (2009) 46 Cal.4th 969. According to the same authorities, class certification of the
18 PAGA allegations described herein is not required.

19 25. Labor Code section 2699, subdivisions (a) and (g), authorizes Aggrieved Employees
20 such as Plaintiff to bring a civil action to recover civil penalties pursuant to the procedures specified
21 in Labor Code section 2699.3 on behalf of Plaintiff and all other Aggrieved Employees within the
22 PAGA Period.

23 26. Pursuant to Labor Code section 2699.3, on or around October 24, 2025, Plaintiff
24 provided written notice of Defendants' violation of various provisions of the Labor Code to the
25 LWDA online and by certified mail, with return receipt requested, to Defendants ("PAGA Notice").

26 27. Pursuant to Labor Code section 2699.3, on or around January 8, 2026, Plaintiff
27 provided written and amended notice of Defendants' violation of various provisions of the Labor
28 Code to the LWDA online and by certified mail, with return receipt requested, to Defendants

1 (“Amended PAGA Notice”).

2 28. Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), the LWDA did not
3 provide notice of its intention to investigate Defendants’ alleged violations within sixty-five (65)
4 calendar days of the PAGA Notice.

5 29. To the extent Defendants, or either of them, previously used the notice and cure
6 provision of Labor Code section 2699.3 within the last twelve months, under section 2699.3(d), then
7 Defendants, or those who have availed themselves of the cure provisions validly, are not eligible to
8 cure the violations discussed herein under section 2699.3 or otherwise use the early evaluation
9 conference process pursuant to section 2699.3(f).

10 30. In the event that Defendants, or either of them, is/are determined to have satisfied
11 sections 2699(g), 2699(h), or otherwise 2699(d)(1), Defendants, or any of them that is determined
12 to have satisfied sections 2699(g), 2699(h), is/are also, in the alternative, liable for civil penalties
13 pursuant to Labor Code sections 2699(j), 2699(e)(2), and 2699(f)(2).

14 31. In the event that Defendants, or either of them, is/are determined to have, prior to
15 this notice or a request for records pursuant to Labor Code section 226, 432, or 1198.5, from Plaintiff
16 and/or Plaintiff’s counsel, adequately taken all reasonable steps to be in compliance with all
17 provisions identified in this notice, said defendant(s) is/are still liable for civil penalties pursuant to
18 section 2699(g)(1)-(3).

19 32. In the event that Defendants, or either of them is/are deemed to have adequately taken
20 all reasonable steps to be in compliance with all provisions identified in this notice within sixty (60)
21 days of receiving this notice, said defendant(s) is/are still liable for civil penalties pursuant to Labor
22 Code section 2699(h)(1)-(3).

23 33. In the event, the LWDA and/or a court issued a finding or determination to the
24 Defendants, or either of them, that within five (5) years preceding the date of the PAGA Notice the
25 policies or practices which gave rise to the violations alleged herein were unlawful, Defendants, or
26 any of them, would be subject to heightened penalties pursuant to Labor Code sections
27 2699(f)(2)(B)(i), 2699(g)(3) and 2699(h)(3) and **not** eligible for reduced penalties under either
28 Labor Code sections 2699(g) or 2699(h) for remedying violations either prior to or after the serving

1 of the PAGA Notice. Regardless, Plaintiff alleges Defendants' conduct giving rise to the violations
2 as detailed herein was and is malicious, fraudulent, and/or oppressive. Thus, Defendants, or any of
3 them, are further subject to increased penalties under Labor Code section 2699(f)(2)(B)(ii) and lack
4 eligibility for reduced penalties under either Labor Code sections 2699(g) or 2699(h).

5 **FACTUAL ALLEGATIONS**

6 34. Plaintiff is informed and believes, and based thereon alleges, that Defendants entice
7 recruits with false and misleading promises about potential income and promote its "Success
8 System" as a guide to generating top income. Defendants advertise: "Unlock your potential! Begin
9 your journey with Neora's best products at the best possible prices – and hit the ground running.
10 Earn income...and create a life you love on your terms." Defendant's income disclosures state,
11 "[f]rom January 2024 – December 2024, 37.5% of Active US Brand Partners earned cash
12 commissions and 62.5% did not earn any cash commissions. The average annual gross cash earnings
13 of Active US Brand Partners was \$1,142." However, Defendants fail to disclose that workers are
14 required to spend several thousand dollars out of pocket to have the opportunity to earn money with
15 Defendants while working many hours and investing money as directed by Defendants to earn
16 commissions. Such additional undisclosed costs include, but are not limited to, administrative and
17 ordering access, promotional material, marketing, advertising and publicity costs. Defendants also
18 prohibit workers from working for competitor brands: "Brand Partners are strictly prohibited from
19 promoting or engaging in another direct sales and/or network marketing programs of competitive
20 services or products. Brand Partners are not restricted from selling other companies' services and
21 products that are not similar to, or competitive with Defendants' products and services." Despite
22 completing all tasks required, recommended, promoted and urged by Defendants, Plaintiff, Class
23 Members, and Aggrieved Employees did not earn an income at the level of income disclosure.

