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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA

11 TRAVIS CHENEY, individually and on
12 behalf of all others similarly situated,

13 PLAINTIFF,

14 v.

15 MICROSOFT CORPORATION, a
16 Washington Corporation; and DOES 1 to 10,
17 inclusive,

18 DEFENDANTS.

CASE NO: 24CV449060

CLASS ACTION

**PLAINTIFF'S CLASS AND REPRESENTATIVE
ACTION COMPLAINT FOR:**

- (1) **FAILURE TO REIMBURSE BUSINESS
EXPENSES (LABOR CODE § 2802);**
(2) **UCL VIOLATIONS (CAL. BUS. & PROF.
CODE §§ 17200-17204); AND**
(3) **PAGA PENALTIES (LABOR CODE §
2699, ET SEQ.)**

1 Plaintiff TRAVIS CHENEY (“Plaintiff”), on behalf of himself, the Aggrieved Employees,
2 the State of California, and all others similarly situated (hereinafter “Class Members”) complains of
3 Defendant MICROSOFT CORPORATION and DOES 1 to 10 (“Defendant” or “Microsoft”) and
4 alleges the following upon information and belief:

5 **INTRODUCTION**

6 1. This is a class action brought pursuant to Code of Civil Procedure § 382 on behalf of
7 the Class Members and PAGA representative action lawsuit brought pursuant to Labor Code § 2699,
8 *et seq.*, on behalf of the State of California and a group of Aggrieved Employees.

9 2. The “Class” or “Class Members” are defined as follows:

10 Plaintiff and all other individuals who are or were employed by Defendant in California for at
11 least one pay period during the time period from November 22, 2019 through August 25, 2024
(the “Class Period”).

12 3. The “Aggrieved Employees” are defined as follows:

13 Plaintiff and all other individuals who are or were employed by Defendant in California for
14 at least one pay period during the time period from November 22, 2022 through August 25,
15 2024 (the “PAGA Period”).

16 4. Plaintiff, on behalf of himself, the Class Members, and all Aggrieved Employees
17 presently or formerly employed by Defendant during the relevant time period, brings this class and
18 representative action lawsuit against Defendant for its (1) failure to reimburse its current and former
19 employees for work-related business expenses including, but not limited to, work-related personal
20 cell phone expenses, work-related personal electronic device expenses, remote work expenses, home
21 office equipment expenses, and home internet expenses in California for which they have not been
22 fully reimbursed; (2) unfair business practices based on the foregoing; and (3) PAGA penalties based
23 on the foregoing. As a result of the foregoing, Defendant has violated California statutory laws as
24 described below.

25 **THE PARTIES**

26 4. Plaintiff Travis Cheney is a resident of California and worked for Defendant as an
27 inside sales representative from January 2022 to March 2023 at Defendant’s Mountain View,
28 California office.

5. Plaintiff, Class Members, and all Aggrieved Employees are, and at all times pertinent hereto, have been employees of Defendant, and have been hired to work for Defendant in California during the relevant time periods.

6. Microsoft Corporation is an American multinational technology corporation. Defendant is headquartered in Redmond, Washington, and, with its related entities, has a network of locations and operations in the United States and within the State of California, as well as throughout the world. Defendant employed Plaintiff, Class Members, and similarly situated Aggrieved Employees in California. Defendant has done and does business throughout the State of California, including in Santa Clara County.

7. The true names and capacities, whether individual, corporate, associate, or otherwise, of Defendant sued herein as DOES 1 to 10, inclusive, are currently unknown to Plaintiff, who therefore sues Defendant by such fictitious names under Code of Civil Procedure § 474. Plaintiff is informed and believes, and based thereon alleges, that each of the Defendant designated herein as a DOE is legally responsible in some manner for the unlawful acts referred to herein. Plaintiff may seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendant designated hereinafter as DOES when such identities become known.

8. Plaintiff is informed and believes, and based thereon alleges, that Defendant engaged, suffered, and permitted Plaintiff, Class Members, and all other Aggrieved Employees to perform services from which it benefitted. Moreover, the aforementioned entities had the right to exercise control over the wages, hours and/or working conditions over Plaintiff, Class Members, and all Aggrieved Employees at all relevant times herein, so as to be considered the employer of all of the Class Members and Aggrieved Employees. Microsoft is liable for unreimbursed expenses and civil penalties for violations of the Labor Code as to Plaintiff, Class Members, and other Aggrieved Employees as set forth herein.

