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County of San Diego

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Clerk of the Superior Court  
By Shiela Retez, Deputy Clerk

George A. Warner (CA State Bar No. 320241)  
Alexxander Campbell (CA State Bar No. 307703)

LEGAL AID AT WORK

180 Montgomery Street, Suite 600

San Francisco, CA 94104

Telephone: (415) 864-8848

Facsimile: (415) 593-0096

Email: [gwarner@legalaidatwork.org](mailto:gwarner@legalaidatwork.org)  
[acampbell@legalaidatwork.org](mailto:acampbell@legalaidatwork.org)

Monique Olivier (CA State Bar No. 190385)

Christian Schreiber (CA State Bar No. 245597)

OLIVIER & SCHREIBER LLP

475 14th Street, Suite 250

Oakland, California 94612

Telephone: (415) 484-0980

Facsimile: (415) 658-7758

Email: [monique@os-legal.com](mailto:monique@os-legal.com)  
[christian@os-legal.com](mailto:christian@os-legal.com)

*Attorneys for Plaintiffs*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**SAN DIEGO COUNTY**

ALMA ROSSIO ZAMARRIPA SOLORIO,  
MELISSA VIVIANA COVARRUBIAS, as  
aggrieved employees,

*Plaintiffs,*

v.

SBS FRANCHISING, LLC, SBS  
SERVICES GROUP, LLC, and DOES 1-10,  
INCLUSIVE,

*Defendants.*

Case No.: 37-2024-00029829-CU-OE-CTL

**COMPLAINT FOR VIOLATIONS OF  
THE LABOR CODE**

**PRIVATE ATTORNEYS GENERAL  
ACT, LAB. C. § 2698, ET SEQ.**

Plaintiffs Alma Rossio Zamarripa Solorio and Melissa Viviana Covarrubias (collectively, “Plaintiffs”) bring this action on behalf of the State of California, themselves, and all aggrieved employees in California against Defendants SBS Franchising, LLC, SBS Services Group, LLC (together, “Stratus Building Solutions,” “Stratus,” or “Defendants”). Plaintiffs seek penalties related to Defendants’ failure to pay all wages owed, which results from their scheme of misclassifying their janitorial workforce as independent contractors. Plaintiffs allege as follows based upon personal experience and belief:

## I. INTRODUCTION

1. Plaintiffs and aggrieved employees are individuals who have purchased purported “unit franchises” at enormous expense from Stratus Building Solutions and subsequently performed janitorial work as “unit franchisees,” despite being employees. Stratus Building Solutions misclassifies workers as franchisee-independent contractors. Through this misclassification scheme, Stratus Building Solutions has unlawfully avoided paying immense labor costs and violated various provisions of the California Labor Code. Plaintiffs bring this action to recover civil penalties resulting from Defendants’ violations of Plaintiffs’ and other aggrieved employees’ rights under California law.

2. Plaintiffs seek statutory civil penalties, attorneys' fees, costs of suit, and other appropriate and just relief against Defendants.

## II. JURISDICTION AND VENUE

3. This Court has jurisdiction over the subject matter pursuant to California Code of Civil Procedure § 410.10, Labor Code section 2699(a), and the applicable Wage Orders.

4. Jurisdiction is proper because the unlawful acts and practices alleged herein were committed by Defendants within this jurisdiction and the amount of damages sought exceeds the minimum jurisdiction of the Court (\$25,000).

5. Venue is proper pursuant to California Code of Civil Procedure § 395.5 and because Defendants conduct substantial business activity throughout San Diego County.

### III. PARTIES

6. Plaintiff Alma Rossio Zamarripa Solorio is over the age of 18 and a resident of San Diego County, California who has performed cleaning and other janitorial services for Defendants, between March 2020 and the present.

7. Plaintiff Melissa Viviana Covarrubias is over the age of 18 and a resident of San Diego County, California who previously performed cleaning and other janitorial services for Defendants.

8. Plaintiffs seek to represent other aggrieved employees, consisting of hundreds of individuals who have purchased or will purchase Stratus “unit franchises” and have performed or will perform janitorial and cleaning work for Stratus within the State of California at any time from April 2, 2023 up through and including the present.

9. Defendant SBS Franchising, LLC (“SBS Franchising”) is a Delaware corporation with its principal place of business in North Hollywood, California. SBS Franchising is the parent corporation of Defendant SBS Services Group, LLC.

