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Attorneys for Plaintiff RHAY TAYLOR, in a Representative capacity only, and on behalf of other members of the general public similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

RHAY TAYLOR in a Representative capacity only, and on behalf of other members of the general public similarly situated,

Plaintiff,

v.

ALTER MANAGEMENT LLC, a California Limited Liability Company; ALTER MENTAL HEALTH LLC, a California Limited Liability Company; ALTER MENTAL HEALTH- DANA POINT, LLC, a California Limited Liability Company; ALTER WELLNESS CARE LLC, a California Limited Liability Company; ALTIGNIS CAMPUS LLC, a California Limited Liability Company; ALTER

CASE NO. 37-2024-00007620-CU-OE-CTL

COMPLAINT FOR:

1. **MEAL AND REST PERIOD VIOLATIONS PURSUANT TO LABOR CODE § 2698 *et seq.***
2. **MINIMUM WAGE VIOLATIONS PURSUANT TO LABOR CODE § 2698 *et seq.***
3. **OVERTIME VIOLATIONS PURSUANT TO LABOR CODE § 2698 *et seq.***
4. **WAGE STATEMENT VIOLATIONS PURSUANT TO LABOR CODE § 2698 *et seq.***
5. **FAILURE TO REIMBURSE PURSUANT TO LABOR CODE § 2698 *et seq.***
6. **FAILURE TO PAY WAGES UPON SEPARATION PURSUANT TO LABOR CODE § 2698 *et seq.***

1 HEALTH GROUP, INC., a California
2 Corporation; CALIFORNIA REHAB
3 CAMPUS, LLC, an Arizona Limited
4 Liability Company; CAMBRIDGE
5 MENTAL HEALTH MANAGEMENT LLC
6 dba ALTER BEHAVIORAL HEALTH, a
7 California Limited Liability Company;
8 ALTIGNIS HEALTH, LLC, a California
9 Limited Liability Company; and DOES 1-10,
10 inclusive

11
12 Defendants

13 COMES NOW Plaintiff RHAY TAYLOR ("Plaintiff"), in a Representative capacity only, on
14 behalf of all aggrieved employees, and on behalf of other members of the general public similarly
15 situated, and alleges for her complaint as follows:

16 **PARTIES, JURISDICTION, AND VENUE**

- 17 1. This Court has jurisdiction over this matter in that all parties are residents of, or do business
18 within, the State of California and the amount in controversy exceeds the statutory minimum
19 limit of this Court. The monetary damages and restitution sought by Plaintiff exceed the
20 minimal jurisdiction limits of the Superior Court and will be established according to proof at
21 trial. Furthermore, there is no federal question at issue as Wage and Hour protections and
22 remedies related thereto are based solely on California Law and Statutes, including the Labor
23 Code, Civil Code, and IWC Wage Order(s). Also, the Ninth Circuit has recently held that, for
24 purposes of establishing federal diversity jurisdiction, penalties pursuant to the Private
25 Attorneys General Act of 2004 ("PAGA") may **not** be aggregated. *Urbino v. Orkin Servs. of*
26 *California, Inc.*, 726 F.3d 1118, 1122 (9th Cir. 2013).
- 27 2. Venue before this Court is proper in that certain wrongful acts which gave rise to Plaintiff's
28 injuries occurred in the County of San Diego, State of California.
3. Plaintiff is informed and believes and thereon alleges that at all relevant times mentioned
herein, Defendant ALTER MANAGEMENT LLC, (Referred to herein as "Defendants" or
"ALTER"), was and is a California Limited Liability Company doing business throughout the

1 state, including the County of San Diego, State of California. Plaintiff is informed and believes
2 and thereon alleges that at all relevant times mentioned herein, Defendant ALTER MENTAL
3 HEALTH LLC (Referred to herein as "Defendants" or "ALTER"), was and is a California
4 Limited Liability Company doing business throughout the state, including the County of San
5 Diego, State of California. Plaintiff is informed and believes and thereon alleges that at all
6 relevant times mentioned herein, Defendant ALTER MENTAL HEALTH- DANA POINT,
7 LLC (Referred to herein as "Defendants" or "ALTER"), was and is a California Limited
8 Liability Company doing business throughout the state, including the County of San Diego,
9 State of California. Plaintiff is informed and believes and thereon alleges that at all relevant
10 times mentioned herein, Defendant ALTER WELLNESS CARE LLC (Referred to herein as
11 "Defendants" or "ALTER"), was and is a California Limited Liability Company doing business
12 throughout the state, including the County of San Diego, State of California. Plaintiff is
13 informed and believes and thereon alleges that at all relevant times mentioned herein,
14 Defendant ALTIGNIS CAMPUS LLC (Referred to herein as "Defendants" or "ALTER"), was
15 and is a California Limited Liability Company doing business throughout the state, including
16 the County of San Diego, State of California. Plaintiff is informed and believes and thereon
17 alleges that at all relevant times mentioned herein, Defendant ALTER HEALTH GROUP, INC
18 (Referred to herein as "Defendants" or "ALTER"), was and is a California Corporation doing
19 business throughout the state, including the County of San Diego, State of California. Plaintiff
20 is informed and believes and thereon alleges that at all relevant times mentioned herein,
21 Defendant CALIFORNIA REHAB CAMPUS, LLC (Referred to herein as "Defendants" or
22 "ALTER"), was and is an Arizona Limited Liability Company doing business throughout the
23 state, including the County of San Diego, State of California. Plaintiff is informed and believes
24 and thereon alleges that at all relevant times mentioned herein, Defendant CAMBRIDGE
25 MENTAL HEALTH MANAGEMENT LLC dba ALTER BEHAVIORAL HEALTH (Referred
26 to herein as "Defendants" or "ALTER"), was and is a California Limited Liability Company
27 doing business throughout the state, including the County of San Diego, State of California.
28 Plaintiff is informed and believes and thereon alleges that at all relevant times mentioned

1 herein, Defendant ALTIGNIS HEALTH, LLC (Referred to herein as "Defendants" or
2 "ALTER"), was and is a California Limited Liability Company doing business throughout the
3 state, including the County of San Diego, State of California. Accordingly, Plaintiff will seek
4 leave of court to amend this complaint to allege their true names and capacities after the same
5 have been ascertained.