24 35. At all relevant times, Labor Code section 976 has stated that "[n]o person shall
25 publish or cause to be published any advertisement, solicitation or communication in any newspaper,
26 poster or letter, offering employment as a salesman, broker, or agent, whether as an employee or
27 independent contractor, which advertisement, solicitation or communication (a) is willfully
28 designed to mislead any person as to compensation or commissions which may be earned; or (b)

1 falsely represents the compensation or commissions which may be earned.” Upon information and
2 belief and as described above, Defendants unlawfully advertised, misled and falsely represented the
3 compensation Plaintiff, Class Members, and Aggrieved Employees would be able to earn through
4 its sales program in violation of Labor Code section 976, subjecting Plaintiff, Class Members, and/or
5 Aggrieved Employees to damages that include, without limitation, disappointed expectations, loss
6 of income, loss of out-of-pocket expenses, loss of commissions, loss of time, emotional distress, and
7 others.

8 36. Plaintiff is informed and believes, and based thereon alleges, that Defendants knew,
9 or should have known, that Plaintiff, Class Members and/or Aggrieved Employees are entitled to
10 receive wages for all time worked, including regular, overtime, and double times wages, and that
11 Plaintiff, Class Members, and/or Aggrieved Employees were not receiving all wages owed for work
12 that was required to be performed.

13 37. Plaintiff is informed and believes, and based thereon alleges, that Defendants had
14 and have a policy or practice of requiring Plaintiff, Class Members, and/or Aggrieved Employees
15 to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight
16 workdays in a workweek (in violation of Labor Code sections 551 and 552) without paying them
17 proper overtime wages.

18 38. Upon information and belief, Defendants failed to accurately track and/or pay for all
19 minutes actually worked by Plaintiff, Class Members, and/or Aggrieved Employees at the proper
20 rates of pay. Defendants also engaged, suffered, or permitted Plaintiff, Class Members, and/or
21 Aggrieved Employees to work off the clock, including, without limitation, willfully and knowingly
22 misclassifying Plaintiff, Class Members, and/or Aggrieved Employees as independent contractors
23 and failing to accurately track and/or pay for all minutes actually worked to their detriment.

24 39. Although notice is not required under Labor Code section 2699.3 to recover penalties
25 under Labor Code section 226.8, Plaintiff is informed and believes, and based thereon alleges that
26 Defendants willfully misclassified Plaintiff, Class Members, and/or Aggrieved Employees as
27 independent contractors and charged willfully misclassified independent contractors a fee, or made
28 deductions from compensation for purposes that include, without limitation, goods, materials space,

1 rental, services, government licenses, repairs, equipment maintenance, or fines arising from the
2 individual's employment where these acts would have violated the law if the individual were not
3 misclassified.

4 40. Plaintiff is informed and believes, and based thereon alleges, that Defendants
5 violated, without limitation, Labor Code sections 223, 510, 551, 552, 1197, 1182.12, and applicable
6 Wage Orders based on its continued failure to pay minimum and overtime wages for all hours
7 worked as a result of, without limitation, willfully and knowingly misclassifying Plaintiff, Class
8 Members, and/or Aggrieved Employees as independent contractors and failing to accurately track
9 and/or pay for all minutes actually worked to the detriment of Plaintiff, Class Members and/or
10 Aggrieved Employees.

11 41. Plaintiff is informed and believes, and based thereon alleges, that Defendants, and
12 each of them, had and have a policy or practice of compelling Plaintiff, Class Members, and/or
13 Aggrieved Employees to work every day in excess of five (5) and ten (10) hours per day, without
14 being afforded uninterrupted, timely, and complete 30-minute meal periods in which the Class
15 Members and/or Aggrieved Employees are completely relieved of all their duties, or compensation
16 in lieu thereof, by knowingly and willfully misclassifying Plaintiff, Class Members, and/or
17 Aggrieved Employees as independent contractors and failing to provide meal periods.