10. Defendant SBS Services Group, LLC (“SBS Services”) is a Nevada corporation with its principal place of business in Las Vegas, Nevada. SBS Services is a wholly owned subsidiary and/or “affiliate” of Defendant SBS Franchising.

11. Upon information and belief, Plaintiffs allege that Defendants SBS Franchising and SBS Services are doing business as Stratus Building Solutions and are operating a single, integrated business that provides cleaning and janitorial services to commercial clients throughout the State of California. SBS Franchising and SBS Services create and set standard forms, contracts, marketing practices, and other policies and practices utilized by Stratus Building Solutions in California.

### IV. FACTS

12. SBS Franchising and SBS Services are a commercial cleaning company that, through a multi-level system of franchising, has sold hundreds of purported “unit franchises” to workers throughout California. Their workers engage in the day-to-day labor of performing commercial cleaning and other janitorial work for Stratus Building Solutions clients. Stratus

1 Building Solutions misclassifies these workers as franchisee-independent contractors instead of  
2 employees.

3  
4 **Stratus Building Solutions' Business Is Providing Commercial Cleaning Services to Client**  
5 **Businesses**

6 13. Stratus Building Solutions publicly acknowledges that it is in the business of  
7 commercial cleaning. For example, its website, [www.stratusclean.com](http://www.stratusclean.com), states:

8 Stratus Building Solutions is a leading commercial cleaning service franchise  
9 company providing the most comprehensive green janitorial service, building  
10 cleaning, and office cleaning services in the industry, allowing business owners to  
11 provide a healthier environment for their customers and employees. Deep  
12 cleaning services and disinfection services available.

13 14. The website's main page advertises its services as "high quality commercial  
14 janitorial services," including "commercial cleaning," "carpet cleaning," "green cleaning," "hard  
15 floor care," and "medical grade cleaning."

16 15. A screenshot of [www.stratusclean.com](http://www.stratusclean.com) shows how Stratus Building Solutions  
17 markets itself as a cleaning company:  
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28

Provide a **Healthier** Environment for Your Customers and Employees  
With Commercial Cleaning & Disinfecting Services from Stratus Unit Franchisees

[Request A Quote](#)

## Our Services:



### Commercial Cleaning

For all your business cleaning needs. Customized cleaning services for your facility.



### Disinfection Services

Keep your customers and employees safe from COVID-19 and the flu virus.



### Green Cleaning

The most comprehensive green office cleaning service options in the industry.



### Facilities Serviced

Cleaning a variety of commercial buildings, see why Stratus franchisees stand out.



### Carpet Cleaning

Your carpets take a beating, rejuvenate your facility with fresh, clean carpets.



### Hard Floor Care

Make your floors shine like new with our commercial hard floor care services.



### Post-Construction Cleans

Reliable cleaning services for the last item on your list.



### Medical Grade Cleaning

Sanitation, Disinfection, OSHA, JCAHO and Bloodborne Standards.



### Franchising

Join the industry leader in green commercial cleaning services.

## High-Quality Commercial Janitorial Services

Stratus Building Solutions is leading the way in health and environmentally conscious commercial cleaning services provided by expert-level franchisees. Our innovative commercial cleaning company provides businesses like yours with the most comprehensive green janitorial services in the industry, allowing you to provide a healthier environment for your customers and employees.

Our franchisees use 100% post-consumer recycled janitorial utility cans and mop buckets. Additionally, our franchisees are Green Seal Certified, using an environmentally responsible, health-conscious line of non-toxic and biodegradable chemicals.

Contact your local office to schedule a free, no-obligation green commercial cleaning quote today to see how Stratus can make your business a healthier place to be.



Find Your Local Office

Request More Information **Today!**

[Find A Location](#)

1           16.     Stratus Building Solutions contracts directly with client businesses to provide  
2 commercial cleaning services through its “unit franchisees.” The clients receiving cleaning  
3 services do not enter into contracts with the “unit franchisees.”

