

Nazo Koulloukian, SBN 263809
nazo@koullaw.com
Hilary Silvia, SBN 237993
hilary@koullaw.com
KOUL LAW FIRM, APC
3435 Wilshire Blvd., Suite 1710
Los Angeles, CA 90010
Telephone: (213) 761-5484
Facsimile: (818) 561-3938

Attorneys for Plaintiff,
BRIAN HUGUEZ,
and all putative class members

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

BRIAN HUGUEZ, an individual, on behalf of)
himself and all others similarly situated,)

Plaintiff,)

vs.)

R1 RCM INC., a Delaware corporation, R1)
RCM HOLDCO, INC., a Delaware)
corporation, and DOES 1-50, inclusive,)
Defendant.)

Case No.: CVRI2405537

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT FOR:**

- 1. Failure to Reimburse for Required
Business Expenses**
- 2. Unlawful Business Practices
Bus & Prof. Code §17200**
- 3. Private Attorneys General Act
Penalties (Lab. Code §2699)**

JURY TRIAL DEMANDED

Plaintiff BRIAN HUGUEZ, individually, and on behalf of all others similarly situated, all
aggrieved employees, and as Private Attorney General for the State of California (collectively
“Plaintiff”), alleges as follows:

NATURE OF THE ACTION

1. This is an employment class and representative action on behalf of over 50 hourly, non-exempt employees against their employer for violations of numerous wage and hour laws. Plaintiff brings this employment class and representative action complaint on behalf of himself, and all others similarly situated, all aggrieved employees, and as a Private Attorney General for State of California, against R1 RCM INC. and R1 RCM HOLDCO, INC. and DOES 1-50, inclusive, (hereafter collectively “Defendant” or “Defendants”).

2. Defendants R1 RCM INC. and R1 RCM HOLDCO, INC. provide technological solutions for healthcare providers. Plaintiff BRIAN HUGUEZ worked for Defendants as an hourly, non-exempt employee until February 8, 2024. Plaintiff and the proposed class earn at or near minimum wage.

3. As described further below, Defendants have violated the California Labor Code by (1) failing to reimburse for required business expenses (§1198, 2802); (2) unlawful and unfair business practices (Bus. & Prof. Code §17200, *et. seq.*); and (3) penalties under the Private Attorneys General Act (“PAGA”), Labor Code §2698 *et seq.* Attorney General Act (“PAGA”), Labor Code §2698 *et seq.*

4. The class claims in this action are brought pursuant to Code of Civil Procedure (“CCP”) §382, seeking recovery for compensatory damages, statutory penalties, restitution, injunctive and other equitable relief, interest, and reasonable attorneys’ fees and costs. Plaintiff has also provided notice of these claims pursuant to §2698 *et. seq.*, to the Labor and Workforce and Development Agency (“LWDA”) and now brings this First Amended Complaint, including claims for civil penalties under the Private Attorneys General Act (“PAGA”), Labor Code §2698 *et seq.* Attorney General Act (“PAGA”), Labor Code §2698 *et seq.*

5. The “Class Period” is designated as the four-year period prior to the filing of this Complaint through the date of the final disposition of this action.

6. The “PAGA Period” is defined herein commences one year prior to the date of filing the PAGA Notice letter with the LWDA.

1 7. Defendants, by and through their actions, has engaged in unfair competition, requiring
2 restitution to persons affected and disgorgement of profits so obtained.

3 **THE PARTIES**

4 8. Plaintiff BRIAN HUGUEZ is an individual who resides in California and worked for
5 Defendant as an hourly, non-exempt employee until February 8, 2024.

6 9. Defendant R1 RCM INC., is a Delaware corporation authorized to do business and doing
7 business in California with the capacity to sue and to be sued, and doing business, in the county of
8 Riverside, State of California.

9 10. Defendant R1 RCM HOLDCO, INC., is a Delaware corporation authorized to do
10 business and doing business in California with the capacity to sue and to be sued, and doing
11 business, in the county of Riverside, State of California.

12 11. Defendant Does 1-50, inclusive, are sued herein under fictitious names. Their true
13 names and capacities are unknown to Plaintiff. When their true names and capacities are
14 ascertained, Plaintiff will amend this complaint by inserting their true names and capacities herein.
15 Plaintiff is informed and believe, and thereon alleges, that each of the fictitiously named Defendant
16 is responsible in some manner for the occurrences herein alleged, and that the damages sustained
17 by Plaintiff and the Class Members herein alleged were proximately caused by such Doe
18 Defendants.

19 12. Plaintiff is informed and believes and thereon alleges that each Defendant, directly or
20 indirectly, or through agents or other persons, employed Plaintiff and other members of the Class,
21 and exercised control over their wages, hours, and working conditions. Plaintiff is informed and
22 believes and thereon alleges that each Defendant acted in all respects pertinent to this action as the
23 agent of the other Defendants, carried out a joint scheme, business plan or policy in all respects
24 pertinent hereto, and the acts of each Defendant is legally attributable to the other Defendants.

25 **JURISDICTION AND VENUE**

26 13. Venue is proper in this judicial district because Defendants conduct business in this
27 County and Defendants have legal obligations to Plaintiff and many of the Class Members in this
28 case that arose in this county.

1 14. The monetary damages, restitution, and statutory penalties sought by Plaintiff exceed
2 the minimal jurisdictional limits of the Superior Court and will be established according to proof
3 at trial. Based on information, investigation, and analysis, Plaintiff alleges that the amount in
4 controversy, including claims for monetary damages, penalties, and attorney's fees, is more than
5 twenty-five thousand dollars (\$25,000) and less than five million dollars (\$5,000,000). Moreover
6 Plaintiff alleges that his individual damages based on the claims alleged herein do not exceed
7 \$75,000.