- 6 4. Plaintiff is informed and believes and thereon alleges that each of the fictitiously named
7 Defendants is responsible in some manner for the wrongs and damages as herein alleged, and
8 in so acting was functioning as the agent, servant, partner, and employee of the co-defendants,
9 and in doing the actions mentioned below, was acting within the course and scope of his or her
10 authority as such agent, servant, partner, and employee with the permission and consent of the
11 co-defendants. Plaintiff's injuries as herein alleged were proximately caused by said
12 defendants. Wherever it is alleged herein that any act or omission was done or committed by
13 any specially named Defendant or Defendants, Plaintiff intends thereby to allege and does
14 allege that the same act or omission was also done and committed by each and every defendant
15 named as a DOE, both separately and in concert with the named Defendant or Defendants.
- 16 5. Plaintiff is informed and believes and thereon alleges that Defendants, and each of them,
17 including DOES 1 through 10, are and at all times herein mentioned were either individuals,
18 sole proprietorships, partnerships, registered professionals, corporations, alter egos or other
19 legal entities which were licensed to do and/or were doing business in the County of San
20 Diego, State of California at all times relevant to the subject matter of this action.

21 **FACTUAL BACKGROUND**

- 22 6. Plaintiff was employed by Defendants from approximately January 3, 2023, through June 12,
23 2023. Throughout her employment with Defendants, Plaintiff performed her job in a capable,
24 and competent manner.
- 25 7. Throughout the term of their employment, Plaintiff and all other aggrieved employees were,
26 and currently are, denied the benefits and protections of the Labor Code due to Defendants'
27 institutionalized pay practices, standard as to all of Defendants' California-based employees.
- 28 8. On December 7, 2023, counsel for Plaintiff prepared and submitted via online filing a letter

1 to the California Labor & Workforce Development Agency (“LWDA”). A copy of the letter
2 was mailed to Defendants, via USPS Certified Mail. The letter contained the specific
3 provisions of the California Labor Code and Business and Professions Code violated by
4 Defendants, as well as the facts and theories in support of Plaintiff’s claims. (Please see
5 **Exhibit 1**, a true and correct copy of this letter.)

- 6 9. The statutory time period for the LWDA to investigate and/or respond, and for the employer
7 to respond, has concluded.

8 **CO-EMPLOYER ALLEGATIONS**

- 9 10. Plaintiff alleges that Defendants ALTER MANAGEMENT LLC; ALTER MENTAL
10 HEALTH LLC; ALTER MENTAL HEALTH- DANA POINT, LLC; ALTER WELLNESS
11 CARE LLC; ALTIGNIS CAMPUS LLC; ALTER HEALTH GROUP, INC.; CALIFORNIA
12 REHAB CAMPUS, LLC; CAMBRIDGE MENTAL HEALTH MANAGEMENT LLC dba
13 ALTER BEHAVIORAL HEALTH; and ALTIGNIS HEALTH, LLC, are acting as co-
14 employers pursuant to California law.
- 15 11. California law holds multiple entities may be employers where they control different aspects
16 of the employment relationship. *Castaneda v. Ensign Group, Inc.* (2014) 229 Cal.App.4th
17 1015, 1020. "The parties' use of a label to describe their relationship does not control and will
18 be ignored where the evidence of their actual conduct establishes a different relationship
19 exists." *Id.* at 1021 citing *Futrell v. Payday California, Inc.* (2010) 190 Cal.App.4th 1419,
20 1434. Joint-employer liability will be imposed where each entity can exercise control over
21 wages, hours, or working conditions, directly or indirectly, or through an agent or any other
22 person; or suffer or permit employees to work. *Martinez v. Combs*, (2010) 49 Cal.4th 35.
- 23 12. ALTER MANAGEMENT LLC is Plaintiff’s primary employer as indicated on her Wage
24 Statement. (Please see **Exhibit 2**.)
- 25 13. Plaintiff also was also directly employed by ALTER HEALTH GROUP, INC., CAMBRIDGE
26 MENTAL HEALTH MANAGEMENT LLC dba ALTER BEHAVIORAL HEALTH,
27 ALTIGNIS CAMPUS LLC,; ALTER MENTAL HEALTH LLC, and CALIFORNIA REHAB
28 CAMPUS, LLC., as indicated on her December 20, 2022 “Employment Offer” letter. (Please

see **Exhibit 3**, a true and correct copy of this letter.)

14. Pursuant to its own secretary of state filings Defendants share the same principle address as ALTER MANAGEMENT LLC. These entities also have an agent for service of process, Andrew Polsky. Each entity also lists Andrew Polsky or ALTER MANAGEMENT LLC as its Manager or Director. Moreover, Defendants claim that their “type of business” is “Behavior Healthcare.”
15. Given this unity of ownership between ALTER MANAGEMENT LLC; ALTER MENTAL HEALTH LLC; ALTER MENTAL HEALTH- DANA POINT, LLC; ALTER WELLNESS CARE LLC; ALTIGNIS CAMPUS LLC; ALTER HEALTH GROUP, INC.; CALIFORNIA REHAB CAMPUS, LLC; CAMBRIDGE MENTAL HEALTH MANAGEMENT LLC dba ALTER BEHAVIORAL HEALTH; ALTIGNIS HEALTH, LLC, and Director Andrew Polsky (and the agents of) exercise control over wages, hours, and working conditions of the employees for each named Defendant. Moreover, the named Defendants have common employment policies and on-boarding processes.