18 42. Plaintiff is informed and believes, and based thereon alleges, that Defendants
19 maintain policies or practices of compelling Plaintiff, Class Members, and/or Aggrieved Employees
20 every day to, including, without limitation, work over four-hour periods (or major fractions thereof)
21 without authorizing and permitting Plaintiff, Class Members, and/or Aggrieved Employees to take
22 uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely
23 relieved of all of their duties by knowingly and willfully misclassifying Plaintiff, Class Members,
24 and/or Aggrieved Employees as independent contractors.

25 43. As a result of, among other things, Defendants' herein-described policy or practice
26 of failing to: accurately record time; failing to pay overtime and minimum wages; failing to provide
27 meal periods; failing to provide rest periods; and failing to provide compensation in lieu of meal or
28 rest periods, as described above, and due to independent failures in connection therewith, Plaintiff

1 is informed and believes, and based thereon alleges, that Defendants also intentionally failed and
2 continues to fail to furnish Plaintiff, Class Members, and/or Aggrieved Employees with itemized
3 wage statements that accurately reflect: gross wages earned; total hours worked by the employee;
4 net wages earned; the inclusive dates of the period for which the employee is paid; the name of the
5 employee and only the last four digits of their social security number or an employee identification
6 number other than a social security number; all deductions; all applicable hourly rates in effect
7 during the pay period and the corresponding number of hours worked at each hourly rate by the
8 employee; the legal name and address of the employer, and other such information as required by
9 Labor Code section 226, subdivision (a). Specifically, Defendants intentionally failed to furnish
10 employees with itemized wage statements that accurately reflect the hours worked by Plaintiff, Class
11 Members, and/or other Aggrieved Employees and the rates of pay at which they were or should
12 have been paid (including due to failure to pay at the proper regular rate), thus resulting in a failure
13 to reflect gross and net wages earned and paid at each rate, as well.

14 44. Plaintiff is informed and believes, and based thereon alleges, that Defendants also
15 willfully or intentionally failed and refused, and continue to fail and refuse, to timely pay
16 compensation to Plaintiff and other terminated or resigned employees, including but not limited to,
17 failing to pay all overtime wages owed, including for failure to pay at overtime wages owed; all
18 minimum wages owed; including without limitation, for failure to pay at the proper regular rate of
19 pay, as set forth above, among other things

20 45. Plaintiff is informed and believes, and based thereon alleges that Defendants also
21 failed and refused, and continue to fail and refuse, to reimburse employees, including, without
22 limitation, Plaintiff, Class Members, and/or Aggrieved Employees, with their costs incurred for
23 without limitation, administrative and ordering access, promotional materials, marketing,
24 advertising and publicity; promotional products; driving personal vehicles (*i.e.*, mileage and gas),
25 and for the purchase and maintenance of cellular phones and cellular phone plans, in direct
26 consequence of the discharge of their duties, or of their obedience to the directions of Defendants,
27 as required by Labor Code sections 1198, 2800, 2802, and other statutory and common law
28 offenses.

1 46. Plaintiff is informed and believes, and based thereon alleges, that Defendants
2 willfully misclassified Plaintiff, Class Members, and/or Aggrieved Employees as independent
3 contractors and charged willfully misclassified independent contractors fees and costs for products
4 and services, including online applications used to support high pressure sales tactics; marketing
5 merchandise such as clothing and promotional items; travel expenses to high-pressure Neora
6 sponsored national or regional sales conferences; minimum required standardized and timed Neora
7 or related product purchases, including false time urgency sales; minimum required product
8 purchases to maintain access to Neora’s platform and/or in order to remain active, maintain rank,
9 qualify for bonuses, meet volume thresholds for compensation, or retain access to the compensation
10 structure; and sales media and materials, including but not limited to, consumer tracking tools;
11 scripts; and videos. In this particular instance, Plaintiff has paid over \$2,200.00 for these fees and
12 costs. Meanwhile, she earned no income apart from \$13.00 that remains in Defendants’ possession
13 and which they will not release. Furthermore, Plaintiff was required to purchase brand products for
14 \$500.00 in December of 2024 to be eligible for payments, website access for \$20.00, monthly
15 application access for \$29.00, as well as onboarding fees to gain access for her team to share scripts
16 and support, all of which Neora represents as necessary in order to be successful. Plaintiff was also
17 required to purchase “Get Real” conference airfare, \$600.00 - \$800.00 of marketing materials,
18 products, and shirts to help her market the brand, as well as \$250.00 on promotional marketing
19 materials pushed at the conference. In addition, Plaintiff was required to spend at least \$140.00 per
20 month to remain active, and was pushed to meet group quotas through misleading incentives such
21 as a trip to Telum or \$500.00 per month to get a Lexus.