JURISDICTION AND VENUE

9. This Court has subject matter jurisdiction over any and all causes of action asserted herein pursuant to Article VI, § 10 of the California Constitution and California Code of Civil Procedure § 410.10 by virtue of the fact that this is a civil action in which the matter in controversy,

1 exclusive of interest, exceeds \$25,000, and because each cause of action asserted arises under the
2 laws of the State of California or is subject to adjudication in the courts of the State of California.

3 10. This Court has personal jurisdiction over Defendant because Defendant has caused
4 injuries in the County of Santa Clara and State of California through its acts, and by its violation of
5 the California Labor Code and California state common law.

6 11. Venue as to each Defendant is proper in this judicial district, pursuant to Code of
7 Civil Procedure § 395. Defendant operates within California and does business within Santa Clara
8 County, California. The unlawful acts alleged herein have a direct effect on Plaintiff and all
9 “employees” within the State of California and Santa Clara County.

10 **FACTUAL ALLEGATIONS**

11 12. During the Class Period, Plaintiff, Class Members, and the Aggrieved Employees, at
12 the direction of Defendant, have incurred reasonable and necessary business-related expenses,
13 including, but not limited to, personal cell phone and electronic device expenses, remote work
14 expenses, office equipment-related expenses and home internet expenses to perform reasonable and
15 necessary work-related duties for Defendant. Plaintiff, like Defendant’s other California employees,
16 was required to, and did incur business-related expenses by, among other things, using his home
17 internet, home office equipment and personal cell phone to perform work-related tasks on behalf of
18 Defendant, including, but not limited to, during the COVID-19 work from home period. Plaintiff
19 and the other aggrieved employees could not perform their work for Defendant without the use of,
20 among other things, their personal cell phones, personal electronic devices, home office equipment
21 and home internet.

22 13. During the Class Period, Plaintiff, Class Members, and the aggrieved employees were
23 thus expected by Defendant to pay for, and have personally paid for expenses needed to perform
24 their job duties, including, among other things, home internet service and personal cell phone and/or
25 other personal electronic device service in the discharge of their job duties. These expenses were
26 required and necessary for work to be performed. These monthly expenses ranged, but typically
27 amounted to \$50 to \$125 per month per aggrieved employee. Defendant was obligated to reimburse
28 these expenses, including, where applicable, some reasonable fraction of these expenses, but did not

1 do so.

2 14. Despite requiring Class Members and Aggrieved Employees to incur business-related
3 expenses and use, among other things, their home internet service, personal cell phones, personal
4 electronic devices and home office equipment to perform work-related tasks, Defendant had no
5 policy to affirmatively reimburse all of their employees for a reasonable portion of their expenses.
6 To be clear, Defendant's expense-related policies and/or practices require and expect, Plaintiff, Class
7 Members, and the Aggrieved Employees to pay for personal cell phone service and/or other
8 electronic device expenses and home internet service expenses incurred in direct consequence of
9 discharging his and their necessary, reasonable and business-related job duties on behalf of
10 Defendant, without reimbursement (including, where applicable, a reasonable portion of such
11 expenses by Defendant), as required by California law.

12 15. Defendant's policy and practice violates California Labor Code section 2802 which
13 requires an employer to "indemnify his or her employee for all necessary expenditures or losses
14 incurred by that employee in direct consequence of the discharge of his or her duties." See Cal.
15 Labor Code section 2802(a); *see also* 2802(c) where necessary is defined to include all "reasonable"
16 costs. "The elements of a claim under Section 2802 are: (i) the employee made expenditures or
17 incurred losses; (ii) the expenditures or losses were incurred in direct consequence of the employee's
18 discharge of his or her duties, or obedience to the directions of the employer; and (iii) the
19 expenditures or losses were reasonable and necessary." Additionally, Section 2802 is subject to an
20 anti-waiver provision. *See*, Labor Code § 2804.