REPRESENTATIVE ALLEGATIONS

16. As more specifically set forth below, Plaintiff brings this action in a representative capacity on behalf of all current and former aggrieved employees of Defendants. Code Civ. Proc. § 2699; *Arias v. Superior Court* (2009) 46 Cal. 4th 969, 980-981. Throughout the operative limitations period, Plaintiff and all other aggrieved employees were denied the protections and benefits of the Labor Code due to Defendants’ standard practices. Throughout their employment, Plaintiff and all other aggrieved employees were and are denied full and accurate compensation, including overtime compensation, in violation of, *inter alia*, Labor Code sections 510, 1194, and 1197. Plaintiff and the other aggrieved employees were and are denied Meal and Rest Periods and Meal and Rest Period payments, in violation of, *inter alia*, Labor Code sections 226.7 and 512. Defendants failed to furnish accurate itemized wage statements in violation of, *inter alia*, Labor Code section 226. Defendants failed to reimburse Plaintiff and other aggrieved employees for necessary business expenditures in violation of, *inter alia*, Labor Code section 2802. Defendants failed to provide all compensation due at termination

- of employment in violation of, *inter alia*, Labor Code sections 201 through 203.
17. Plaintiff brings this action on the grounds that she and other current and former aggrieved employees of Defendants were and are improperly denied the mandated wages resulting from the above-referenced violations. Code Civ. Proc. § 2699; *Arias*, 46 Cal. 4th at 980-981. The number of current and former aggrieved employees is believed to exceed One-Hundred (100) members.
18. The approximately One-Hundred (100) aggrieved employees are comprised of Defendants' current or former California-based employees.
19. The questions of law and fact common to all aggrieved employees arising from Defendants' actions include, among others, the following:
- a. Whether Defendants failed to pay its employees the proper straight-time, overtime, and double time wages due and owing to them;
 - b. Whether Defendants failed to pay its employees all compensation due and owing at termination of employment;
 - c. Whether Defendants failed to provide its employees with statutorily-compliant Meal and/or Rest Periods, in violation of, *inter alia*, California Labor Code section 512 and 226.7, in that Defendants' written policies are not compliant with California law, and Defendants do not allow its employees duty-free Meal and/or Rest Periods on occasion;
 - d. Whether Defendants failed to properly provide Meal and Rest Period Premiums in accordance with law;
 - e. Whether Defendants failed to properly calculate and pay its employees overtime compensation or Meal and Rest Period Premiums in accordance with law by failing to properly calculate, into the Regular Rate of Pay, the value of all employee benefits and other non-discretionary compensation; and
 - f. Whether Defendants failed to properly reimburse its employees for necessary business expenditures for, *inter alia*, cell phone costs and other work supplies, in violation of Labor Code section 2802.
20. At all times mentioned herein, Defendants were subject to the Labor Codes and Industrial

Welfare Commission Wage Orders of the State of California, including, but not limited to, California Labor Code section 2698 *et seq.*

21. At all times mentioned herein, Defendants are and were “employers” as that term is used within the relevant sections of the California Labor Code.

22. Plaintiff has exhausted her administrative remedies and pre-filing requirements pursuant to California Labor Code section 2699.3, and has also fulfilled all notice requirements under the statute.

23. Throughout the operative limitations period, Plaintiff and all other aggrieved employees were denied the protections and benefits of the Labor Code and IWC Wage Order(s) due to Defendants’ standard practices. Said violations are set forth below.

FIRST CAUSE OF ACTION
Meal and Rest Period Violations Pursuant to Labor Code § 2698 et seq.
Representative Action
(By Plaintiff against Defendants and DOES 1 through 10)

24. Plaintiff hereby incorporates by reference paragraphs 1 through 23 as though fully set forth herein.

25. Labor Code section 1198 states:

The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.

Defendants violated this section by establishing working conditions below the standard of the applicable Wage Order.

26. Under applicable California law, “An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a Meal Period of not less than 30 minutes [...] An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second Meal Period of not less than 30 minutes” Lab. Code § 512(a); see also 8 Cal. Code Regs. § 11050 (11)(A).

27. Unless the employee is relieved of all duty during a thirty (30) minute Meal Period, the Meal Period shall be considered an “on duty” Meal Period and counted as time worked. 8 Cal. Code