4           17.     Stratus Building Solutions provides cleaning services to various commercial  
5 businesses, including gyms, dentist practices, churches, retail establishments, dialysis centers,  
6 and offices. It negotiates the particulars of the type of cleaning required and how that cleaning  
7 will be performed without input from the “unit franchisee” who will ultimately perform janitorial  
8 services at the client business. Stratus Building Solutions purports to calculate the labor to be  
9 performed and how much the client business’s monthly payment will be. The client business  
10 signs a “Service Agreement” directly with Stratus Building Solutions, which promises to  
11 “perform cleaning services.” The client business enters into a contract with “Stratus,” and a  
12 representative from Stratus Building Solutions signs the agreement. For example, one such  
13 agreement was signed by Defendant Bill Beckham, on behalf of “STRATUS Region.” That  
14 contract states: “Both STRATUS Region and CLIENT do agree to all terms, conditions, cleaning  
15 schedule and pricing as outlined in this Agreement. Stratus will provide all the necessary  
16 cleaning chemicals and equipment.”

17           18.     After Stratus Building Solutions enters into a “Service Agreement” with a client  
18 business, Stratus Building Solutions assigns the client business “account” to a “unit franchisee.”  
19 The “unit franchisee” performs all the janitorial work promised under the contract. The  
20 individuals characterized as “owners” of the “unit franchise” regularly perform the work  
21 themselves. Plaintiffs and other aggrieved employees therefore perform the very services that  
22 Stratus Building Solutions promises to provide client businesses in the “Service Agreement.”

23           19.     Without the “unit franchisees,” including Plaintiffs and aggrieved employees,  
24 Stratus Building Solutions would not be able to provide cleaning services and would not have  
25 any revenue from client businesses.

26           **“Unit Franchisees” Are Required to Sign One-Sided Contracts with Exorbitant Fees and**  
27 **Unfair Conditions**

1           20.     Stratus Building Solutions contracts with “unit franchisees” using a form “Unit  
2 Franchisee Agreement.” The cost of purchasing a franchise depends on the “level of gross  
3 annual billing in the Customer Contracts that we are obligated to offer you under the Franchise  
4 Agreement.” Plaintiffs purchased a Stratus Building Solutions franchise on or about March 31,  
5 2020. Stratus Building Solutions charged Plaintiffs an initial “franchisee fee” of \$13,900. The  
6 amount of this fee was based on Stratus Building Solutions’ commitment to provide Plaintiffs  
7 with client business “Customer Contracts,” also called “accounts,” that would amount to  
8 anticipated gross revenue of \$3,000 a month, or \$36,000 a year. If Stratus Building Solutions  
9 provides a “unit franchisee” with a new client “account” such that the “unit franchisee’s” gross  
10 revenue exceeds Stratus Building Solutions’ initial commitment, the “unit franchisee” must then  
11 pay an additional fee – called an “Account Acquisition Fee” – equal to approximately five  
12 months of the new client’s cost for the cleaning services.

13           21.     Stratus Building Solutions sells a significant percentage of its franchises to  
14 workers who, like Plaintiff Alma Rossio Zamarripa Solorio, have limited or no fluency in  
15 English. The advertisements, promotional materials, franchise agreements, and other documents  
16 Stratus Building Solutions provides to prospective “unit franchisees” are all in English, with no  
17 translation into Spanish or other languages used by “unit franchisees.”

18           22.     Under the Unit Franchisee Agreement, “unit franchisees” have to pay 13 separate  
19 fees to Stratus, which are set as a percentage (from 1 percent to over 10 percent) of gross billing  
20 paid by the Stratus Building Solutions client businesses.

21           23.     The Unit Franchisee Agreement requires “unit franchisees” to maintain various  
22 forms of insurance and requires that the insurance policies cover both SBS Franchising and SBS  
23 Services as additional insureds. The required forms of insurance include \$2,000,000 in  
24 comprehensive liability and property damage insurance, \$50,000 in Fidelity bonding theft  
25 insurance, and workers’ compensation insurance.

26           24.     The Unit Franchise Agreement includes a non-compete agreement, stating:  
27 “Franchisee agrees that neither it, its affiliates nor any of Franchisee’s partners, shareholders or  
28 members, will (i) divert, solicit, or attempt to divert or solicit, any business or customer of us, the

1 Franchised Business, or any other franchisee of Franchisor, or (ii) provide commercial cleaning  
2 and maintenance services to any business or Customer (a) who is currently serviced by  
3 Franchisee, any other franchisee, or other person under the System and the Marks under the  
4 Franchise Agreement or (b) who has been serviced by Franchisee, any other franchisee, or other  
5 person under the System and the Marks under this Agreement within the previous eighteen (18)  
6 month period prior to such expiration or termination; or (iii) perform any act injurious or  
7 prejudicial to the goodwill associated with the Marks.”