21 16. In evaluating claims for reimbursements under Section 2802, courts in California
22 have adopted a "knew or should have known" standard for employer liability—that is, when an
23 "employer either knows or has reason to know that the employee has incurred a reimbursable
24 expense ... it must exercise due diligence to ensure that each employee is reimbursed." *Stuart v.*
25 *RadioShack Corp.*, 641 F. Supp. 2d 901, 903 (N.D. Cal. 2009) (Hon. Edward Chen); *Abdullah et al.*
26 *v. U.S. Security Associates*, 09-CV-9554-GHK (C.D. Cal. 2011) (Hon. George King) (adopting the
27 standard set forth in *RadioShack*: "the law requires that once an employer knows or has reason to
28 know that the employee has incurred an expense, then it has the duty to exercise due diligence and

1 take any and all reasonable steps to ensure that the employee is reimbursed for the expense”); *Marr*
2 *v. Bank of America*, 2011 WL 845914 (N.D. Cal. 2011) (Hon. William Alsup) (adopting “knew or
3 should have known standard”). Knowledge of expenses being incurred by employees triggering
4 reimbursement obligations can be inferred. *See e.g., Tan v. Grubhub, Inc.*, 171 F. Supp.3d 998, 1005
5 (N.D. 2016) (rejecting Grubhub’s motion to dismiss argument that plaintiffs failed to allege it knew
6 or had reason to know of business expenditures, and finding that the plaintiffs’ allegations that they
7 were required to bear expenses related to “their vehicles, gas, parking, phone data, and other
8 expenses” suffice because “[i]t is plausible to infer that Defendants were aware that class members
9 incurred these expenses from the nature of their business—an app based food delivery service that
10 requires drivers to use their cars and cell phones.”); *see also Taylor v. W. Marine Prod., Inc.*, 2014
11 WL 1778279, * 6 (N.D. Cal. May 3, 2014) (the court *inferred* notice of expenses for 2802 purposes
12 where employees had to drive long distances for work that was not walkable, and were not
13 reimbursed for gas mileage, which was sufficient to trigger a reimbursement obligation).

14 17. In order to discharge their duties for Microsoft during the Class Period, Plaintiff,
15 Class Members, and all of the other similarly situated aggrieved employees regularly and personally
16 incurred business expenses, including, among other things, personal cell phone expenses, electronic
17 device expenses, home office expenses, and home internet expenses in the discharge of their duties
18 as employees by virtue of Defendants’ instructions to Plaintiff, Class Members, and the Aggrieved
19 Employees. Such work expenses, including work-related usage of personal cell phones, electronic
20 equipment, home office equipment, and home internet was known to Microsoft. Nevertheless,
21 Microsoft has, throughout the Class Period failed and refused to reimburse Plaintiff, Class Members,
22 and the Aggrieved Employees for a reasonable fraction of such expenses, including, remote work
23 expenses, personal cell phone expenses and/or personal electronic devices, and home internet
24 expenses incurred by them in connection with their work.

25 18. Notably, under Labor Code section 2802, employers in California must reimburse
26 employees for all necessary and/or reasonable work-related expenses, regardless of whether or not
27 employees incurred any additional out-of-pocket expenses from that work-related use. *See Cochran*
28 *v. Schwan’s Home Service, Inc.*, 228 Cal. App. 4th 1137, 176 Cal. Rptr. 3d at 412-13 (Cal. 2014)

1 (“We hold that when employees must use their personal cell phones for work-related calls, Labor
2 Code section 2802 requires the employer to reimburse them. *Whether the employees have cell*
3 *phone plans with unlimited minutes or limited minutes, the reimbursement owed is a reasonable*
4 *percentage of their cell phone bills.”); Aguilar v. Zep, Inc., 2014 US Dist. LEXIS 120315, *54*
5 *(N.D. Cal. Aug. 27, 2014) (Hon. Edward Chen) (where outside sales reps used home internet and*
6 *computers for work, and even admitted that they would have incurred the same expenses without*
7 *work duties, the court nevertheless held that the employer was obligated to reimburse some*
8 *reasonable portion of these expenses); Krauss v. Wal-Mart, Inc., 2020 U.S. Dist. LEXIS 66535,*
9 **18-19 (E.D. Cal. Apr. 14, 2020) (“The Court previously found this allegation also failed because*
10 *Plaintiff did not provide a “single instance when such a cost was actually incurred and not*
11 *reimbursed.” Order at 11. In light of Cochran, the Court no longer finds Plaintiff needs to allege*
12 *such an instance. The Court therefore now finds Plaintiff has properly plead the reimbursement*
13 *claim as to her phone app allegation.”).*