- 1 Regs. § 11050 (11).
- 2 28. California law requires employers to provide nonexempt employees with a 10-minute Rest
- 3 Period for every four hours worked, or “major fraction thereof.” 8 Cal. Code Regs. § 11050
- 4 (11).
- 5 29. An employer who fails to provide Meal or Rest Periods as required by an applicable Wage
- 6 Order must pay the employee one additional hour of pay at the employee’s regular rate of pay
- 7 for each workday that the Meal or Rest Period was not provided. Lab. Code § 226.7(b); 8 Cal.
- 8 Code Regs. § 11050 (11), (12).
- 9 30. Within the operative time period, Defendants failed to possess compliant Meal and Rest Period
- 10 policies.
- 11 31. For example, Defendants do not possess a legal Meal Period policy or legal Rest Period policy,
- 12 and makes no attempt to ensure that its employees are either timely or wholly provided Meal
- 13 Periods or Rest Periods.
- 14 32. Defendants would also pressure employees to either skip, or cut short, Meal Periods and Rest
- 15 Periods, based on workload volume and coverage issues.
- 16 33. In addition, Defendants had notice of Plaintiff working outside of her scheduled and/or
- 17 reported hours, as well as within Meal and Rest Periods, but failed to provide any
- 18 compensation for this work-time.
- 19 34. Defendants willfully failed and refused to pay Plaintiff and all other aggrieved employees one
- 20 additional hour of pay at their regular rate of pay for all workdays that a Meal or Rest Period
- 21 was not provided, as required by Labor Code section 226.7 and IWC Wage Order 5 § (11),
- 22 (12).
- 23 35. Any payments made by Defendants for non-compliant Meal Periods were not paid at the
- 24 employee’s regular rate in violation of Labor Code section 226.7 and the operative IWC Wage
- 25 Orders. Instead, these payments were made at an employee’s base rate and did not include the
- 26 value of, *inter alia*, all actual compensation owed, and/or all employee benefits such as, for
- 27 example, non-discretionary compensation and other employee benefits.
- 28 36. As a direct result of Defendants’ failure to comply with the foregoing provisions of the Labor

Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be proven at trial.

37. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3, and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these penalties pursuant to Labor Code section 2699, as more specifically set forth in the below Prayer For Relief.

38. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants pursuant to Labor Code sections 2699(a) for each of these employees.

39. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code section 2699(g)(1).

SECOND CAUSE OF ACTION
Minimum Wage Violations Pursuant to Labor Code § 2698 et seq.
Representative Action
(By Plaintiff against Defendants and DOES 1 through 10)

40. Plaintiff hereby incorporates by reference paragraphs 1 through 39 as though fully set forth herein.

41. Defendants failed to pay its employees all compensation due in violation of, among other statutes, Labor Code section 1197. California law holds that the failure to pay for any work time constitutes a violation of minimum wage laws. *Armenta v. Osmose, Inc.*, (2005) 135 Cal. App.4th 314, 323. These violations were caused by and through Defendants' failure to maintain accurate Time Records (as required by California law), to the detriment of the employees. Specifically, although Defendants would receive "to-the-minute" start and end times (from their employees' mandated timekeeping practices), Defendants would thereafter alter - and deduct time from - the Time Records, prior to payment of compensation to the employees. Additionally, the right to receive the proper minimum wage compensation was impacted by Defendants knowingly failing to consider other work performed by the employees, including all time employees were under Defendants' control. These actions, and instructions, caused the employees to lose compensation, including proper minimum wage compensation

1 and overtime compensation.

2 42. As a result of Defendants' failure to comply with the provisions of the Labor Code, Plaintiff
3 and all other aggrieved employees have been damaged in an amount to be proven at trial.

4 43. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
5 behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3,
6 and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these
7 penalties pursuant to Labor Code section 2699, as more specifically set forth in the below
8 Prayer For Relief.

9 44. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants
10 pursuant to Labor Code sections 2699(a) for each of these employees.

11 45. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code
12 section 2699(g)(1).

13 **THIRD CAUSE OF ACTION**
14 **Overtime Violations Pursuant to Labor Code § 2698 et seq.**
15 **Representative Action**
16 **(By Plaintiff against Defendants and DOES 1 through 10)**

17 46. Plaintiff hereby incorporates by reference paragraphs 1 through 45 as though fully set forth
18 herein.

19 47. Defendants failed to pay Plaintiff and all other aggrieved employees all compensation,
20 including overtime compensation, due in violation of, among other statutes, Labor Code
21 section 510. These violations occurred due to Defendants' illegal policies, referenced above,
22 whereby employees experienced monetary under-compensation. The systematic failure to
23 provide proper overtime compensation is a violation of California law.

24 48. Additionally, Defendants also failed to provide the actual Overtime Rate of Pay by ignoring
25 certain compensation when calculating the Regular Rate of Pay including, but not limited to,
26 various forms of bonus and/or incentive pay, and the value of employee benefits and employee
27 discounts, in violation of Labor Code section 510.

28 49. As a direct result of Defendants' failure to comply with the foregoing provisions of the Labor
Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be

1 proved at trial.

2 50. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
3 behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3,
4 and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these
5 penalties pursuant to Labor Code section 2699, as more specifically set forth in the below
6 Prayer For Relief.

7 51. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants
8 pursuant to Labor Code sections 2699(a) for each of these employees.

9 52. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code
10 section 2699(g)(1).

11 **FOURTH CAUSE OF ACTION**
12 **Wage Statement Violations Pursuant to Labor Code § 2698 et seq.**
13 **Representative Action**
14 **(By Plaintiff against Defendants and DOES 1 through 10)**

15 53. Plaintiff hereby incorporates by reference paragraphs 1 through 52 as though fully set forth
16 herein.

17 54. Defendants failed to provide Plaintiff and all other aggrieved employees with accurate itemized
18 wage statements in violation of, among other statutes, Labor Code section 226. These
19 violations include, but are not limited to, Defendants' failure to accurately identify all
20 applicable regular and overtime (including double-time) rates of pay in violation of section
21 226(a)(9), and providing inaccurate representations of both "gross" and "net wages."
22 Defendants also failed to accurately list "all applicable hourly rates in effect during the pay
23 period and the corresponding number of hours worked at each hourly rate," in violation of
24 226(a)(9). Defendants also failed to provide an accurate showing of the "total hours worked,"
25 in violation of Labor Code section 226(a)(2). For example, Defendants had notice of
26 employees working outside of their scheduled and/or reported hours, as well as within Meal
27 and Rest Periods, but did not provide compensation.

