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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN JOAQUIN

KAITLIN BURNS, on behalf of herself and all
others similarly situated,

Plaintiff,

v.

ADVANCED AMERICAN MANAGEMENT,
INC., a Delaware Corporation; and DOES 1-50,
inclusive.

Defendants.

STK-CV- WDE-2026- 558

**PAGA REPRESENTATIVE ACTION
COMPLAINT:**

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

UNLIMITED CIVIL CASE



FILED
SUPERIOR COURT SAN JOAQUIN

2026 JAN 22 P 3:07

STEPHANIE BOHRER, CLERK

BY MONICA D. JONES
DEPUTY

1 Plaintiff Kaitlin Burns (“Plaintiff”), on behalf of herself and all other similarly situated
2 aggrieved employees, alleges and complains against Defendant Advanced American Management,
3 Inc. (“Defendant”) and DOES 1 to 50 (collectively “Defendants”) and each of them, as follows:

4 **INTRODUCTION**

5 1. Defendant is a healthcare services company focused on operational and financial
6 management for various healthcare entities. They offer services such as patient access support, data
7 reporting, and fiscal intermediation to physician groups, government agencies, and health plans.

8 2. Plaintiff brings this PAGA representative action solely on behalf of the State of
9 California against Defendant for alleged violations of the California Labor Code.

10 3. **Plaintiff does not seek to recover anything other than penalties as permitted by**
11 **California Labor Code § 2699.**

12 4. As set forth below, Plaintiff alleges that Defendant failed to pay all overtime
13 compensation and sick pay wages due to its failure to correctly calculate the “regular rate of pay.”
14 Moreover, Plaintiff alleges that Defendant’s meal and rest period policies and practices failed to allow
15 and permit aggrieved employees to take all compliant and timely meal and rest periods or pay
16 premium wages at the “regular rate of pay” in lieu thereof. Plaintiff further alleges that Defendant
17 failed to provide aggrieved employees with accurate written itemized wage statements in violation of
18 Labor Code § 226(a), failed to reimburse all necessary business expenses incurred, and failed to
19 timely pay all final wages upon separation of employment in violation of Labor Code §§ 201-203.

20 **JURISDICTION**

21 5. Plaintiff, on behalf of the State of California, brings this representative action pursuant
22 to Labor Code § 2699, *et seq.*, seeking penalties for Defendant’s violation of California Labor Code
23 §§ 201-203, 204, 210, 226(a), 226(a)(6), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174,
24 1174.4, 1199, 2802-2804, and applicable Industrial Welfare Commission Wage Orders (“Wage
25 Orders”).

26 6. Based upon the foregoing, Plaintiff and all aggrieved employees are aggrieved
27 employees within the meaning of Labor Code §2699, *et seq.*

28 7. This Court has jurisdiction over Defendant because, upon information and belief,

1 Defendant has sufficient minimum contacts in California, or otherwise intentionally avail themselves
2 to the State of California so as to render the exercise of jurisdiction over them by California courts
3 consistent with the traditional notions of fair play and substantial justice.

4 **VENUE**

5 8. Venue is proper in this judicial district pursuant to California Code of Civil Procedure
6 §§ 395(a) and 395.5, as most of the acts and omissions complained of herein occurred in the County
7 of San Joaquin. Defendant owns, maintains offices, transacts business, has an agent or agents within
8 the County of San Joaquin, and/or otherwise are found within the County of San Joaquin, and
9 Defendant is within the jurisdiction of this Court for purposes of service of process.

10 **PARTIES**

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

13 10. Plaintiff is informed, believes, and alleges that Defendants are authorized to do
14 business within the County of San Joaquin and are and/or were the legal employer of Plaintiff and
15 the aggrieved employees during the applicable statutory periods. Plaintiff was, and is, a victim of
16 Defendants' policies and/or practices complained of herein and has been deprived of the rights
17 guaranteed to her by California Labor Code §§ 201-203, 204, 210, 226, 226(a), 226(e), 226.3, 226.7,
18 227.3, 246, 510, 512, 516, 1174, 1174.4, 1199, 2802-2804, and the California Business and
19 Professions Code § 17200 *et seq.*, and applicable Wage Orders.