14 19. Notably, Plaintiff’s challenge to Microsoft’s uniform reimbursement policy as
15 violating Labor Code Section 2802 is certifiable as a class action. *See Richie v. Blue Shield of*
16 *California*, 2014 WL 6982943, at *21 (N.D. Cal. Dec. 9, 2014) (Hon. Edward Chen) (certifying class
17 of home office claims processors with 2802 phone reimbursement claims for landline
18 reimbursements where company required claims processors working from home to have a landline,
19 but rejecting certification of claims for home office supplies as individualized); *see also, Stuart v.*
20 *RadioShack Corp.*, 2009 U.S. Dist. LEXIS 12337, *45-54 (N.D. Cal. Feb. 5, 2009); *Swamy v. Title*
21 *Source, Inc.*, 2018 U.S. Dist. LEXIS 57048 (N.D. Cal. April 2, 2018); *Cochran v. Schwan’s Home*
22 *Services, Inc.*, 228 Cal. App. 4th 1140, 1144-5 (2014).

23 20. In sum, under Labor Code section 2802, employers must reimburse employees for all
24 necessary and/or reasonable work-related expenses, regardless of whether or not the employees
25 incurred any additional out-of-pocket expense from that work-related usage. Defendant is or should
26 have been aware that Plaintiff, Class Members, and the Aggrieved Employees regularly incurred
27 and incur business-related expenses, such as remote work expenses, personal cell phone expenses,
28 personal electronic device expenses, home office equipment expenses and home internet expenses

1 in the discharge of their duties as employees by virtue of Defendant's instructions to Plaintiff, Class
2 Members, and the Aggrieved Employees. Defendant nevertheless has, throughout the Class Period,
3 failed and refused to affirmatively reimburse Plaintiff, Class Members, and the aggrieved employees
4 for a reasonable portion of such monthly expenses, including, personal cell phone and/or other
5 electronic device expenses, remote work expenses, home office equipment expenses, and home
6 internet expenses incurred by them in connection with their work.

7 **CLASS ACTION ALLEGATIONS**

8 21. Plaintiff brings this action on behalf of himself and all others similarly situated as a
9 class action pursuant to Code of Civil Procedure § 382. Plaintiff seeks to represent a Class composed
10 of and defined as *Plaintiff and all other individuals who are or were employed by Defendant in*
11 *California for at least one pay period during the time period from November 22, 2019 through*
12 *August 25, 2024* ("Class Members"). All such Class Members were subject to Defendant's policy
13 and practice of not fully reimbursing employees' business-related expenses, including, but not
14 limited to, personal cell phone expense, personal electronic device expenses, home office equipment
15 expenses, remote work expenses and home internet expenses.

16 22. This action has been brought and may properly be maintained as a class action under
17 Code of Civil Procedure § 382 because there is a well-defined community of interest in the litigation,
18 the proposed class is easily ascertainable, and Plaintiff is a proper representative of the Class:

19 a. Numerosity: The potential members of the Class as defined are so numerous
20 that joinder of all the members of the Class is impracticable. Plaintiff is informed and believes that
21 Defendant has employed thousands of employees during the Class Period. The Class Members are
22 dispersed throughout California. Joinder of all members of the proposed classes is therefore not
23 practicable.

24 b. Commonality: There are questions of law and fact common to Plaintiff and
25 the Class that predominate over any questions affecting only individual members of the Class. These
26 common questions of law and fact include, without limitation:

27 i. Whether Plaintiff and Class Members incurred unreimbursed business
28 expenses in the discharge of their duties as employees, including but not limited to personal cell

1 phone expenses, personal electronic device expenses, home office equipment expenses, remote work
2 expenses and home internet expenses, in violation of Labor Code § 2802;

3 ii. Whether Defendant intended, suffered and/or permitted, and/or knew and/or
4 should have known that Plaintiff and Class Members incurred unreimbursed business-related
5 expenses, in the discharge of their duties as employees while working during the Class Period;

6 iii. Whether Defendant's failure to reimburse expenses incurred by Plaintiff and
7 Class Members was the result of, and/or pursuant to, a business policy or regular practice of
8 Defendant;

9 iv. Whether Plaintiff is entitled to restitution under Business and Professions
10 Code § 17200;

11 v. The proper formula(s) for calculating damages, interest, and restitution owed
12 to Plaintiff and the Class Members;

13 vi. The nature and extent of class-wide damages.