28 55. Further, the Defendants' wage statement listings are confusing and employees cannot readily
ascertain their total hours worked, applicable rates, and all gross and net wages. As one

example, Defendants are apparently using a time calculating system other than “minutes”, but without explanation to the employees within the wage statement.

56. As a direct result of Defendants’ failure to comply with the foregoing provisions of the Labor Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be proven at trial.

57. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3, and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these penalties pursuant to Labor Code section 2699, as more specifically set forth in the below Prayer For Relief.

58. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants pursuant to Labor Code sections 2699(a) for each of these employees.

59. Plaintiff also seeks an award of reasonable attorneys’ fees and costs pursuant to Labor Code section 2699(g)(1).

FIFTH CAUSE OF ACTION
Failure to Reimburse Pursuant to Labor Code § 2698 et seq.
Representative Action
(By Plaintiff against Defendants and DOES 1 through 10)

60. Plaintiff hereby incorporates by reference paragraphs 1 through 59 as though fully set forth herein.

61. Defendants failed to reimburse their employees for all necessary business expenditures incurred in direct consequence of the discharge of their duties in violation of, among other statutes, Labor Code section 2802. These expenditures are the result of, *inter alia*, Defendants’ standard policies which require its employees to incur mileage and to use their own cell phones for work-related purposes, without reimbursement.

62. As a direct result of Defendants’ failure to comply with the foregoing provisions of the Labor Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be proven at trial.

63. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on

1 behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3,
2 and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these
3 penalties pursuant to Labor Code section 2699, as more specifically set forth in the below
4 Prayer For Relief.

5 64. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants
6 pursuant to Labor Code sections 2699(a) for each of these employees.

7 65. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code
8 section 2699(g)(1).

9
10 **SIXTH CAUSE OF ACTION**
11 **Failure to Pay Wages Upon Separation Pursuant to Labor Code § 2698 et seq.**
12 **Representative Action**
13 **(By Plaintiff against Defendants and DOES 1 through 10)**

14 66. Plaintiff hereby incorporates by reference paragraphs 1 through 65 as though fully set forth
15 herein.

16 67. Defendants failed to provide Plaintiff and other aggrieved employees with all wages earned and
17 unpaid at termination in violation of, among other statutes, Labor Code sections 201 through
18 203. These violations resulted from, among other unlawful actions, Defendants' willful failure
19 to provide accurate and complete compensation to aggrieved employees under Labor Code
20 sections 226.7, 510, 512, 1197, and 2802, as set forth above.

21 68. As a direct result of Defendants' failure to comply with the foregoing provisions of the Labor
22 Code, Plaintiff and all other aggrieved employees have been damaged in an amount to be
23 proven at trial.

24 69. As California Labor Code Section 2699 provides for civil penalties recoverable by Plaintiff on
25 behalf of herself and all other aggrieved employees by and through Labor Code section 2699.3,
26 and as Plaintiff has complied with all pre-filing requirements, Plaintiff may recover these
27 penalties pursuant to Labor Code section 2699, as more specifically set forth in the below
28 Prayer For Relief.

70. Plaintiff seeks an award of statutory civil penalties for each underpaid employee of Defendants
pursuant to Labor Code sections 2699(a) for each of these employees.

71. Plaintiff also seeks an award of reasonable attorneys' fees and costs pursuant to Labor Code section 2699(g)(1), and interest, pursuant to Labor Code section 218.6.

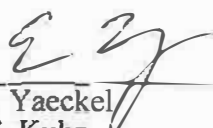
PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of all aggrieved employees, prays for judgment as follows:

1. For an award of attorneys' fees and costs of suit herein pursuant to Labor Code section 2699(g)(1);
2. For an award of statutory civil penalties pursuant to Labor Code section 2699(f)(2); and
3. For such other relief as the Court deems just and proper.

Dated: February 19, 2024

SULLIVAN & YAECKEL LAW GROUP, APC



Eric K. Yaeckel
Ryan T. Kuhn
Karoline D. Kitlowski
Attorneys for Plaintiffs RHAY TAYLOR in a
Representative capacity only, and on behalf of other
members of the general public similarly situated

Exhibit 1

SULLIVAN & YAECKEL

LAW GROUP

A PROFESSIONAL CORPORATION

2330 THIRD AVENUE
SAN DIEGO, CALIFORNIA 92101

PHONE 619-702-6760
FACSIMILE 619-702-6761

December 7, 2023

Labor and Workforce Development Agency
Attn. PAGA Administrator

Submitted Via Online Filing

Re: **Rhay Taylor v. Alter Management LLC; Alter Mental Health LLC; Alter Mental Health – Dana Point, LLC; Alter Wellness Care LLC; Altignis Campus LLC; Alter Health Group, Inc.; California Rehab Campus LLC; Cambridge Mental Health Management LLC; and Altignis Health, LLC**

Our File No.: 7393

Dear Administrator:

Please allow this correspondence to serve as “written notice,” as required by California Labor Code section 2699.3(a)(1), of the specific provisions of the California Labor Code believed to have been violated by Alter Management LLC; Alter Mental Health LLC; Alter Mental Health – Dana Point, LLC; Alter Wellness Care LLC; Altignis Campus LLC; Alter Health Group, Inc.; California Rehab Campus LLC; Cambridge Mental Health Management LLC; and Altignis Health, LLC (hereinafter collectively referred to as “Alter”), in the above referenced matter. This “written notice” is filed on behalf of Rhay Taylor (hereinafter “Ms. Taylor”) and all current and former non-exempt employees employed by Alter. Thank you for your assistance and instruction on this issue.

The specific provisions alleged to have been violated by Alter are as follows:

CALIFORNIA LABOR CODE SECTIONS 201-203, 204, 226, 226(a), 226.7, 510, 511, 512, 1194, and 2802, as well as IWC Wage Order 5, codified as Title 8, California Code of Regulations, section 11050 *et seq.*, or any other applicable wage orders.