20 11. Plaintiff is informed and believes, and based thereon alleges, that during the four years
21 preceding the filing of the Complaint and continuing to the present, Defendants did (and continue to
22 do) business in the State of California, County of San Joaquin.

23 12. Plaintiff does not know the true names or capacities, whether individual, partner, or
24 corporate, of the Defendants sued herein as DOES 1 to 50, inclusive, and for that reason, said
25 Defendants are sued under such fictitious names, and Plaintiff will seek leave from this Court to
26 amend this Complaint when such true names and capacities are discovered. Plaintiff is informed, and
27 believes, and thereon alleges, that each of said fictitious Defendants, whether individual, partners, or
28 corporate, were responsible in some manner for the acts and omissions alleged herein and proximately

1 caused Plaintiff and the aggrieved employees to be subject to the unlawful employment practices
2 alleged herein.

3 13. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
4 herein, Defendants were and are the employers of Plaintiff and all aggrieved employees. At all times
5 herein mentioned, each of said Defendants participated in the doing of the acts hereinafter alleged to
6 have been done by the named Defendants. Furthermore, the Defendants, and each of them, were the
7 agents, servants, and employees of each and every one of the other Defendants, as well as the agents
8 of all Defendants, and at all times herein mentioned, were acting within the course and scope of said
9 agency and employment. Defendants, and each of them, approved of, condoned, and/or otherwise
10 ratified each and every one of the acts or omissions complained of herein.

11 14. At all times mentioned herein, Defendants, and each of them, were members of and
12 engaged in a joint venture, partnership, and common enterprise and acting within the course and
13 scope of and in pursuance of said joint venture, partnership, and common enterprise. Further, Plaintiff
14 alleges that all Defendants were joint employers for all purposes of Plaintiff and aggrieved
15 employees.

16 **PAGA REPRESENTATIVE ACTION ALLEGATIONS**

17 15. Defendant is a healthcare services company focused on operational and financial
18 management for various healthcare entities. They offer services such as patient access support, data
19 reporting, and fiscal intermediation to physician groups, government agencies, and health plans.

20 16. Plaintiff was employed by Defendant as a non-exempt employee with the title of
21 “Accounts Payable Clerk” from August 8, 2022, to September 30, 2025. Based in Modesto,
22 California, Plaintiff performed essential duties integral to the Defendant’s operations.

23 17. Alongside Plaintiff, other aggrieved employees, including but not limited to Case
24 Manager, Accounts Payable Clerk, Social Worker, Benefits Coordinator, Nursing Assistant, and
25 Human Resources Assistant, played a critical role in supporting Defendant’s daily operations and
26 overall success across California.

27 18. Plaintiff and other aggrieved employees were responsible for a wide range of tasks
28 critical to Defendant’s operations, such as developing care plans, providing customer service, and

1 overall financial management. Their work ensured the effective operation of Defendant's assets.
2 Despite the essential nature of their contributions, Plaintiff and other aggrieved employees allege that
3 Defendant failed to comply with the California Labor Code, including but not limited to proper wage
4 payment and provision of meal and rest periods, as set forth below.

5 19. At all relevant times, Plaintiff and other aggrieved employees regularly worked
6 various shifts, many of which were more than 8.0 hours in a workday and 40.0 hours in a workweek.
7 Plaintiff alleges that other aggrieved employees were also subjected to the same policies, procedures,
8 practices, working conditions, and corresponding wage and hour violations to which she was
9 subjected during her employment.

10 20. First, at all relevant times, Plaintiff and other aggrieved employees worked regular
11 shifts that lasted longer than 8.0 hours in a workday and resulted in aggrieved employees regularly
12 working more than 40 hours in a workweek. However, Defendant uniformly failed to properly
13 calculate and pay overtime wages at the proper legal rate due to Defendant's failure to include all
14 forms of compensation/remuneration, including, but not limited to, stipends, shift pay, non-
15 discretionary bonuses, commissions, incentives, and all other forms of remuneration in calculating
16 the "regular rate of pay" for purposes of overtime compensation.