8         25.     Stratus Building Solutions engages in other one-sided practices. For example,  
9 each time that a “unit franchisee” receives an additional client business “account” or renews or  
10 assigns the Unit Franchise Agreement, the “unit franchisee” and its individual owners are  
11 required to sign a general release that includes a purported release by the “unit franchisee” of all  
12 known and unknown claims against Stratus Building Solutions.

13  
14 **Stratus Building Solutions Exercises Substantial Control Over the Wages, Hours, and**  
15 **Working Conditions of Plaintiffs and Other “Unit Franchisees”**

16         26.     Stratus Building Solutions tells “unit franchisees” that they are “independent  
17 businesses,” stating in the Unit Franchise Agreement:

18                 You are free to conduct your business as you may deem best in providing the  
19 services to the customer, independently of the supervision, management and  
20 control of us, provided that you agree to abide by all the terms of this Agreement  
21 (including protection of the Marks and compliance with the System Standards)

22         27.     In reality, this claim is false. “Unit franchisees” are not free to conduct business as  
23 they choose, “independently of the supervision, management and control of [Stratus Building  
24 Solutions].” The Unit Franchise Agreement allows Stratus Building Solutions to supervise,  
25 manage and control “unit franchisees.”

26         28.     Stratus Building Solutions has multiple tools it can use to supervise, manage, and  
27 control the “unit franchisees.” The Unit Franchise Agreement contains a number of terms that  
28 restricts how the “unit franchisees” can operate, including:

- 1 a. The Agreement specifies that “any failure to comply with any of the  
2 provisions of a customer’s contract for janitorial or maintenance services  
3 will constitute a break of this Agreement by you” (emphasis added).
- 4 b. The Agreement states that Stratus Building Solutions retains the right to  
5 “transfer ownership of a Customer Account to ourselves or to another  
6 franchisee and require you discontinue service for such Customer  
7 Account” in a number of circumstances, including:
- 8 i. a customer requests transfer to another cleaner;  
9 ii. a customer has lodged a complaint twice within 120 days;  
10 iii. a customer has lodged a complaint, and the customer is not  
11 satisfied within 3 business days of the “unit franchisee” receiving  
12 notice of the complaint; or  
13 iv. the “unit franchisee” has “fail[ed] to service any customer in a  
14 prompt manner in accordance with System Standards.”
- 15 c. The Agreement requires “unit franchisees” to undergo a “Stratus Training  
16 Program” to be certified to clean for Stratus Building Solutions. This  
17 training program is mandatory, and if “unit franchisees” do not pass  
18 certain tests, Stratus Building Solutions will not provide them with  
19 contracts.
- 20 d. The Agreement requires “unit franchisees” to comply with “System  
21 Standards” set by Stratus.

22 29. The Agreement also requires “unit franchisees” to comply with “Systems  
23 Standards” set by Stratus Building Solutions. The Unit Franchise Agreement states:

24 We reserve the right to establish standards, methods and procedures’ pertaining to  
25 the operation of your Franchised Business or this Franchise Agreement (the  
26 “System Standards”). You agree that you will be bound by the System Standards.  
27 We shall keep a current updated Brand Standards Manual of the System Standards  
28 at our company office. In the event that the System Standards kept by us differ

1 from those kept by you, the System Standards in our company office Brand  
2 Standards Manual will be controlling. You will follow current established Stratus  
3 System Standards, as they may be amended from time to time, and agrees not to  
4 deviate there from without our prior written consent.

5 30. The Agreement requires that “unit franchisees” use only approved equipment and  
6 supplies, and only allows “unit franchisees” to use Stratus Building Solutions’ own private  
7 branded chemicals for cleaning. The procedures manual states that the “[f]ailure to use Stratus  
8 Chemicals or using non-approved chemicals will result in a complaint fee of \$75.00.” The Unit  
9 Franchise Agreement states:

10 Realizing that quality control and uniformity are important in the Stratus System,  
11 you agree to use only such equipment, supplies, products, control forms and other  
12 business forms that we prescribe or permit, including using “Stratus” brand  
13 chemicals. We have the right to change the authorized goods and services that you  
14 may offer, but such goods and services will be related to the business of building  
15 and property maintenance, decoration, refurbishment and renovation.

16 31. The Agreement further requires “unit franchisees” to “agree to permit us to  
17 observe and record the performance and methods of services provided by you and your  
18 employees,” and states that “unit franchisees” must “advise [Stratus] what your hours of  
19 operation will be in order to allow us the right to inspect.”