Facts and theories supporting the allegations: Ms. Taylor was employed as a non-exempt employee for Alter from approximately January 3, 2023 through June 12, 2023.

Throughout the term of Ms. Taylor’s employment, Alter required Ms. Taylor and all other non-exempt employees to experience actions illegal under the California Labor Code, including the

following:

Minimum Wage and Overtime Violations

- Alter failed to provide all compensation, including minimum wage and overtime compensation, as well as compensation for work performed inside of Meal and Rest Periods, to its employees in violation of, *inter alia*, Labor Code sections 204, 1194, 510, IWC Wage Order 5, and/or any other applicable wage orders. This illegal action is due, in part, to Alter's policies of (1) failing to properly retain accurate Time Records, in violation of California law, and (2) failing to provide compensation (including both minimum and overtime compensation) for all time worked by the employees, or in control of the employer. For instance, Alter would instruct Ms. Taylor to report scheduled (as opposed to *actual*) work hours, resulting in a loss of compensation. Additionally, Alter would often require Ms. Taylor to work extended hours (beyond scheduled hours), without compensation. Ms Taylor routinely had to arrive at least 20 minutes early to work to prepare patient medicine for dispersal when she clocked in for her shift. Ms Taylor will also often had to complete 1-2 hours of work related paperwork after she had clocked from her shift. Further, Alter would regularly contact Ms. Taylor outside of normal work hours (*i.e.*, "after hours" or during lunch) without compensation.
- Additionally, among other issues, Alter has notice of Ms. Taylor, and others, working outside of her scheduled and/or reported hours, as well as *within* Meal and Rest Periods, but fails to provide any compensation for this work-time. Ms. Taylor was frequently scheduled to be "On Call" outside of when her work shifts ended, but was never compensated for this time. Further, Alter failed to properly calculate and pay overtime at the actual overtime rate of pay, as Alter ignores certain compensation when calculating the Regular Rate of Pay.
- Additionally, Alter has failed to pay all overtime legally due to its employees due to a failure to comply with the "alternative workweek" requirements of Labor Code section 511. Among other failures, Alter has failed receive approval by a secret ballot election by at least two-thirds of affected employees in a readily identifiable work unit prior to instituting an alternate workweek schedule for Plaintiff and other employees. Alter also failed to timely report any election to use an alternative workweek to the Division of Labor Standards Enforcement.

Failure to Provide Compliant Meal Periods

- Alter failed to provide compliant Meal Periods or requisite Meal Period penalty payments, in violation of, *inter alia*, Labor Code sections 226.7, 512, and IWC Wage Order 5, and/or any other applicable wage orders. For example, Alter does not possess a legal Meal Period policy and makes no attempt to ensure that its employees

are either timely or wholly provided Meal Periods. The employees would often either miss a Meal Period entirely, or be provided a short or untimely Meal Period. Whether or not an employee was provided a Meal Period was often contingent upon the how busy the employees were on a given day. Ms. Taylor rarely received a second Meal Period for shifts she worked in excess of 12 hours.

- Alter would pressure its employees to either skip, or cut short, a Meal Period as employees were expected to respond to supervisors and/or patients at all times. Alter has never provided a compliant Meal Period penalty payment to any employee as to the above referenced issues. Finally, on the rare occasions when employees *were* paid Meal Period penalties (*i.e.* California Meal Period Premiums), such payments do not “cure” the stated Labor Code violation under section 226.7. The California Supreme Court held that “An employer’s failure to provide an additional hour of pay does not form part of a section 226.7 violation, and an employer’s provision of an additional hour of pay does not excuse a section 226.7 violation. The failure to provide required meal and rest breaks is what triggers a violation of section 226.7.” *Kirby v. Immoos Fire Protection, Inc.* (2012) 53 Cal.4th 1244, 1256, italics added. Even more recently, a 2020 California Supreme Court ruling stated that, “The remedy for a Labor Code violation, through settlement or other means, is distinct from the fact of the violation itself. For example, employers can pay an additional hour of wages as a remedy for failing to provide meal and rest breaks. (§ 226.7, subd. (c).) But we have held that payment of this statutory remedy ‘does not excuse a section 226.7 violation.’” *Kim v. Reins International California, Inc.*, (2020) 9 Cal.5th 73. To be clear, payment of a Meal Period penalty to employees does not rectify the violation, it is in fact an admission of a Labor Code violation. Finally, Alter failed to pay Meal Period Premiums at the proper rate, as Alter fails to either (1) pay a full hours worth of pay, or (2) properly calculate the regular rate of pay for purposes of determining the premium rate owed. *Ferra v. Loews Hollywood Hotel, LLC*, (2021) 11 Cal.5th 858.
- Alter required its employees to constantly monitor their cell phones and be “on-call” at all times, specifically during Meal Periods. On occasion, Alter would interrupt, or cut short, its employees’ Meal Periods and require them to return to work.
- Alter illegally retained control over its employees during Meal Periods. For example, Alter required its employees to “remain on the premises,” and to remain “On Call” (*i.e.* monitor their phones) at all times, including during Meal Periods.