22 47. Plaintiff is informed and believes, and based thereon alleges that Defendants had and
23 have a policy or practice of failing to pay Class Members and/or Aggrieved Employees their wages
24 in accordance with Labor Code Section 204, which requires that: “[l]abor performed between the
25 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day
26 of the month during which the labor was performed, and labor performed between the 16th and the
27 last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the
28 following month.” Plaintiff is informed and believes and based thereon alleges that Defendants did

1 not and do not pay Plaintiff, Class Members, and/or Aggrieved Employees all wages owed every
2 day and every workweek in accordance with Labor Code sections 204 and 1198.

3 48. Plaintiff is further informed and believes, and based thereon alleges, that Defendants
4 have or had a policy or practice of failing to provide Plaintiff, Class Members, and/or Aggrieved
5 Employees with all rights afforded to them under the Healthy Workplace Healthy Families Act of
6 2014, codified at Labor Code section 245, *et seq.*, including, without limitation, the amount of paid
7 sick leave required to be provided pursuant to California and local laws. Plaintiff is further informed
8 and believes that the sick pay was not provided at the proper regular of pay as required under
9 California law due to failure to properly calculate the regular rate. Plaintiff is additionally informed
10 and believes that the notice requirement of Labor Code section 221, 223, 233, 234, 245 and 246
11 involves a mandatory payroll or workplace injury reporting. Plaintiff is thus informed and believes
12 that Defendants violated these Labor Code sections, as well as Labor Code section 1198.

13 49. In addition to the above, Plaintiff is informed and believes, and based thereon alleges
14 that Defendants failed and continue to fail to keep adequate or accurate time records including wage
15 statements and similar payroll documents under Labor Code section 226, documents signed to
16 obtain or hold employment under Labor Code section 432, personnel records under Labor Code
17 section 1198.5, time records under Labor Code section 1174, making it difficult for Plaintiff, Class
18 Members, and Aggrieved Employees to calculate their unpaid wages and/or premium payments.

19 50. Plaintiff is further informed and believes, and based thereon alleges that Defendants
20 failed and refused, and continue to fail and refuse, to comply with the notice requirements of Labor
21 Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing
22 to provide Plaintiff, Class Members, and/or Aggrieved Employees with the rates of pay and overtime
23 rates of pay applicable to their employment; any allowances claimed as part of the minimum wage;
24 the regular payday designated by Defendants; the name of the employer, including any “doing
25 business as” names used by the employer; the physical address of the employer’s main office and
26 the telephone number of the employer; the name, address and telephone number of the workers’
27 compensation insurance carrier; information regarding paid sick leave; and other pertinent
28 information required to be disclosed by Defendants under Labor Code section 2810.5. Plaintiff is

1 informed and believes that Defendants' failure to provide such information, including rates of pay
2 that are in effect, has permitted Defendants to pay employees at rates of pay that were not agreed
3 upon and violate minimum wage and overtime wage laws in California. Plaintiff is informed and
4 believes that Defendants violated Labor Code sections 1198 and 2810.5.

5 51. Plaintiff is informed and believes, and based thereon alleges that Defendants had and
6 have a policy or practice of preventing Plaintiff, Class Members, and/or Aggrieved Employees from
7 using or disclosing the skills, knowledge and experience they obtained at Defendants for purposes
8 of competing with Defendants, including, without limitation, preventing Plaintiff, Class Members,
9 and/or Aggrieved Employees from disclosing their wages in negotiating a new job with a
10 prospective employer, and from disclosing who else works at Defendants and under what
11 circumstances that they might be receptive to an offer from a rival employer.

12 52. Plaintiff is informed and believes, and based thereon alleges, that Defendants,
13 including their agents, managers, superintendents, and/or officers, required Plaintiff, Class
14 Members, and/or Aggrieved Employees to agree, in writing, to terms and conditions known by
15 Defendants (and its agents, managers, superintendents and/or officers) to be prohibited by law,
16 including, without limitation, non-compete agreements, terms known to be illegal in purported
17 arbitration agreements, purported confidentiality agreements, or purported release agreements, and
18 other written documents presented for signature and/or assent to Plaintiff, Class Members, and/or
19 Aggrieved Employees by Defendants. Defendants also required Plaintiff, Class Members, and/or
20 Aggrieved Employees to inform prospective employers of Defendants' restrictions of Plaintiff's,
21 Class Members', and/or Aggrieved Employees' freedom to work. As a result, Plaintiff is informed
22 and believes that Defendants violated Labor Code sections 432.5, 1198 and Government Code
23 section 12952.