14 c. Typicality: Plaintiff's claims are typical of the claims of the Class. Both
15 Plaintiff and Class Members sustained injuries and damages, and were deprived of property rightly
16 belonging to them, arising out of and caused by Defendant's common course of conduct in violation
17 of law as alleged herein, in similar ways and for the same types of expenses.

18 d. Adequacy of Representation: Plaintiff is a member of the Class and will fairly
19 and adequately represent and protect the interests of the Class and Class Members. Plaintiff's
20 interests do not conflict with those of Class and Class Members. Counsel who represent Plaintiff in
21 this case are competent and experienced in litigating large wage and hour class actions, and will
22 devote sufficient time and resources to the case and otherwise adequately represent the Class.

23 e. Superiority of Class Action: A class action is superior to other available
24 means for the fair and efficient adjudication of this controversy. Individual joinder of all Class
25 Members is not practicable, and questions of law and fact common to the Class predominate over
26 any questions affecting only individual members of the Class. Each Class Member has been
27 damaged or may be damaged in the future by reason of Defendant's unlawful policies and/or
28 practices of not fully reimbursing business expenses. Certification of this case as a class action will

1 allow those similarly situated persons to litigate their claims in the manner that is most efficient and
2 economical for the parties and the judicial system. Certifying this case as a class action is superior
3 because it allows for efficient and full disgorgement of the ill-gotten gains Defendant has enjoyed
4 by maintaining its unlawful business expense reimbursement policies and/or practices, and will
5 thereby effectuate California's strong public policy of protecting employees from deprivation or
6 offsetting of compensation earned in their employment. If this action is not certified as a Class
7 Action, it will be impossible as a practical matter for many or most Class Members to bring
8 individual actions to recover monies unlawfully withheld from their lawful compensation due from
9 Defendant's, due to the relatively small amounts of such individual recoveries relative to the costs
10 and burdens of litigation.

11 **FIRST CAUSE OF ACTION**
12 **FAILURE TO REIMBURSE FOR BUSINESS EXPENSES**
13 **[Cal. Labor Code § 2802(a) and (c)]**
On Behalf of Plaintiff and the Class Against Defendant

14 23. Plaintiff re-alleges and incorporates by reference each and every allegation set forth
15 in the preceding paragraphs.

16 24. The actional period for this cause of action is from November 22, 2019 through the
17 present.

18 25. Defendant does not and did not maintain an expense reimbursement policy and/or
19 practice stating that Defendant will affirmatively and proactively reimburse Plaintiff and Class
20 Members for business-related expenses, including, but not limited to, a reasonable portion of
21 personal cell phone expenses, personal electronic device expenses, home office equipment expenses,
22 remote work expenses and home internet expenses necessarily incurred in their discharge of their
23 duties, as required by Labor Code sections 2802(a) and (c).

24 26. California Labor Code section 2802 requires an employer to "indemnify his or her
25 employee for all necessary expenditures or losses incurred by that employee in direct consequence
26 of the discharge of his or her duties." See Cal. Labor Code section 2802(a); *see also* 2802(c) where
27 necessary costs are defined to include all "reasonable" costs. In this case, expenses, including, but
28 not limited to personal cell phone expenses, personal electronic device expenses, home office

1 equipment expenses, remote work expenses and home internet expenses were certainly reasonably
2 and necessarily incurred by Class Members during the Class Period.

3 27. “The elements of a claim under Section 2802 are: (i) the employee made
4 expenditures or incurred losses; (ii) the expenditures or losses were incurred in direct consequence
5 of the employee's discharge of his or her duties, or obedience to the directions of the employer; and
6 (iii) the expenditures or losses were reasonable and necessary.” *Marr v. Bank of America*, 2011 U.S.
7 Dist. LEXIS 24868 (N.D. March 8, 2011) (citing *Gattuso v. Harte-Hanks Shoppers, Inc.*, 42 Cal.4th
8 554, 568 (2007). “In addition, the employer ‘must either know or have reason to know that the
9 employee has incurred [the] expense.’” *Id.* (citing *Stuart v. RadioShack Corp.*, 641 F.Supp. 2d 901
10 (N.D.Cal. 2009). Where an employer has knowledge that employees are incurring a reimbursable
11 expense, the employer must “exercise due diligence to ensure each employee is reimbursed.” *Marr*,
12 at *1. The right of an employee to expense reimbursements is not waivable. *See* Cal. Labor Code
13 sections 2804 and 219(a). Any contract to waive them is null and void. *Edwards v. Arthur Anderson*,
14 44 Cal. 4th 937, 951 (2008)