17 21. Under the California Labor Code (as well as the FLSA), courts have consistently held
18 that regularly paid non-discretionary bonuses (and other forms of pay) must be included in
19 determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v.*
20 *The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency
21 bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F.
22 Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgment to Plaintiff under California
23 and federal law on the grounds that Defendant improperly calculated overtime by excluding annual
24 bonuses paid to employees from the "regular rate of compensation"]; see *Walling v. Youngerman-*
25 *Reynolds Hardwood Co.* (1945) 65 S.Ct. 1242, 1245. ("The regular rate by its very nature must reflect
26 all payments which the parties have agreed shall be received regularly during the workweek,
27 exclusive of overtime payments. It is not an arbitrary label chosen by the parties but an actual fact.
28 Once the parties have decided upon the amount of wages and the mode of payment, the determination

1 of the regular rate becomes a matter of mathematical computation, the result of which is unaffected
2 by any designation of a contrary ‘regular rate’ in the contracts.”); see also 29 CFR §§ 778.110
3 (“production bonus”) and 778.111 (“piece-rate”).

4 22. Labor Code § 510 requires an employer to compensate an employee who works more
5 than eight (8.0) hours in one workday, forty (40.0) hours in a workweek, and for the first eight (8.0)
6 hours worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular
7 rate of pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less
8 than twice the regular rate of pay when an employee works more than twelve (12.0) hours in a
9 workday or more than eight (8.0) hours on the seventh consecutive day of work. Pursuant to Section
10 3 of the applicable Wage Orders, aggrieved employees shall not be employed more than eight (8.0)
11 hours in any workday or more than 40.0 hours in any workweek unless the employee receives one
12 and one-half (1 1/2) times such employee’s regular rate of pay for all hours worked over 40 hours in
13 the workweek.

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

18 24. Accordingly, through PAGA and to the extent permitted by law, Plaintiff and other
19 aggrieved employees are entitled to recover penalties for violations of Labor Code §§ 204, 210, 510,
20 1194, 1197.1, 1199 1197.1 under Labor Code § 1197.1, 1199, or Labor Code § 2699(f)(2), and for
21 attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

22 25. Similarly, at all relevant times, Defendant also failed in its obligation to provide
23 Plaintiff and other aggrieved employees the legally required paid sick days at the legal rate pursuant
24 to Labor Code §§ 246(a),(b), which requires that “[a]n employee who, on or after July 1, 2015, works
25 in California for the same employer for 30 or more days within a year from the commencement of
26 employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours
27 worked, beginning at the commencement of employment.” Labor Code § 246(l)(1) provides that paid
28 sick time for aggrieved employees must be “calculated in the same manner as the regular rate of pay

1 for the workweek in which the employee uses paid sick time, whether or not the employee actually
2 works overtime in that workweek.”

3 26. Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated
4 by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total
5 hours worked in the full pay periods of the prior 90 days of employment.” Finally, Labor Code §246(i)
6 requires employers to “provide an employee with written notice that sets forth the amount of paid
7 sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either
8 the employee’s itemized wage statement described in Section 226 or in a separate writing provided
9 on the designated pay date with the employee’s payment of wages.”

10 27. Here, at all relevant times, Defendant failed in its obligation to provide Plaintiff and
11 other aggrieved employees the legally required paid sick days at the legal rate, including all forms of
12 compensation, pursuant to Labor Code §§ 246(a), (b). As such, Defendant paid sick time below the
13 “regular rate of pay” as required by Labor Code §§ 246(l) (1-2). Based on the foregoing Labor Code
14 violations, Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code
15 § 2699(f)(2), and for attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

16 28. Moreover, at all relevant times, Plaintiff and other aggrieved employees were denied
17 compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to
18 Defendant’s uniform meal period policies/practices, operational requirements, and work demands,
19 Plaintiff and other aggrieved employees often could not take timely and uninterrupted net 30-minute
20 first meal periods before the end of the fifth hour of work. Further, when Plaintiff and other aggrieved
21 employees worked more than 10.0 hours in a shift, they were not always allowed and permitted to
22 take a mandated second meal period before the end of the tenth hour of work in violation of the Labor
23 Code and applicable Wage Orders. Indeed, Plaintiff’s and other aggrieved employees’ meal periods
24 were often interrupted and/or lasted fewer than 30 minutes due to Defendant’s meal period
25 policies/procedures, operational requirements, and work demands.

