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

CRYSTAL JOHNSON, as an individual and  
on behalf of all other aggrieved employees,

Plaintiff,

vs.

HRB RESOURCES LLC, a Delaware  
corporation; H&R BLOCK ENTERPRISES  
LLC, a Missouri corporation; and DOES 1  
through 100, inclusive,

Defendants.

Case No. \_\_\_\_\_

**REPRESENTATIVE ACTION  
COMPLAINT:**

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

**UNLIMITED CIVIL CASE**

1 Plaintiff Crystal Johnson (“Plaintiff”), on behalf of herself and all other aggrieved  
2 employees, hereby brings this Representative Action Complaint against Defendants HRB  
3 Resources LLC, a Delaware corporation; H&R Block Enterprises LLC, a Missouri corporation;  
4 and DOES 1 to 100, inclusive (collectively “Defendants”), and on information and belief alleges  
5 as follows:

### 6 **JURISDICTION**

7 1. Plaintiff, on behalf of herself and all other aggrieved employees, hereby brings  
8 this representative action for recovery of civil penalties under California Labor Code §§ 2698 *et*  
9 *seq.*

10 2. This Court has jurisdiction over Defendants because, upon information and belief,  
11 Defendants are citizens of California, Defendants have sufficient minimum contacts in  
12 California, or otherwise intentionally avail themselves to the California market so as to render  
13 the exercise of jurisdiction over them by the California courts consistent with the traditional  
14 notions of fair play and substantial justice.

### 15 **VENUE**

16 3. Venue as to each Defendant is proper in this judicial district pursuant to California  
17 Code of Civil Procedure §§ 395(a) and 395.5, as at least some of the acts and omissions  
18 complained of herein occurred in the County of Santa Clara. Further, at all times relevant herein  
19 Defendants maintained offices, transacted business, or had agents within the County of Santa  
20 Clara.

### 21 **PARTIES**

22 4. Plaintiff is an individual over the age of eighteen (18). At all relevant times herein,  
23 Plaintiff was, and currently is a California resident. During the one year immediately preceding  
24 Plaintiff’s giving of the required notice under the PAGA, and within the statute of limitations  
25 periods applicable to the cause of action pled herein, Plaintiff was employed by Defendants as a  
26 non-exempt employee.

27 5. Plaintiff is informed and believes, and based thereon alleges, that during the one  
28 year preceding Plaintiff’s giving of the required notice under the PAGA and continuing to the

1 present, Defendants did (and do) business by providing tax preparation services in the United  
2 States, Canada, and Australia, with approximately 12,000 retail tax offices worldwide, and  
3 employed Plaintiff and other similarly-situated non-exempt employees within the County of Santa  
4 Clara and, therefore, were (and are) doing business in the County of Santa Clara and the State of  
5 California.

6 6. Plaintiff is informed and believes, and thereon alleges, that at all times mentioned  
7 herein, Defendants were licensed to do business in California and the County of Santa Clara, and  
8 were the employers of Plaintiff and the Aggrieved Employees (as defined in Paragraph 11).

9 7. Plaintiff does not know the true names or capacities, whether individual, partner,  
10 or corporate, of the defendants sued herein as DOES 1 to 100, inclusive, and for that reason, said  
11 defendants are sued under such fictitious names, and Plaintiff will seek leave from this Court to  
12 amend this Representative Action Complaint when such true names and capacities are  
13 discovered. Plaintiff is informed, and believes, and thereon alleges, that each of said fictitious  
14 defendants, whether individual, partners, or corporate, were responsible in some manner for the  
15 acts and omissions alleged herein, and proximately caused Plaintiff and the Aggrieved  
16 Employees (as defined in Paragraph 11) to be subject to the unlawful employment practices,  
17 wrongs, injuries, and damages complained of herein.

18 8. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned  
19 herein, Defendants were and are the employers of Plaintiff and the Aggrieved Employees (as  
20 defined in Paragraph 11).

21 9. At all times herein mentioned, each of said Defendants participated in the doing  
22 of the acts hereinafter alleged to have been done by the named Defendants; and furthermore, the  
23 Defendants, and each of them, were the agents, servants, and employees of each and every one  
24 of the other Defendants, as well as the agents of all Defendants, and at all times herein mentioned  
25 were acting within the course and scope of said agency and employment. Defendants, and each  
26 of them, approved of, condoned, and/or otherwise ratified each and every one of the acts or  
27 omissions complained of herein.

28 10. At all times mentioned herein, Defendants, and each of them, were members of

1 and engaged in a joint venture, partnership, and common enterprise, and acting within the course  
2 and scope of and in pursuance of said joint venture, partnership, and common enterprise. Further,  
3 Plaintiff alleges that all Defendants were joint employers for all purposes of Plaintiff and the  
4 Aggrieved Employees (as defined in Paragraph 11).