24 53. Plaintiff, in Plaintiff's representative capacity, seeks civil penalties under Labor
25 Code sections 210, 226.3, 226.8, 558, 1174.5, 1197.1, and 2699 for the herein-described acts, which
26 violate the California Labor Code as described above, including on behalf of Plaintiff and other
27 Aggrieved Employees pursuant to PAGA.
28

54. Plaintiff, on Plaintiff's own behalf and on behalf of the Class Members, pursuant to Business and Professions Code sections 17200 through 17208, seeks restitution of wages and (an) injunction(s) prohibiting Defendants from further violating the Labor Code and requiring the establishment of appropriate and effective means to prevent further violations, as well as all monies owed but withheld and retained by Defendants to which Plaintiff and Class Members are entitled, as well as restitution of amounts owed.

FIRST CAUSE OF ACTION

(Unfair Competition – Against All Defendants)

55. Plaintiff realleges and incorporates by reference all of the allegations contained in the preceding paragraphs as though fully set forth herein.

56. Plaintiff is informed, believes, and based thereon alleges that the unlawful conduct of Defendants alleged herein constitutes unfair competition within the meaning of Business and Professions Code section 17200. Plaintiff seeks to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure section 1021.5.

57. Defendants' unlawful activities, as alleged herein, violate California law and constitute unlawful business acts or practices in violation of California Business and Professions Code sections 17200, *et seq.* Due to their unlawful business practices, Defendants have gained a competitive advantage over other comparable companies doing business in the State of California that comply with their obligations to compensate employees in accordance with the Labor Code.

58. A violation of Business and Professions Code §§ 17200, *et seq.* may be predicated on the violation of any state or federal law. Defendants' policies and practices have violated state law in at least the following respects: Failing to pay all wages owed, including minimum and overtime wages; failing to provide meal and rest periods without payment of premium wages for missed meal and rest periods; failing to provide accurate itemized wage statements; failure to indemnify work-related expenses; and failure to pay all wages owed at termination.

59. As a result of Defendants' unfair competition as alleged herein, Plaintiff and Class Members have suffered injury in fact and lost money or property.

60. Moreover, as a result of Defendants' unfair competition, as alleged herein, the public

1 has suffered injury. Defendants' Labor Code violations provide them with an unfair competitive
2 advantage against other California employers. Pursuant to Business and Professions Code sections
3 17203 and 17204, Plaintiff seeks public injunctive relief for the benefit of the general public that
4 prohibits Defendants from further violating the Labor Code and requiring the establishment of
5 appropriate and effective means to prevent further violations. This relief benefits Plaintiff only
6 incidentally and as a member of the general public. The primary purpose and effect of this
7 prohibition is to prohibit unlawful acts that threaten future injury to the general public by means of
8 Defendants' unlawful competition with other California employers. (*McGill v. CitiBank, N.A.*
9 (2017) 2 Cal.5th 945, 954; *accord* at 957.)

10 61. As a distinct ground, Plaintiff seeks under Labor Code section 17203 restitution of
11 all wages and other monies owed to them under the Labor Code, including interest thereon, in which
12 Plaintiff and Class Members had a property interest and which Defendants nevertheless failed to
13 pay them and instead withheld and retained for themselves. Restitution of the money owed to
14 Plaintiff and Class Members is necessary to prevent Defendants from becoming unjustly enriched
15 by their failure to comply with the Labor Code.

16 62. Plaintiff and Class Members are entitled to attorneys' fees pursuant to Code of Civil
17 Procedure section 1021.5, costs of suit under Code of Civil Procedure section 1032 and interest
18 under Civil Code section 3287.

19 **SECOND CAUSE OF ACTION**

20 **(Civil Penalties Under the Private Attorneys' General Act (2004) – Against All Defendants)**

21 63. Plaintiff re-alleges and incorporates by reference all of the allegations set forth in the
22 preceding paragraphs as though fully set forth herein.

23 **Civil Penalties Under Labor Code § 210**

24 64. At all relevant times herein, Labor Code section 204, requires and required that:
25 “[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for
26 between the 16th and 26th day of the month during which the labor was performed, and labor
27 performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for
28 between the 1st and 10th day of the following month.”

1 65. At all relevant times herein, Labor Code section 210, subdivision (a) states and stated
2 that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this
3 article, every person who fails to pay the wages of each employee as provided in Sections 201.3,
4 204, 204b, 204.1, 205, 205.5, and 1197.5, shall be subject to a civil penalty as follows: (1) For any
5 initial violation, one hundred dollars (\$100) for each failure to pay each employee” and “(2) For
6 each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for
7 each failure to pay each employee, plus 25 percent of the amount unlawfully withheld.”