Failure to Provide Compliant Rest Periods

- Alter failed to provide compliant Rest Periods or requisite Rest Period penalty payments, in violation of, *inter alia*, Labor Code sections 226.7, 512, and IWC Wage

Order 5, and/or any other applicable wage orders. For example, Alter does not possess a legal Rest Period policy, as its Rest Period policy lacks required language under California law. Alter makes no attempt to ensure that its employees are either timely or wholly provided Rest Periods. The employees would often either miss a Rest Period entirely, be provided a short or untimely Rest Period, or be provided only one Rest Period, even when they were working in excess of 6.5 hours a day. Alter would pressure its employees to either skip, or cut short, a Rest Period as employees were expected to respond to supervisors and patients at all times. Alter has never provided a compliant Rest Period penalty payment to any employee as to the above referenced issues. Finally, on the rare occasions in which Alter would provide a Rest Period penalty, it would pay said penalty at an improper (and *lesser*) rate, due to the failure to properly calculate the Regular Rate of Pay.

- Alter required its employees to constantly monitor their cell phones and be “on-call” at all times, specifically during Rest Periods. On occasion, Alter would interrupt, or cut short, its employees’ Rest Periods and require them to return to work. Ms. Taylor was required to respond to supervisors and patients during Rest Periods.
- Finally, Alter illegally retained control over its employees during Rest Periods. For example, Alter required its employees to “remain on the premises,” and to remain “On Call” (*i.e.* monitor their telephones) at all times, including during Rest Periods.

Wage Statement Violations

- Alter violated Labor Code section 226(a)(2) by failing to furnish an accurate showing of all hours worked at each hourly rate by the employee. Ms. Taylor and other employees were not compensated for all hours worked (due in part to Alter’s requirement that employees list only *scheduled* work-times, not actual work-times.)
- Alter violated Labor Code section 226(a)(5) by failing to furnish an accurate showing of the net wages earned by its employees. For example, Alter (a) would not provide compensation for all hours and minutes worked, (b) would use an improper (and lesser) Overtime Rate of Pay, and (c) would fail to pay Meal and/or Rest Period penalties when due. Further, on the rare occasions in which Alter would provide a Meal or Rest Period penalty, it would pay said penalty at an improper (and lesser) rate, due to the failure to properly calculate the Regular Rate of Pay.
- Alter violated Labor Code section 226(a)(9) by failing to furnish an accurate showing of all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Ms. Taylor, and the other employees were not compensated for all hours worked (due in part to Alter requiring employees to list only *scheduled* work-times, not actual work-times to

include “on-call” hours). Alter does not explain how its’ system describes “time worked” on the “Earnings Statement” itself. Additionally, Alter does not use “minutes,” to describe the amount of time worked, on the “Earnings Statement. As an example, for the pay period ending January 15, 2023, Alter states that it paid Ms. Taylor for “73.73” total hours of Regular Pay. (Please see **Exhibit A**). However, Ms. Taylor cannot “readily ascertain” what 73.73 means without “reference to other documents or information.” Additionally, Alter does not use “minutes,” to describe the amount of time worked, on the “Earnings Statement.” As an example, .73 is not an accurate representation of minutes worked, but an altered representation of those minutes. (i.e., 25 minutes of work could be represented as .25, and 50 minutes of work could be represented as .50, however .73 minutes of work cannot be represented as .73 as there are not 73 minutes within one hour.) This is because Alter is apparently using a time-calculating system other than “minutes,” but without explanation to the employees within the wage statement. As minutes are measured on a scale of 1 through 60, it is not apparent what these figures are meant to represent. Without an explanation for how these figures were arrived at, employees cannot “readily ascertain” their total hours worked. Therefore, Alter failed to provide an accurate showing of the “total hours worked” by its employees pursuant to section 226(a)(2), due to all the aforesaid reasons.

Failure to Provide Compliant Expense Reimbursement Payments

- Alter failed to provide compliant expense reimbursement payments in violation of, *inter alia*, Labor Code section 2802, by failing to provide payments for expenses incurred by Ms. Taylor and other non-exempt employees, including expenses for cell-phone costs and mileage.

Willful Failure to Provide All Compensation to Ex-Employees

- Alter failed to provide all compensation upon termination of employment in violation of Labor Code sections 201-203, due, in part, to the fact that Alter failed to provide proper compensation for all hours worked, and failed to pay full Meal or Rest Period penalties, as discussed above.

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To confirm, Alter is a "person" as defined within California Labor Code section 18.

Again, thank you for your assistance and instruction throughout this matter. Should you have any questions or comments, please do not hesitate to contact the undersigned.

Very Truly Yours,



Karoline D. Kitlowski, Esq.

Via Certified U.S. Mail

VCORP AGENT SERVICES, INC.

Agent of Service of Process for
ALTER MANAGEMENT LLC
330 N. Brand Blvd.
Glendale, CA 91203

ANDREW POLSKY

Agent of Service of Process for
ALTER HEALTH GROUP, INC.
34270 Pacific Coast Highway, Suite C
Dana Point, CA 92629

ANDREW POLSKY

Agent of Service of Process for
ALTER WELLNESS CARE LLC
34232 Pacific Coast Highway, Suite D
Dana Point, CA 92629

ANDREW POLSKY

Agent of Service of Process for
ALTER MENTAL HEALTH LLC
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Dana Point, CA 92629

ANDREW POLSKY

Agent of Service of Process for
ALTER MENTAL HEALTH- DANA POINT, LLC
34232 Pacific Coast Highway, Suite D
Dana Point, CA 92629

ANDREW POLSKY

Agent of Service of Process for
ALTIGNIS CAMPUS LLC
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ANDREW POLSKY

Agent of Service of Process for
California Rehab Campus LLC
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ANDREW POLSKY

Agent of Service of Process for
Cambridge Mental Health Management LLC
34232 Pacific Coast Highway, Suite D
Dana Point, CA 92629

ANDREW POLSKY

Agent of Service of Process for
Altignis Health, LLC
34232 Pacific Coast Highway, Suite D
Dana Point, CA 92629