26 29. In addition, for each missed or non-compliant meal period, Defendant failed and
27 continues to fail to maintain a mechanism by which aggrieved employees were paid meal period
28 premiums at the “regular rate of pay” pursuant to *Ferra v. Loews Hollywood Hotel, LLC* (2021) and

1 Labor Code § 226.7.

2 30. Accordingly, due to Defendant’s uniform meal period practices, aggrieved employees
3 were also regularly denied legally compliant meal periods in violation of Labor Code §§ 226.7, 510,
4 516, and applicable Wage Orders, and would be entitled to penalties under Labor Code § 2698 *et seq.*

5 31. Next, at all relevant times, Plaintiff and other aggrieved employees were not provided
6 with all 10-minute rest periods for every four hours worked, or a major fraction thereof, due to
7 Defendant’s uniform rest period policies/practices, operational requirements, and work demands. As
8 a result, Plaintiff and other aggrieved employees were and are often unable to take a net 10-minute
9 duty-free rest period for every major fraction of four hours worked. This includes a second rest period
10 for shifts in excess of six hours and a third rest period for shifts in excess of 10.0 hours in a workday.

11 32. By not relieving all aggrieved employees of all duties during rest periods, Defendant
12 failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services, Inc.* (2016)
13 2 Cal. 5th 257, 269 [concluding that “during rest periods employers must relieve employees of all
14 duties and relinquish control over how employees spend their time.”] (Emphasis added). In *Augustus*,
15 the California Supreme Court expressly rejected the employer’s assertion that it could provide an on-
16 duty rest period to employees who worked as security guards and further explained: “that employers
17 [must] relinquish any control over how employees spend their break time and relieve their employees
18 of all duties.” *Id.* at 273. Each time aggrieved employees could not take a compliant rest period,
19 Defendant failed and continues to fail to adequately pay rest period premium payments at the “regular
20 rate of pay” as required by Labor Code § 226.7.

21 33. Accordingly, due to Defendant’s uniform rest period policies/practices and work
22 demands, aggrieved employees were regularly denied legally compliant rest breaks in violation of
23 Labor Code §§ 226.7, 512, and applicable Wage Orders, and would be entitled to penalties under
24 Labor Code § 2698 *et seq.*

25 34. As a result of Defendant’s failure to pay Plaintiff and other aggrieved employees for
26 all hours they were subject to the control of Defendant, including all overtime wages, sick pay wages,
27 Defendant’s failure to adequately pay for all overtime/sick pay wages at the appropriate legal rate,
28 and Defendant’s failure to pay all meal and rest period premiums at the “regular rate of pay,”

1 Defendant issued wage statements which failed to identify the gross wages earned accurately, the
2 total hours worked, the net wages earned, and the correct corresponding number of hours worked at
3 each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

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

9 36. Thus, for the violations of Labor Code section 226 described above, Plaintiff and other
10 aggrieved employees may also recover Labor Code § 226.3 penalties for Defendant’s violations of
11 Labor Code § 226(a). Consequently, because Defendant failed to comply with Labor Code § 226(a),
12 Plaintiff and other aggrieved employees would be entitled to recover penalties under Labor Code §
13 226(e) and/or 2698 *et seq.*

14 37. Furthermore, because Defendant failed to pay all overtime wages, sick pay wages, and
15 meal and rest period premiums at the “regular rate of pay,” Defendant also failed and continues to
16 fail to pay Plaintiff and other aggrieved employees all wages owed at their time of separation from
17 employment in violation of Labor Code §§ 201-203. Thus, aggrieved employees would be entitled to
18 recover waiting time penalties under Labor Code §§ 201-203, and/or 2698 *et seq.*