8 66. At all relevant times herein, Defendants have had a consistent policy or practice of
9 failing to pay Plaintiff and/or Aggrieved Employees during their employment on a timely basis as
10 per Labor Code section 204 including, without limitation, for the reasons and in a manner set forth
11 in the preceding paragraphs. Thus, pursuant to Labor Code section 210, Plaintiff and other
12 Aggrieved Employees are entitled to recover as civil penalties injunctive relief and monetary civil
13 penalties in the amount of one hundred dollars (\$100) for each Aggrieved Employee for each initial
14 violation per employee, and two hundred dollars (\$200) for each failure to pay each employee, plus
15 25 percent of the amount unlawfully withheld for each Aggrieved Employee for each subsequent
16 violation in connection with each payment that was made in violation of Labor Code section 204.

17 Civil Penalties Under Labor Code § 226.3

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

23 68. Labor Code section 226.3 further provides that “[t]he civil penalties provided for in
24 this section are in addition to any other penalty provided by law.”

25 69. Plaintiff is informed and believes, and based thereon alleges, that Defendants had
26 and have a policy or practice of failing to comply with Labor Code section 226, subdivision (a) by
27 intentionally failing to furnish Plaintiff and Aggrieved Employees with itemized wage statements
28 that accurately reflect gross wages earned; total hours worked; net wages earned; the name and

1 address of each employer with whom they have been placed to work; all applicable hourly rates in
2 effect during the pay period and the corresponding number of hours worked at each hourly rate; the
3 legal name of the employer; and other such information as required by Labor Code section 226,
4 subdivision (a).

5 70. Pursuant to Labor Code section 226.3, Plaintiff and other Aggrieved Employees are
6 entitled to recover civil penalties for Defendants' violation of Labor Code section 226, subdivision
7 (a) in the amount of two hundred fifty dollars (\$250) for each Aggrieved Employee per pay period
8 for the initial violation, and one thousand dollars (\$1,000) for each Aggrieved Employee per pay
9 period for each subsequent violation.

10 Violation of Labor Code § 558

11 71. Pursuant to Labor Code section 558, subdivision (a): "Any employer or other person
12 acting on behalf of an employer who violates, or causes to be violated . . . any provision regulating
13 hours and days of work in any of the Industrial Welfare Commission" shall be subject to a civil
14 penalty as follows:

- 15 (1) For any initial violation, fifty dollars (\$50) for each underpaid employee and for each
16 pay period for which the employee was underpaid in addition to an amount sufficient
17 to recover underpaid wages;
- 18 (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid
19 employee for each pay period for which the employee was underpaid in addition to
20 an amount sufficient to recover underpaid wages;
- 21 (3) Wages recovered pursuant to this section shall be paid to the affected employee."

22 72. Plaintiff is informed and believes, and based thereon alleges, that Defendants, and
23 each of them, violated, or caused to be violated, the Labor Code sections and Wage Orders
24 regulating wages, hours and days of work described herein, including but not limited to Labor Code
25 sections 201-204, 223, 226.7, 510, 511, 512, 551, 552, 1182.12, 1194, 1197, 1198, and 2802.

26 73. As a direct and proximate result of the herein-described Labor Code violations,
27 pursuant to Labor Code section 558, Plaintiff and other Aggrieved Employees are entitled to recover
28 civil penalties for Defendants' herein-described Labor Code violations in the amount fifty dollars

1 (\$50) for each Aggrieved Employee per pay period for the initial violation, and one hundred dollars
2 (\$100) for each Aggrieved Employee per pay period for each subsequent violation.

3 Violation of Labor Code § 1174.5

4 74. At all times mentioned herein, Labor Code section 1174, subdivision (b) has required
5 every person employing labor in California to “[a]llow any member of the commission or the
6 employees of the Division of Labor Standards Enforcement free access to the place of business or
7 employment of the person to secure any information or make any investigation that they are
8 authorized by this chapter to ascertain or make. The commission may inspect or make excerpts,
9 relating to the employment of employees, from the books, reports, contracts, payrolls, documents,
10 or papers of the person.”

11 75. At all times mentioned herein, Labor Code section 1174, subdivision (c) has required
12 every person employing labor in California to “[k]eep a record showing the names and addresses of
13 all employees employed and the ages of all minors.”