15 28. Furthermore, under Labor Code section 2802, employers must reimburse employees
16 for all reasonable work-related expenses, regardless of whether or not the employees incurred any
17 additional out-of-pocket expense from that work-related use. *See, Cochran v. Schwan's Home*
18 *Service, Inc.*, 228 Cal.App.4th 1137 (Cal. Aug. 12, 2014) (“We hold that when employees must use
19 their personal cell phones for work-related calls, Labor Code section 2802 requires the employer to
20 reimburse them. Whether the employees have cell phone plans with unlimited minutes or limited
21 minutes, the reimbursement owed is a reasonable percentage of their cell phone bills.”). Thus, where
22 employees are expected or mandated to use their personal cell phones, other personal electronic
23 devices and/or home internet for work, courts have held that they incurred expenses in “direct
24 consequence of the discharge of his or her duties” and were entitled to reimbursement. *See Aguilar*
25 *v. Zep, Inc.*, 2014 US Dist LEXIS 120315, *54 (N.D. Cal. Aug. 27, 2014) (Hon. Edward Chen)
26 (where outside sales reps used home internet and computers for work, and even admitted that they
27 would have incurred the same expenses without work duties, the court nevertheless held that the
28 employer was obligated to reimburse some reasonable portion of these expenses); see also *Richie v.*

1 *Blue Shield of California*, 2014 WL 6982943, at *21 (N.D. Cal. Dec. 9, 2014) (Hon. Edward Chen)
2 (certifying class of home office claims processors with 2802 phone reimbursement claims for
3 landline reimbursements where company required claims processors working from home to have a
4 landline, but rejecting certification of claims for home office supplies as individualized).

5 29. Defendant's affirmative and proactive failure to pay for or reimburse work-related
6 expenses, including, but not limited to, personal cell phone expenses, personal electronic device
7 expenses, home office equipment expenses, remote work expenses (including, but not limited to,
8 during the COVID-19 period), and home internet expenses of Plaintiff and Class Members violated
9 the non-waivable rights secured to Plaintiff and Class Members by Labor Code §2802. See Labor
10 Code §2804. Plaintiff and similarly situated Class Members are entitled to reimbursement for these
11 necessary expenditures, plus interest and attorneys' fees and costs, under Labor Code § 2802(c).

12 **SECOND CAUSE OF ACTION**
13 **UNFAIR COMPETITION LAW VIOLATIONS**
14 **[Bus. & Prof. Code § 17200]**
On Behalf of Plaintiff and the Class Against Defendant

15 30. Plaintiff re-alleges and incorporates by reference each and every allegation set forth
16 in the preceding paragraphs.

17 31. Section 17200 of the California Business & Professions Code prohibits any unlawful,
18 unfair, or fraudulent business practices. Business & Professions Code § 17204 allows "any person
19 who has suffered injury in fact and has lost money or property" to prosecute a civil action for
20 violation of the UCL. Such a person may bring such an action on behalf of himself and others
21 similarly situated who are affected by the unlawful, unfair, or fraudulent business practice.

22 32. Under section 17208 of the California Business and Professions Code, the statute of
23 limitations for a claim under Section 17200 is four years. Accordingly, the actionable period for this
24 cause of action is November 22, 2019 through the present.

25 33. Section 90.5(a) of the Labor Code states that it is the public policy of California to
26 enforce vigorously minimum labor standards in order to ensure employees are not required to work
27 under substandard and unlawful conditions, and to protect employers who comply with the law from
28 those who attempt to gain competitive advantage at the expense of their workers by failing to comply

1 with minimum labor standards.

2 34. During the Class Period, Defendant has committed unlawful, unfair, and/or
3 fraudulent business acts and practices as defined by the UCL, by failing to reimburse and indemnify
4 Plaintiff and similarly situated Class Members for employment-related expenses, including, but not
5 limited to personal cell phone expenses, personal electronic device expenses, home office equipment
6 expenses, remote work expenses and home internet expenses in violation of Labor Code § 2802.