20 32. Stratus Building Solutions requires that “unit franchisees” purchase a “basic  
21 starter package from an approved vendor that distributes professional quality equipment and  
22 supplies” before the “unit franchisees” are allowed to service any contracts provided by Stratus.  
23 These packages include basic cleaning equipment, such as mops.

24 33. Stratus Building Solutions charges “unit franchisees” complaint fees “[i]n order to  
25 promote full compliance with all Stratus brand standards.” Stratus Building Solutions charges  
26 these fees when:

- 27 a. a “unit franchisee” does not respond to Stratus Building Solutions within a  
28 two-hour period;

- b. a complaint from a Stratus Building Solutions client business was made known to the Franchisee, and two hours after the opening of the business the next morning, the deficiency was not corrected to the satisfaction of the client business, thus requiring Stratus Building Solutions to respond to the complaint;
- c. an initial complaint call to Stratus Building Solutions requires immediate action to meet a client business's demand for a visit or performance of services at the client business' premises;
- d. two or more complaints for similar issues are made to Stratus Building Solutions within a 120-day time frame.

34. "Unit franchisees," including Plaintiffs and aggrieved employees, are required to wear Stratus Building Solutions uniforms while cleaning, they have business cards that bear the Stratus Building Solutions name and logo. Stratus Building Solutions holds franchisees out as Stratus Building Solutions "personnel" in contracting with client businesses.

35. Once assigned a client business, workers must perform all cleaning services under the contract that Stratus Building Solutions negotiated with the client business—contracts negotiated without franchisee input. Stratus independently assesses the type of cleaning required, how many hours the cleaning will take, and how much to charge client businesses for the cleaning. Defendants claim that unit franchisees "own" the customer accounts, but in reality, they have little to no control over the pricing or any of the terms of the client contracts, must strictly adhere to Defendants' terms in performing the contracts, and Defendants retain broad discretion to take the contracts away from unit franchisees.

36. Stratus Building Solutions also wholly controls the amount, manner, and frequency of franchisees' pay. Client businesses pay Stratus Building Solutions directly, and Stratus Building Solutions then pays franchisees after making various unlawful deductions. Stratus Building Solutions decides when workers will be paid and through what means they will be paid.

1           37.     Stratus Building Solutions also reviews and disciplines “unit franchisees.” Stratus  
2 Building Solutions requires franchisees to collect client ratings and charges a fee if “unit  
3 franchisees” fail to collect ratings. Stratus Building Solutions also conducts quality inspections  
4 of each client business at least once per month per client. “Unit franchisees” are required to be  
5 present for these inspections. If Stratus Building Solutions believes there is reason to discipline a  
6 “unit franchisee” for poor cleaning or other reasons, Stratus Building Solutions has the right to  
7 take remedial actions, including removing a “unit franchisee” from a client account.  
8

9           **Stratus Building Solutions Controls How Plaintiffs Perform Their Commercial Cleaning**  
10           **Work**

11           38.     After entering into the Unit Franchise Agreement, Stratus Building Solutions  
12 directed Plaintiffs how to clean specific client businesses, or “accounts.” These sites included  
13 office buildings, gyms, dental offices, a church, and other business locations.

14           39.     Plaintiffs received business cards that prominently displayed the Stratus Building  
15 Solutions logo, and listed the address, phone number, and fax number of Stratus Building  
16 Solutions’ San Diego office.

17           40.     Stratus Building Solutions employees and agents also enforce Stratus Building  
18 Solutions policies. For example, one email sent to Plaintiffs from a Stratus Building Solutions  
19 “Franchise Business Consultant” stated: “I wanted to reach out and remind each of you that it is  
20 very important to wear a uniformed shirt by Stratus Building Solutions while cleaning. We have  
21 received numerous complaints from current customers regarding this matter. Customers are  
22 unable to identify cleaners when they are not wearing a Stratus shirt uniform.” The email copied  
23 and attached a section of Stratus Building Solutions’ Unit Franchise Onboarding – Procedures  
24 Manual that states that uniforms are required, and “[f]ailure to wear the Stratus uniform shall  
25 result in a \$25.00 fine and the Automatic Purchase of additional uniforms for you or your  
26 employees.”