5 **REPRESENTATIVE ACTION ALLEGATIONS**

6 11. Plaintiff has worked for Defendants as a Senior Tax Advisor since 2021 at its  
7 location in Modesto, California. As a Senior Tax Advisor for Defendants, Plaintiff works both  
8 during the tax season as well as the off-season completing tax returns. The “aggrieved  
9 employees” whom Plaintiff seeks to represent are all current and former non-exempt employees  
10 of Defendants who performed work for Defendants in the State of California during the one year  
11 immediately preceding the date of this letter through the present.

12 12. During her employment with Defendants, Plaintiff and other aggrieved  
13 employees were paid pursuant to commission/piece-rate pay plans, whereby they were paid a  
14 commission and/or a piece-rate based on completed tax returns and/or other tax return add-ons.  
15 Under this commission/piece-rate pay plan, Plaintiff and other aggrieved employees were  
16 required to record their hours worked by clocking in and clocking out at the beginning and end  
17 of their workday but were only paid an hourly wage if their commissions and/or piece-rate wages  
18 did not exceed their hourly wages for the tax season. Because Defendants’ pay system is simply  
19 a subterfuge for a commission and/or piece-rate compensation system, on those occasions when  
20 Plaintiff and other aggrieved employees were paid a piece rate or commission (i.e., when their  
21 commissions or piece rate earnings exceeded their hourly wage floor), Plaintiff and other  
22 aggrieved employees were not provided with a paid rest period for every 4-hour period worked,  
23 or major fraction thereof, because Defendants’ commission and/or piece-rate compensation plan  
24 failed to separately compensate Plaintiff and other aggrieved employees for required rest periods.  
25 *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*,  
26 216 Cal.App.4th 864 (2013) (“There is no dispute that Safeway’s activity-based compensation  
27 system did not separately compensate drivers for their rest periods.”); Labor Code § 226.2(a)(1)  
28 (requiring employers to pay piece rate employees separate for rest periods and other

1 nonproductive time).

2 13. Defendants also unlawfully deducted the value of discounts or “coupons” from  
3 Plaintiff’s and other aggrieved employees’ wages resulting in a failure to pay Plaintiff and other  
4 aggrieved employees for all hours in violation of California Labor Code, including Labor Code  
5 sections 221-223. *See Hudgins v. Nieman Marcus Group, Inc.*, (1995) 34 Cal.App.4th 1109,  
6 1118 (“As interpreted by the Industrial Welfare Commission (IWC) and the California courts,  
7 section 221 has long been held to prohibit deductions from an employee's wages for cash  
8 shortages”); *see also* Wage Order 4, § 8 (prohibiting deductions from employee wages for, *inter*  
9 *alia* “cash shortage”).

10 14. Additionally, while working for Defendants, Plaintiff and other aggrieved  
11 employees were not authorized and permitted to take legally compliant rest periods. Specifically,  
12 Defendants’ written rest period policy prohibits employees from leaving Defendants’ premises  
13 during rest periods, thereby failing to relinquish all control over employees during their rest  
14 periods in violation of California law. In fact, Defendants’ written policy requires employees to  
15 clock out (and therefore not get paid) if they leave the premises “for personal reasons.” Thus, if  
16 Plaintiff or other aggrieved employees wanted to leave the premises during a rest period, they  
17 were required to clock out and therefore not receive a paid rest period, which is required under  
18 California law. *See* Wage Order 4, § 12(A) (“Authorized rest period time shall be counted as  
19 hours worked for which there shall be no deduction from wages.”)

20 15. On those occasions when Plaintiff and other aggrieved employees were not  
21 authorized and permitted to take all legally-compliant rest periods to which they were entitled,  
22 Defendants failed to compensate them with the required rest period premium for each workday  
23 in which they experienced a rest period violation as mandated by Labor Code § 226.7. Upon  
24 information and belief, Defendants maintain no payroll code or other mechanism for the payment  
25 of rest period premium payments under Labor Code § 226.7 in the event that a legally compliant  
26 rest period is not provided to their non-exempt employees.

27 16. Defendants’ meal period policies/practices have also failed to provide Plaintiff  
28 and other aggrieved employees with all legally compliant meal periods because they have failed

1 to provide Plaintiff and other aggrieved employees with a timely, duty-free, and uninterrupted  
2 30-minute meal period commencing before the end of the fifth hour of work, and/or a second  
3 30-minute meal period for shifts of over 10.0 hours. Specifically, Plaintiff's and other aggrieved  
4 employees' meal periods have frequently been "late" (i.e., starting after the completion of the  
5 fifth hour of work), because Plaintiff's and other aggrieved employees' work demands have  
6 frequently prevented them from taking a meal period entirely or from taking a meal period until  
7 after the completion of the fifth hour of work. Meal periods were also often "short" (less than  
8 30 minutes) because Plaintiff and other aggrieved employees were required to cut short their  
9 meal periods in order to perform work-related tasks. Defendants failed to compensate Plaintiff  
10 and other aggrieved employees with the required meal period premium for each workday in  
11 which they experienced a meal period violation as mandated by Labor Code § 226.7.