7 35. As a direct and proximate result of Defendant's unlawful, unfair, and/or fraudulent
8 acts and practices described herein, Defendant has received and continues to hold unlawfully
9 obtained property and money belonging to Plaintiff and the Class in the form of unreimbursed
10 employee expenses, including, not limited to personal cell phone expenses, personal electronic
11 device expenses, home office equipment expenses, remote work expenses and home internet
12 expenses that reduced or offset compensation earned by Plaintiff and Class Members.

13 36. As a direct and proximate result of Defendant's unlawful business practices, Plaintiff
14 and the Class Members have suffered economic injuries including, but not limited to out-of-pocket
15 expenses for things such as, personal cell phone expenses, personal electronic device expenses, home
16 office equipment expenses, remote work expenses and home internet expenses. Defendant has
17 profited from its unlawful, unfair, and/or fraudulent acts and practices in the amount of those
18 personal cell phone and home internet expenses and interest accrued thereon.

19 37. Plaintiff and similarly situated Class Members are entitled to monetary relief pursuant
20 to Business & Professions Code §§ 17203 and 17208 for all unreimbursed business expenses, and
21 interest thereon, from at least November 22, 2019 through to the date of such restitution, at rates
22 specified by law. Defendant should be required to disgorge all the profits and gains it has reaped
23 and restore such profits and gains to Plaintiff and Class Members from whom they were unlawfully
24 taken.

25 38. During the Class Period, Defendant committed, and continues to commit, acts of
26 unfair competition, as defined in sections 17200 *et seq.* of the California Business and Professions
27 Code by, among other things, failing to reimburse Plaintiff and the Class members for the business
28 expenses they incurred on behalf of Defendant, including, but not limited to, a reasonable portion of

1 their personal cell phone expenses, personal electronic device expenses, home office equipment
2 expenses, remote work expenses and home internet expenses as required by California law, and
3 therefore was substantially injurious to Plaintiff and the Class Members.

4 39. Defendant engaged in unfair competition in violation of sections 17200 *et seq.* of the
5 California Business & Professions Code by violating Section 2802 of the Labor Code.

6 40. Defendant's course of conduct, act, and practice in violation of the California laws
7 mentioned above constitute independent violations of sections 17200 *et seq.* of the California
8 Business and Professions Code.

9 41. The unlawful, unfair and fraudulent business practices and acts of Defendant, as
10 described above, have injured Plaintiff and the Class in that they were denied reimbursement of
11 business expenses they incurred on behalf of Defendant, including, for example, a reasonable
12 percentage of their personal cell phone expenses, personal electronic device expenses, home office
13 equipment expenses, remote work expenses and home internet expenses, and therefore was
14 substantially injurious to Plaintiff and the Class Members.

15 42. Plaintiff and similarly situated Class Members are entitled to enforce all applicable
16 penalty provisions of the Labor Code pursuant to Business & Professions Code § 17202.

17 43. Plaintiff has assumed the responsibility of enforcement of the laws and public policies
18 specified herein by suing on behalf of himself and other similarly situated Class Members previously
19 or presently employed by Defendant in California. Plaintiff's success in this action will enforce
20 important rights affecting the public interest. Plaintiff will incur a financial burden in pursuing this
21 action in the public interest. Therefore, an award of reasonable attorneys' fees to Plaintiff is
22 appropriate pursuant to Code of Civil Procedure § 1021.5

23 **THIRD CAUSE OF ACTION**

24 **CIVIL PENALTIES PURSUANT TO PAGA, LABOR CODE § 2699, *et seq.***

25 **[For Violations of Labor Code § 2802]**

26 **On Behalf of Plaintiff, the LWDA, and All Aggrieved Employees Against Defendant**

27 44. Plaintiff, on behalf of himself, the LWDA, and all Aggrieved Employees, realleges
28 and incorporates by reference all previous paragraphs.

45. Based on the above allegations incorporated by reference, Defendant has violated

1 Labor Code § 2802. During the PAGA Period, Defendant failed to reimburse Aggrieved Employees
2 for a reasonable percentage of their personal cell phone expenses.