27           41.     Plaintiffs were required to obtain feedback from Stratus Building Solutions’ client  
28 businesses on forms prepared by Stratus Building Solutions, and then submit the feedback forms

1 to Stratus Building Solutions. These forms had the Stratus Building Solutions logo, and told  
2 client businesses: “Thank you for doing business with Stratus Building Solutions. All of our  
3 customers are valued and your opinion is important to us. . . . [Your feedback] will enable us  
4 here at STRATUS to provide your company with a complete and consistent cleaning service.”

5 42. Stratus Building Solutions schedules monthly or quarterly inspections of the client  
6 business locations where Plaintiffs have performed cleaning services for Stratus Building  
7 Solutions.

8  
9 **Stratus Building Solutions Does Not Comply with Requirements of the Labor Code**

10 43. Between April 2, 2023 and the present, Stratus Building Solutions has  
11 systematically violated Plaintiffs’ and other aggrieved employees’ rights under the Labor Code.

12 44. Stratus Building Solutions does not keep track of the time that “unit franchise”  
13 owners spend working, and does not pay employees an hourly rate for their work. Even though  
14 Plaintiffs and aggrieved employees often have to travel between different worksites during the  
15 workday to perform their work, they are completely uncompensated for this time.

16 45. Stratus Building Solutions regularly pays Plaintiffs and other aggrieved  
17 employees only once per month.

18 46. Stratus Building Solutions typically pays Plaintiffs and other aggrieved  
19 employees a set amount each month for each client business they are assigned to clean. These set  
20 amounts are based on a defined scope of work that Stratus Building Solutions has negotiated  
21 with the client business, and that Stratus Building Solutions assigns to Plaintiffs to carry out.  
22 When Plaintiffs and other aggrieved employees work beyond the anticipated scope of work,  
23 Stratus Building Solutions does not pay Plaintiffs and other aggrieved employees for all time  
24 worked.

25 47. Stratus Building Solutions does not pay Plaintiffs or other aggrieved employees  
26 any overtime pay even when Plaintiffs and aggrieved employees work more than eight hours in a  
27 day or more than 40 hours in a workweek, which they regularly do.

1           48.     Stratus Building Solutions does not provide Plaintiffs and other aggrieved  
2 employees with lawful meal periods, nor does it pay meal period premium wages for its failure  
3 to provide lawful meal periods.

4           49.     Stratus Building Solutions does not provide Plaintiffs and other aggrieved  
5 employees with lawful rest periods, nor does it pay rest period premium wages for its failure to  
6 provide lawful rest periods.

7           50.     Stratus Building Solutions requires Plaintiffs and other aggrieved employees to  
8 incur expenses, including the cost of driving between sites and costs associated with tools and  
9 supplies, to perform their jobs. Stratus Building Solutions does not reimburse Plaintiffs and other  
10 aggrieved employees for these necessary business expenses.

11          51.     Stratus Building Solutions does not provide mandatory paid sick leave to  
12 Plaintiffs or other aggrieved employees.

13          52.     Stratus Building Solutions does not provide lawful wage statements. The monthly  
14 statements that Stratus Building Solutions does provide to Plaintiffs and other aggrieved  
15 employees omit, among other required items, all rates of pay and all hours worked by Plaintiffs  
16 and other aggrieved employees.

17          53.     Stratus Building Solutions makes unlawful deductions from Plaintiffs' and other  
18 aggrieved employees' wages. The Unit Franchise Agreement requires franchisees to pay  
19 substantial sums of money, styled as "fees," to perform the janitorial work for Stratus Building  
20 Solutions' clients. These fees include the purchase price of the franchise or "initial franchise  
21 fee," "administration fees," "royalty fees," "advertising fees," "business insurance fees,"  
22 "account acquisition fees," "service fees," "account cancellation for cause fees," "complaint  
23 fees," and others. These fees are deducted from Plaintiffs' and other aggrieved workers' pay each  
24 month, and can add up to thousands of dollars of deductions per month. When they obtain a new  
25 client, "unit franchisees" must pay an "account acquisition fee" and begin cleaning at a new  
26 client business, without any promise that they will clean for that client long enough to recuperate  
27 the cost of the account acquisition fee. Stratus Building Solutions, in its Unit Franchise  
28 Agreements, reserves the right to terminate or reassign client business accounts at will.

1 Franchisees are therefore sometimes in the position of having to pay account acquisition fees  
2 related to clients whose offices they no longer clean, on accounts from whom they no longer  
3 receive revenue.