12 17. Plaintiff and other aggrieved employees also received bonuses, including "STI  
13 Pay" (which on information and belief stands for Short-Term Incentive Pay), "IPP Payment,"  
14 cash awards, spot bonuses, block star, and other bonuses and incentive pay that must be included  
15 in the "regular rate" of pay (collectively, "Incentive Pay"). However, on information and belief,  
16 Defendants failed to properly incorporate Incentive Pay in Plaintiff's and other aggrieved  
17 employees' "regular rate" of pay when calculating overtime compensation, and thereby under-  
18 paid them overtime compensation.

19 18. In addition, on those select occasions when Defendants did pay Plaintiff and other  
20 aggrieved employees a meal period premium, Defendants failed to properly incorporate all  
21 Incentive Pay into Plaintiff's and other aggrieved employees' "regular rate" of compensation,  
22 thereby under-paying Plaintiff's and other aggrieved employees' meal period premiums under  
23 Labor Code § 226.7, which requires meal period premiums to be paid at an hour of pay at the  
24 employee's "regular rate of compensation." *See Ferra v. Loews Hollywood Hotel, LLC*, 11  
25 Cal.5th 858, 785-86 (2021) (holding "regular rate of compensation" in Labor Code § 226.7 to be  
26 synonymous with "regular rate of pay" in Labor Code § 510, and therefore meal and rest period  
27 premiums must incorporate incentive pay just like overtime premiums).

28 19. Additionally, Plaintiff further alleges that Defendants are liable for its failure to

1 pay its employees, including Plaintiff, all reporting time pay. Specifically, on occasions when  
2 Plaintiff reported for work on those days in which clients canceled their appointments and/or the  
3 server crashed, Defendants did not compensate Plaintiff and other aggrieved employees for half  
4 of the employee's scheduled day's work or at least two hours at the employee's regular rate of  
5 pay, in violation of Section 5 of the applicable Wage Order. Cal. Code Regs., title 8, section  
6 11050, subd. 5 ("Each workday an employee is required to report for work and does report, but  
7 is not put to work or is furnished less than half said employee's usual or scheduled day's work,  
8 the employee shall be paid for half the usual or scheduled day's work, but in no even less than  
9 two (2) hours nor more than four (4) hours, at the employee's regular rate of pay...") Defendants  
10 also required its employees to report to work for meetings, including an end-of-the-season  
11 meeting, but only paid its employees for one hour of pay, regardless of the actual length of the  
12 meeting. Plaintiff alleges that this is not only a violation of the reporting time pay requirements  
13 but also a failure to pay for all hours worked.

14 20. As a result of the above violations, Defendants have failed to timely pay all final  
15 wages and issued inaccurate wage statements to Plaintiff and other aggrieved employees. In  
16 addition, the wage statements issued to Plaintiff and other aggrieved employees did not always  
17 include rates of pay and/or hours worked as required under Labor Code § 226(a)(9). For  
18 example, Defendants have paid Plaintiff amounts listed on wage statements as "Prior Pd" "Block  
19 Star" without providing a corresponding hourly rate or number of hours worked for those  
20 amounts. Additionally, Defendants issued facially non-compliant wage statements to Plaintiff  
21 and other aggrieved employees by failing to list the number of piece-rate units earned and any  
22 applicable piece rate, in violation of Labor Code § 226(a)(3); failing to list the total hours of  
23 compensable rest and recovery periods and the corresponding rate of compensation and gross  
24 wages for those periods, in violation of Labor Code § 226.2(a)(2)(A); and failing to state the  
25 total hours of non-productive time along with the corresponding rate of compensation and gross  
26 wages for non-productive time worked in violation of Labor Code § 226.2(a)(2)(B).

27 21. Based on the foregoing, Plaintiff seeks to represent herself and other aggrieved  
28 employees, as defined by Labor Code § 2699(c), who have been aggrieved by the Labor Code

violations discussed herein.