14 76. At all times mentioned herein, Labor Code section 1174, subdivision (d) has required
15 every person employing labor in California to “[k]eep, at a central location in the state or at the
16 plants or establishments at which employees are employed, payroll records showing the hours
17 worked daily by and the wages paid to, and the number of piece-rate units earned by and applicable
18 piece rate paid to, employees employed at the respective plants or establishments. These records
19 shall be kept in accordance with rules established for this purpose by the commission, but in any
20 case, shall be kept on file for not less than three years. An employer shall not prohibit an employee
21 from maintaining a personal record of hours worked, or, if paid on a piece-rate basis, piece-rate units
22 earned.”

23 77. Pursuant to Labor Code section 1174.5, “[a]ny person employing labor who willfully
24 fails to maintain the records required by subdivision (c) of [Labor Code] Section 1174 or accurate
25 and complete records required by subdivision (d) of [Labor Code] Section 1174, or to allow any
26 member of the commission or employees of the division to inspect records pursuant to subdivision
27 (b) of [Labor Code] Section 1174, shall be subject to a civil penalty of five hundred dollars (\$500).

28 78. Plaintiff is informed and believes, and based thereon alleges, that Defendants have

1 willfully failed to keep adequate or accurate time records including wage statements and similar
2 payroll documents under Labor Code section 226, documents signed to obtain or hold employment
3 under Labor Code section 432, personnel records under Labor Code section 1198.5, and time records
4 under Labor Code section 1174.

5 79. As a direct and proximate result of the herein-described Labor Code violations,
6 pursuant to Labor Code section 1174.5, Plaintiff and other Aggrieved Employees are entitled to
7 recover civil penalties for Defendants' herein-described Labor Code violations in the amount of five
8 hundred dollars (\$500) per violation per pay period per Aggrieved Employee.

9 Violation of Labor Code § 1197.1

10 80. Pursuant to Labor Code section 1197.1, subdivision (a): "Any employer or other
11 person acting either individually or as an officer, agent, or employee of another person, who pays
12 or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or
13 local law, or by an order of the commission shall be subject to a civil penalty, restitution of wages,
14 liquidated damages payable to the employee, and any applicable penalties imposed pursuant to
15 Section 203 as follows:

16 (1) For any initial violation that is intentionally committed, one hundred dollars
17 (\$100) for each underpaid employee for each pay period for which the
18 employee is underpaid. This amount shall be in addition to an amount
19 sufficient to recover underpaid wages, liquidated damages pursuant to Section
20 1194.2, and any applicable penalties imposed pursuant to Section 203.

21 (2) For each subsequent violation for the same specific offense, two hundred fifty
22 dollars (\$250) for each underpaid employee for each pay period for which the
23 employee is underpaid regardless of whether the initial violation is
24 intentionally committed. This amount shall be in addition to an amount
25 sufficient to recover underpaid wages, liquidated damages pursuant to Section
26 1194.2, and any applicable penalties imposed pursuant to Section 203.

27 (3) Wages, liquidated damages, and any applicable penalties imposed pursuant to
28 Section 203, recovered pursuant to this section shall be paid to the affected

1 employee.”

2 81. Plaintiff is informed and believes, and based thereon alleges, that Defendants caused
3 Plaintiff and Aggrieved Employees not to be paid minimum wages as a result of Defendants
4 routinely failing to accurately track and/or pay for all minutes actually worked by Plaintiff and
5 Aggrieved Employees at the proper rates of pay, as described above.

6 82. As a direct and proximate result of the herein-described Labor Code violations,
7 pursuant to Labor Code section 1197.1, Plaintiff and other Aggrieved Employees are entitled to
8 recover civil penalties for Defendants’ herein-described Labor Code violations in the amount of one
9 hundred dollars (\$100) for each Aggrieved Employee per pay period for the initial violation, and
10 two hundred and fifty dollars (\$250) for each Aggrieved Employee per pay period for each
11 subsequent violation.

12 Violation of Labor Code § 226.8

13 83. Pursuant to Labor Code section 226.8, subdivision (a): “It is unlawful for any person
14 or employer to engage in any of the following activities:

- 15 (1) Willful misclassification of an individual as an independent contractor; and
16 (2) Charging an individual who has been willfully misclassified as an independent
17 contractor a fee, or making any deductions from compensation for any
18 purpose, including for goods, materials, space, rental, services, government
19 licenses, repairs, equipment maintenance, or fines arising from the
20 individual’s employment where any of the acts described in this paragraph
21 would have violated the law if the individual had not been misclassified.