4 54. Stratus does not pay all wages when due, and does not pay all wages owed when  
5 an aggrieved employee quits or is discharged.

6 **Exhaustion of Administrative Remedies**

7 55. On April 2, 2024, Plaintiffs filed a PAGA notice with the LWDA via the  
8 LWDA's online filing system, and sent copies of the notice via certified mail to Defendants. The  
9 PAGA notice described the specific provisions of the Labor Code alleged to have been violated  
10 by Defendants, including the facts and theories supporting the alleged violations. As of the date  
11 of the filing of this action, which is more than 65 days after notice was provided to the LWDA  
12 and to all Defendants, the LWDA has not provided written notice that it intends to investigate  
13 Plaintiffs' allegations. Accordingly, Plaintiffs have satisfied the administrative prerequisites of  
14 Labor Code § 2699.3 to bring an action to recover penalties against PAGA Defendants.

15 **FIRST CAUSE OF ACTION**  
16 **VIOLATION OF THE PRIVATE ATTORNEYS GENERAL ACT ("PAGA")**  
17 **(On Behalf of Plaintiffs and the Aggrieved Employees)**  
18 **(Lab. Code § 2698 *et seq.*)**

19 56. Plaintiffs hereby incorporate all other paragraphs of this Complaint and restate  
20 them as if fully set forth herein.

21 57. Pursuant to Cal. Labor Code § 2699(a), any provision of the Labor Code that  
22 provides for a civil penalty to be assessed and collected by the Labor Workforce Development  
23 Agency ("LWDA") for violations of the Labor Code may, as an alternative, be recovered  
24 through a civil action brought by an aggrieved employee on behalf of himself or herself and  
25 other current or former employees pursuant to the procedures outlined in Labor Code § 2699.3.  
26 These civil penalties are in addition to any other relief available under the Labor Code.

27 58. Plaintiffs allege that Defendants violated the following provisions of the  
28 California Labor Code and IWC Wage Order 5:

- a. Willful misclassification in violation of IWC Wage Order 5 and Cal. Lab. Code §§ 226.8, 2753;
- b. Failure to pay minimum wages in violation of IWC Wage Order 5 and Cal. Lab. Code §§ 1194, 1197;
- c. Failure to pay overtime wages in violation of IWC Wage Order 5 and Cal. Lab. Code §§ 510, 1194, 1198;
- d. Failure to provide meal periods in violation of IWC Wage Order 5 and Cal. Lab. Code §§ 226.7, 512;
- e. Failure to provide rest periods in violation of IWC Wage Order 5 and Cal. Lab. Code § 226.7;
- f. Failure to pay wages when due in violation of Cal. Lab. Code §§ 204, 210;
- g. Unlawful deductions from wages in violation of IWC Wage Order 5 and Cal. Lab. Code § 221;
- h. Failure to reimburse for reasonable business expenses in violation of IWC Wage Order 5 and Cal. Lab. Code § 2802;
- i. Forced patronage in violation of Cal. Lab. Code § 450;
- j. Failure to pay paid sick leave, record accrued leave, and report accrued leave in violation of Cal. Lab. Code §§ 246, 247, 247.5, 248.5;
- k. Failure to provide correct itemized wage statements in violation of IWC Wage Order 5 and Cal. Lab. Code §§ 226, 1174; and
- l. Failure to pay all wages due upon termination or quit in violation of Cal. Lab. Code §§ 201, 202.

#### **V. PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs request that the Court order the following relief and enter judgment against Defendants as follows:

- A. That the Court award civil penalties in the amount according to proof to the State of California, to Plaintiffs, and to all aggrieved employees;

1 B. That Plaintiffs be awarded pre-judgment and post-judgment interest on all sums  
2 collected;

3 C. That the Court grant costs of suit, including reasonable attorneys' fees, costs, and  
4 expenses; and

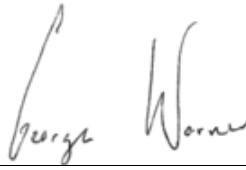
5 D. That the Court grant all such other relief as the Court deems just.

6  
7 DATED: June 21, 2024

Respectfully submitted,

8 LEGAL AID AT WORK

9 OLIVIER & SCHREIBER LLP

10  
11  
12 By: 

George A. Warner

Alexxander Campbell

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14 *Attorneys for Plaintiffs and the*  
15 *Aggrieved Employees on behalf of the*  
16 *State of California*  
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