**FIRST CAUSE OF ACTION**

**PRIVATE ATTORNEYS GENERAL ACT**

**(AGAINST ALL DEFENDANTS)**

22. Plaintiff re-alleges and incorporates by reference all prior paragraphs as though fully set forth herein.

23. Defendants have committed several Labor Code violations against Plaintiff and other aggrieved employees. Plaintiff, an “aggrieved employee” within the meaning of Labor Code § 2698 *et seq.*, acting on behalf of herself and other aggrieved employees, brings this representative action against Defendants to recover the civil penalties due to Plaintiff, other aggrieved employees, and the State of California according to proof, including, but not limited to: (1) \$100.00 for each initial violation for each failure to pay each employee and \$200.00 for each subsequent violation or willful or intentional violation pursuant to Labor Code § 210 for each failure to pay each employee, plus 25% of the amount unlawfully withheld; (2) \$50.00 for each initial violation and \$100 for each subsequent violation pursuant to Labor Code § 558 per employee per pay period; (3) \$100.00 for each initial violation and \$250.00 for each subsequent violation pursuant to Labor Code § 1197.1 per employee per pay period; (4) \$250.00 for each initial violation; and \$1,000.00 for each subsequent violation pursuant to Labor Code § 226.3 per employee per pay period; and/or (5) \$100.00 for each initial violation and \$200.00 for each subsequent violation per employee per pay period for those violations of the Labor Code for which no civil penalty is specifically provided, based on the following Labor Code violations:

- a. Failing to pay Plaintiff and other aggrieved employees all earned overtime compensation in violation of Labor Code §§ 226.2, 204, 510, 1194, and 1198;
- b. Failing to pay minimum wages for all hours worked to Plaintiff and other aggrieved employees in violation of Labor Code §§ 226.2, 1182.12, 1194, 1194.2, and 1197;
- c. Failing to provide all legally required meal periods, or to pay premium pay in lieu thereof, to Plaintiff and other aggrieved employees at the regular rate of pay in

violation of Labor Code §§ 226.7, 512, 558, and 1198;

- d. Failing to authorize and permit all legally required rest periods, and/or failing to separately compensate Plaintiff and other aggrieved employees for required rest periods at the correct rate of pay, in violation of Labor Code §§ 226.2, 226.7, 516, 558, and 1198;
- e. Failing to furnish Plaintiff and other aggrieved employees with complete, accurate, itemized wage statements in violation of Labor Code § 226;
- f. Failing to timely pay all final wages due to Plaintiff and other aggrieved employees in violation of Labor Code §§ 201, 202, and 203;
- g. Unlawfully deducting earned wages from the wages paid to Plaintiff and other aggrieved employees in violation of Labor Code §§ 221, 222, and 223;
- h. Failing to pay Plaintiff and other aggrieved employees all earned wages at least twice during each calendar month in violation of Labor Code § 204; and
- i. Failing to maintain accurate records on behalf of Plaintiff and other aggrieved employees in violation of Labor Code § 1174.

24. On or about May 29, 2024, Plaintiff notified Defendants HRB Resources LLC and Defendants Enterprises LLC via certified mail, and the California Labor and Workforce Development Agency (“LWDA”) via its website, of Defendants’ violations of the California Labor Code and Plaintiff’s intent to bring a claim for civil penalties under California Labor Code § 2698 *et seq.* with respect to violations of the California Labor Code identified in Paragraph 23 (a)-(i). Now that sixty-five days have passed from Plaintiff notifying Defendants of these violations, Plaintiff has exhausted her administrative requirements for bringing a claim under the Private Attorneys General Act with respect to these violations.

25. Plaintiff was compelled to retain the services of counsel to file this court action to protect her interests and the interests of other aggrieved employees, and to assess and collect the civil penalties owed by Defendants. Plaintiff has thereby incurred attorneys’ fees and costs, which she is entitled to receive under California Labor Code § 2699.

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**PRAYER**

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

1. Upon the First Cause of Action, for civil penalties due to Plaintiff, other aggrieved employees, and the State of California according to proof pursuant to Labor Code §§ 558 and 2699(a) and (f) including, but not limited to: (1) \$100.00 for each initial violation for each failure to pay each employee and \$200 for each subsequent violation or willful or intentional violation pursuant to Labor Code § 210 for each failure to pay each employee, plus 25% of the amount unlawfully withheld; (2) \$50.00 for each initial violation and \$100 for each subsequent violation pursuant to Labor Code § 558 per employee per pay period; (3) \$100.00 for each initial violation and \$250.00 for each subsequent violation pursuant to Labor Code § 1197.1 per employee per pay period; (4) \$250.00 for each initial violation and \$1,000.00 for each subsequent violation pursuant to Labor Code § 226.3 per employee per pay period; and/or (5) \$100.00 for each initial violation and \$200 for each subsequent violation per employee per pay period for those violations of the Labor Code for which no civil penalty is specifically provided, based on the Labor Code violations identified in Paragraph 23 (a)-(i);

2. On all causes of action, for attorneys' fees and costs as provided by Labor Code § 2699(g) and Code of Civil Procedure § 1021.5; and

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

Dated: August 1, 2024

Respectfully submitted,  
HAINES LAW GROUP, APC

By:

  
\_\_\_\_\_  
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