Exhibit A

Alter Management LLC
34232 Pacific Coast Hwy
Ste D
Dana Point, CA 92629

J.P. MORGAN CHASE BA
SEATTLE, WA
90-7162/3222
Check Date
January 20, 2023



Check Number
1293

Payroll Check
Pay this amount: One thousand seven hundred eighty dollars and eighty cents *****
\$ ** 1,780.80

To the order of 158520 CA08-BHT-002000 490 1293 2818 158520
Rhay Roxanne Taylor
8956 Harness Street
Unit I-6
Spring Valley, CA 91977

Authorized Signature

⑈0000001293⑈ ⑆322271627⑆ 368203912⑈

Alter Management LLC

Rhay Roxanne Taylor

Employee ID 490 Fed Taxable Income 2,129.34 Check Date January 20, 2023
Location CA08-BHT-0020 Fed Filing Status H Period Beginning January 1, 2023
Hourly \$23.00 State Filing Status H-0 Period Ending January 15, 2023

Earnings Statement

Check Number 1293
Net Pay 1,780.80
Check Amount 1,780.80
Total Hours Worked 85.53

Earnings	Rate	Hours	Amount	YTD
Doubletime	46.00	2.30	105.80	105.80
Overtime	34.50	9.50	327.75	327.75
Regular	23.00	73.73	1,695.79	1,695.79
Gross Earnings		85.53	2,129.34	2,129.34

Taxes	Amount	YTD
CA	28.04	28.04
CASDI-E	19.16	19.16
FITW	138.44	138.44
MED	30.88	30.88
SS	132.02	132.02
Taxes	348.54	348.54

Deductions	Amount	YTD
No Deductions		

Direct Deposits	Type Account	Amount
No Direct Deposits		

	Available Plan Year	
Time Off	to Use	Used
Paid Time	0.00	0.00
Sick	24.00	0.00

Exhibit 2

Alter Management LLC

34232 Pacific Coast Hwy

Ste D

Dana Point, CA 92629

J.P. MORGAN CHASE BA

SEATTLE, WA

90-7162/3222

Check Date

January 20, 2023



Check Number

1293

Payroll Check

Pay this amount: One thousand seven hundred eighty dollars and eighty cents *****

\$ ** 1,780.80

To the order of 158520 CA08-BHT-002000 490 1293 2818 158520

Rhay Roxanne Taylor

8956 Harness Streetq

Unit I-6

Spring Valley, CA 91977

Authorized Signature

⑈0000001293⑈ ⑆322271627⑆ 368203912⑈

Alter Management LLC**Rhay Roxanne Taylor**

Employee ID 490 Fed Taxable Income 2,129.34
Location CA08-BHT-0020 Fed Filing Status H
Hourly \$23.00 State Filing Status H-0

Check Date January 20, 2023
Period Beginning January 1, 2023
Period Ending January 15, 2023

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Check Amount 1,780.80
Total Hours Worked 85.53

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Overtime	34.50	9.50	327.75	327.75
Regular	23.00	73.73	1,695.79	1,695.79
Gross Earnings		85.53	2,129.34	2,129.34

Taxes	Amount	YTD
CA	28.04	28.04
CASDI-E	19.16	19.16
FITW	138.44	138.44
MED	30.88	30.88
SS	132.02	132.02
Taxes	348.54	348.54

Deductions	Amount	YTD
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No Deductions

Direct Deposits	Type Account	Amount
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No Direct Deposits

Time Off	Available	Plan Year
	to Use	Used
Paid Time	0.00	0.00
Sick	24.00	0.00

Exhibit 3



Rhay Taylor

Via email – roxanneing@icloud.com

December 20, 2022

Re: Employment Offer **Personal and Confidential**

Dear Rhay Taylor,

Alter Health Group is pleased to offer you the position of Care Coordinator at Altignis Campus, LLC., located in San Diego, CA., Alter Behavioral Health, Alter Mental Health, and California Rehab Campus facilities located in Irvine, Mission Viejo, and Dana Point, California, contingent on passing and maintaining an approved live scan, drug screen, background check, and driving record report. You will be scheduled 36 hours one week and 48 hours the following week, with a requirement for overtime as needed. We are excited about the skills and potential you bring to our organization. We believe that you possess the necessary skill set needed to enable our mental health treatment center to provide the highest level of client care in the industry. Your dedication and support for each individual seeking treatment will be very important in bringing about transformation of lives.

As was discussed, you will be a Day Shift Care Coordinator for the facilities indicated beginning on or before January 3, 2023. This is an hourly position with a starting pay of \$23.00 per hour. Your work schedule will be the following:

Day Shift - Sunday through Tuesday (Wednesday) Shifts are subject to change.

You will report to the Executive Director of Operations of Alter Health Group. A complete job description with a full list of job duties and expectations will be provided once you are onboarded. As we are a startup venture, each team member is expected to be flexible in order to successfully grow our treatment center and your job duties are anticipated to go beyond your job description in the near term.

Upon completion of 30 days of employment you will be eligible to participate in our company's health benefit plan and benefits package, which includes: Health, Dental, Vision, HSA, PTO, and 401K matching after 90 Days of employment.

In accepting our offer of employment, you certify your understanding that your employment with Alter Health Group is at-will. Please reply by email to formally accept this offer.

We look forward to welcoming you to our company and are confident you will contribute positively to our vision of transforming lives. If you have any questions, please contact me by phone at 949-538-7527 or email at myen@alterhealthgroup.com. I look forward to working with you and I am certain that we will achieve great things together in the future.

Sincerely,

Melody Yen

Human Resource Manager

A handwritten signature in black ink, appearing to read "Rhay Taylor", is written over a large, faint circular watermark or stamp.

ALTER > 000012