19 38. Finally, at all relevant times, Defendant required Plaintiff and other aggrieved
20 employees to incur necessary expenses for work-related purposes but did not reimburse aggrieved
21 employees adequately for these necessary expenditures in violation of Labor Code §§ 2802-2804.
22 Here, Defendant uniformly failed to reimburse aggrieved employees for all necessary costs incurred
23 in discharging their duties. (*See Cochran v. Schwan’s Home Service, Inc.*, (2014) 228 Cal.App.4th
24 1137, 1144 “[i]f an employee is required to make work-related calls on a personal cell phone, then
25 he or she is incurring an expense for the purposes of section 2802. It does not matter whether the
26 phone bill is paid for by a third person or at all...To show liability under section 2802, an employee
27 needs only to show that he or she was required to use a personal cell phone to make work-related
28 calls, and he or she was not reimbursed”]). Accordingly, due to Defendant’s uniform failure to

adequately reimburse for necessary business expenditures in violation of Labor Code §§ 2802-2804 and applicable Wage Orders. Plaintiff and other aggrieved employees would be entitled to civil penalties under Labor Code § 2698 *et seq.*

FIRST CAUSE OF ACTION

PRIVATE ATTORNEYS GENERAL ACT

(Plaintiff and Similarly Aggrieved Employees Against All Defendants)

39. Plaintiff re-alleges and incorporates by reference each and every allegation outlined in the preceding paragraphs.

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

a) Defendant’s failure to pay all overtime wages at the “regular rate of pay” because Defendant failed to include all forms of compensation, including, but not limited to, shift pay, commissions, incentives, stipends, non-discretionary bonuses, and other forms of remuneration;

b) Defendant’s failure to pay all sick pay at the “regular rate of pay”;

c) Defendant’s failure to allow and permit legally compliant meal periods or compensation at the “regular rate of pay” in lieu thereof;

d) Defendant’s failure to allow and permit legally compliant rest periods or compensation at the “regular rate of pay” in lieu thereof;

e) Defendant’s failure to furnish legally compliant wage statements pursuant to Labor Code § 226(a);

f) Defendant’s failure to pay final wages to aggrieved employees in a timely manner at the time of separation from employment was unlawful; and

g) Defendant's failure to reimburse aggrieved employees for all necessary business expenses in violation of Labor Code §§ 2802-2804.

41. On or about October 22, 2025, Plaintiff notified Defendant Advanced American Management, Inc. (“Defendant”) via certified mail and the California Labor and Workforce Development Agency (“LWDA”) via its website of Defendant’s violations of the California Labor Code § 2698 *et. seq.* with respect to violations of the California Labor Code identified in Paragraph 40 (a)-(g). Now that sixty-five days (65) have passed from Plaintiff notifying Defendant of these violations, Plaintiff has exhausted her administrative requirements for bringing a claim under the Private Attorneys General Act with respect to these violations.

42. Plaintiff was compelled to retain the services of counsel to file this court action to protect her interests and the interests of other similarly aggrieved employees and to assess and collect the civil penalties owed by Defendant. Plaintiff has, therefore, incurred attorneys' fees and costs, which she is entitled to receive under California Labor Code § 2698 *et seq.*

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment for herself and all others on whose behalf this suit is brought against Defendant, as follows:

1. Upon the First Cause of Action, for civil penalties due to similarly aggrieved employees, and the State of California according to proof pursuant to Labor Code § 2699 (a) and (f) including, but not limited to: (1) \$100 for each initial violation and \$200 for each subsequent violation per employee per pay period for those violations of the Labor Code for which no civil penalty is specifically provided under the Labor Code;

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

3. For such other relief that the Court may deem just and proper.

1 Dated: January 21, 2026

FALAKASSA LAW, P.C.
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3
4 By: _____

Joshua Falakassa, Esq.

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Attorneys for Plaintiff and the Aggrieved Employees

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