3 46. Under Labor Code §§ 2699(f)(2) and 2699.5, for each such violation during the
4 PAGA Period, Plaintiff and all other Aggrieved Employees are entitled to penalties in an amount to
5 be shown at the time of trial subject to the following formula:

6 \$100 for the initial violation per employee per pay period; and

7 \$200 for each subsequent violation per employee per pay period.

8 47. These PAGA penalties shall be allocated seventy-five percent (75%) to the Labor and
9 Workforce Development Agency (LWDA) and twenty-five percent (25%) to the affected
10 employees, as set forth in Labor Code section 2699(i).

11 48. Pursuant to Labor Code § 2699.3 (a), on November 22, 2023 and August 14, 2024,
12 Plaintiff gave written notice by certified mail to Defendant and to the LWDA of his claims for
13 violations of Labor Code § 2802 and the theories supporting these claims as alleged herein. As of
14 the date of this Complaint, the LWDA has not responded to Plaintiff's PAGA letters. Plaintiff has
15 already paid the required \$75 fee and has otherwise satisfied all prerequisites to filing suit.
16 Accordingly, Plaintiff has fulfilled all administrative prerequisites to the filing and pursuit of his
17 PAGA claims on behalf of himself and all other current and former Aggrieved Employees of
18 Defendant.

19 48. As a result of the acts alleged above, Plaintiff seeks penalties under Labor Code §
20 2699, *et seq.* because of Defendant's violation of Labor Code section 2802.

21 **RELIEF REQUESTED**

22 **WHEREFORE**, Plaintiff, on behalf of himself and the members of the Class, and the State
23 of California, prays for judgment against Defendant as follows:

24 1. An order that this action may proceed and be maintained as a class action:

25 2. First Cause of Action:

26 a. That the Court find and declare that Defendant's business expense policies
27 and/or practices violate California law, including Labor Code § 2802, by failing to affirmatively and
28 proactively reimburse all business expenses, including, but not limited to, personal cell phone

1 expenses, personal electronic device expenses, home office equipment expenses, remote work
2 expenses and home internet expenses, incurred by Plaintiff and Class Members in the discharge of
3 their duties in California as employees of Defendant;

4 b. That the Court award to Plaintiff and Class Members all unreimbursed
5 business expenses, and interest thereon, that they are owed, pursuant to Labor Code § 2802, and
6 attorney's fees and costs, pursuant to Labor Code § 2802(c), in an amount to be proved at trial;

7 3. Second Cause of Action:

8 a. That the Court find and declare that Defendant has violated the UCL and
9 committed unfair and unlawful business practices by failing to reimburse Plaintiff and similarly
10 situated Class Members for their business-related expenses, including, but not limited to, personal
11 cell phone expenses, personal electronic device expenses, home office equipment expenses, remote
12 work expenses and home internet incurred by them in the course of their duties for the benefit of
13 Defendant, their employer, during the Class Period;

14 b. Restitution, including, but not limited to, the relief permitted by section 2802
15 of the California Labor Code;

16 c. That Defendant be ordered to pay restitution to Plaintiff and the Class
17 Members due to Defendant's UCL violations under the First Cause of Action pursuant to Business
18 and Professions Code §§ 17200-17205, in the amount of their unreimbursed business expenses and
19 interest thereon;

20 4. Third Cause of Action:

21 a. A civil penalty against Defendant in the amount of \$100 per employee per
22 pay period as specified in section 2699(f)(2) of the California Labor Code for Plaintiff and the
23 Aggrieved Employees during all of the pay periods in the PAGA Period and on-going until the
24 violations are corrected;

25 b. An award of reasonable attorney's fees against Defendant as specified in
26 Labor Code § 2699(g)(1), for all the work performed by the undersigned counsel in connection with
27 the PAGA claims;

28 c. An award of all costs incurred by the undersigned counsel for Plaintiff in

1 connection with Plaintiff's and Class Members' PAGA claim against Defendant as provided for in
2 Labor Code § 2699(g)(1)

3 5. Such other and further relief as this Court may deem proper and just.

4
5 Dated: October 8, 2024

Respectfully submitted,

6 ACKERMANN & TILAJEF, P.C.

7
8 By:



Craig Ackermann, Esq.

*Attorneys for Plaintiff, the Class, the LWDA, and
all other Aggrieved Employees*