22 84. On April 30, 2018, the California Supreme Court issued its decision in *Dynamex*
23 *Operations W., Inc. v. Superior Court*, 4 Cal. 5th 903, 416 P.3d 1 (2018), which adopted the “ABC”
24 test for determining whether a worker is an independent contractor or an employee.

25 85. In September of 2019, the California legislature enacted Assembly Bill 5 (“AB5”),
26 which codified the *Dynamex* decision’s use of the ABC test and further expanded the scope of its
27 application. Under the tests adopted in *Dynamex* and AB5, Plaintiff and Aggrieved Employees
28 undoubtedly would have been classified as employees in California. On October 29, 2019,

1 Proposition 22 was filed, and on November 3, 2020, was approved by a majority of California voters
2 at California Business and Professions Code section 7448, *et seq.*

3 86. Plaintiff is informed and believes, and based thereon alleges, that Plaintiff and
4 Aggrieved Employees were misclassified as independent contractors under the ABC Test because,
5 among other things, Plaintiff and Aggrieved Employees are not free from the control and direction
6 of Defendants in connection with the performance of the work; the work they perform is not outside
7 the usual course of Defendants' business; and/or they are not customarily engaged in an
8 independently established trade, occupation or business of the same nature as that involved in the
9 work performed.

10 87. As a direct and proximate result of the herein-described Labor Code violations,
11 pursuant to Labor Code section 226.8, Plaintiff and other Aggrieved Employees are entitled to
12 recover civil penalties for Defendants' herein-described Labor Code violations in the amount of five
13 thousand dollars (\$5,000) to fifteen thousand dollars (\$15,000) for each violation, in addition to any
14 other penalties or fines permitted by law pursuant to Labor Code section 226.8, subsection (b).
15 Moreover, because there was a pattern and/or practice of these violations, Plaintiff and Aggrieved
16 Employees shall be entitled to no less than ten thousand dollars (\$10,000) and up to twenty-five
17 thousand dollars (\$25,000) for each violation, in addition to any other penalties or fines permitted
18 by law, under Labor Code section 226.8(c).

19 Civil Penalties Under Labor Code § 2699

20 88. Pursuant to Labor Code section 2699, subdivision (a), notwithstanding any other
21 provision of law, any provision of the Labor Code that provides for a civil penalty to be assessed
22 and collected by the LWDA or any of its departments, divisions, commissions, boards, agencies or
23 employees for a violation of the Labor Code may, as an alternative, be recovered through a civil
24 action brought by an Aggrieved Employee on behalf of himself or herself and other current or former
25 employees pursuant to the procedures specified in Labor Code section 2699.3.

26 89. Plaintiff is informed and believes, and based thereon alleges that Defendants, and
27 each of them, violated the Labor Code sections described in the preceding paragraphs.

28 90. As such, Plaintiff and Aggrieved Employees are entitled to injunctive relief, one

1 hundred dollars (\$100) for each Aggrieved Employee for each pay period in the PAGA Period, and
2 two hundred dollars (\$200) for each Aggrieved Employee for each pay period in the PAGA Period
3 to the extent Defendants' conduct is found to be malicious, fraudulent, and/or oppressive.

4 91. Moreover, Plaintiff and other Aggrieved Employees within the State of California
5 whom Plaintiff seeks to represent are entitled to an award of reasonable attorneys' fees and costs in
6 connection with their herein-described claims for civil penalties.

7 **DEMAND FOR JURY TRIAL**

8 92. Plaintiff demands a trial by jury on all causes of action contained herein.

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PRAYER

WHEREFORE, on behalf of Plaintiff, Class Members, and Aggrieved Employees, Plaintiff prays for judgment against Defendants as follows:

- A. An order certifying this case as a Class Action;
- B. An Order appointing Plaintiff as Class representative and appointing Plaintiff's counsel as Class counsel;
- C. An award of civil penalties pursuant to Labor Code sections 210, 226.3, 226.8, 558, 1174.5, 1197.1, and 2699;
- D. An award of reasonable attorneys' fees and costs pursuant to Labor Code sections 210, 226.3, 226.8, 558, 1174.5, 1197.1, and 2699;
- E. Preliminary and permanent injunctions prohibiting Defendants from further violating the California Labor Code and requiring the establishment of appropriate and effective means to prevent future violations;
- F. Restitution of wages and benefits due which were acquired by means of any unfair business practice, according to proof;
- G. Prejudgment and post-judgment interest at the maximum rate allowed by law;
- H. For attorneys' fees in prosecuting this action;
- I. For costs of suit incurred herein; and
- E. Such other and further relief as the Court deems just and proper.

Dated: May 1, 2026

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BY: /s/ Molly DeSario

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Employees