8 15. The California Superior Court has jurisdiction in this matter because Plaintiff is a
9 resident of California and Defendants are incorporated in and/or qualified to do business in
10 California and regularly conduct business in California. Further, there is no federal question at
11 issue as the claims herein are based solely on California law.

12 **CLASS AND REPRESENTATIVE ACTION ALLEGATIONS**

13 16. During the Class Period, Defendants committed various violations of the California
14 Labor Code, the UCL and the applicable IWC Wage Order, as alleged below in more detail.
15 Defendant enforces multiple policies that violate state law which are intended to increase its own
16 profits to the detriment of its employees.

17 17. Defendants failed to reimburse for required business expenses. Plaintiff and class
18 members were required to use their personal cell phones for work purposes, including for the DUO
19 authenticator app. Plaintiff and class members were also required to provide their own wifi and pay
20 for additional electric charges related to their remote work activities. Defendants failed to reimburse
21 Plaintiff and class members for any of these aforementioned necessary business expenses.

22 18. Based upon the above allegations, Defendants engaged in unfair competition.

23 19. Plaintiff brings this action on behalf of himself, and all other persons similarly situated,
24 to recover from Defendants for failure to comply with California wage and hour laws, and for
25 claims under Business and Professions Code § 17200.

26 20. The PAGA Class, also referred to herein as "aggrieved employees": "All current and
27 former hourly, non-exempt employees of Defendants in California, at any time from one year prior
28 to the filing of the PAGA Notice letter with the LWDA until the resolution of this matter." Plaintiff

1 reserves the right to amend or modify the definition of aggrieved employees with respect to the
2 issues or in any other way.

3 21. This action has been brought and may properly be maintained as a class action
4 pursuant to the provisions of Code of Civil Procedure § 382 because the proposed class is
5 ascertainable and there is a well-defined community of interest. Plaintiff is among in excess of 50
6 employees who have been similarly injured by Defendants' unlawful employment policies and
7 practices.

8 22. The "Relevant Time Period" or proposed "Class Period" as defined herein commences
9 four years prior to the date of filing of the original Complaint in this action.

10 23. Plaintiff brings this action on their behalf and as a class action under Cal. Code of
11 Civil Procedure §382 on behalf of the following defined groups:

12 24. Proposed Class: "All persons who are employed or have been employed by Defendant
13 in the State of California as hourly, non-exempt workers during the period of the relevant statute
14 of limitations."

15 25. This action is brought, and may properly be maintained, as a class action under CCP
16 §382 and/or a representative action under Business & Professions Code §§17200 et seq. and Labor
17 Code §2699 because there is a well-defined community of interest in the litigation, and the
18 proposed Class is easily ascertainable.

19 26. Numerosity: The Proposed Class is so numerous that joinder of all members is
20 impractical. Plaintiff is informed and believes, and on that basis alleges, that during the relevant
21 time period, Defendants employed over 50 putative Class Members who are geographically
22 dispersed and who satisfy the definition of the proposed Class. As such, a class action is the only
23 available method for the fair and efficient adjudication of this controversy. Membership in the
24 Proposed Class can be easily ascertained by an examination and analysis of employee and payroll
25 records, among other records within Defendants' possession and control.

26 27. Typicality: Plaintiff's claims are typical of the claims of the Class Members. Plaintiff,
27 like others similarly situated, was subjected to Defendants' common, unlawful policies, practices,
28 and procedures described above. The Plaintiff's positions at the company was typical of those of

1 other Class Members. Plaintiff's claims are typical of the claims of each Class Member because
2 each have sustained damages arising out of and caused by Defendants' common course of conduct,
3 as alleged herein. As such, Plaintiff has the same interests in this matter as all members of the
4 Class.

5 28. Adequacy: Plaintiff will fairly and adequately protect the interests of the members of
6 the Class. Plaintiff has retained counsel competent and experienced in complex class actions and
7 California labor and employment litigation.

8 29. Commonality: Common questions of law and fact exist, including but not limited to
9 the following:

- 10 i. Whether Defendants violated wage and hour laws by failing to reimburse for
11 required business expenses;
- 12 ii. The proper measure of damages sustained and the proper measure of
13 restitution recoverable by Plaintiff and Class Members;
- 14 iii. Whether the Class Members are entitled to injunctive relief to enjoin any
15 further violations of wage and labor laws;
- 16 iv. Whether Defendant, and each of them, are/were participants in the alleged
17 unlawful and/or tortious conduct;
- 18 v. Whether Defendant's conduct was willful and reckless;
- 19 vi. The effect upon and the extent of injuries suffered by Plaintiff and Class
20 Members and the appropriate amount of reimbursement, restitution, damages,
21 or other compensation; and
- 22 vii. What is the extent of liability of each Defendant, including DOE defendants,
23 to each Class and Subclass member?

24 30. Superiority: A class action is superior to other available methods of the fair and
25 efficient adjudication of the controversy, particularly in the context of wage and hour litigation
26 where the damage suffered by individual plaintiffs, while not inconsequential, makes individual
27 actions impracticable given the expenses and burdens associated with seeking individual relief.
28 Prosecuting over 50 identical, individual lawsuits does not promote judicial efficiency or equity

1 and consistency in judicial results. Moreover, the Class is a group of hourly employees who rely
2 on their wages and requiring that each individual take time away from work to prosecute individual
3 actions would be inequitable and result in undue hardship for the individual Class members and
4 their families. Public policy favors efficient resolution of their claims and uniform enforcement of
5 California Labor laws against entities skirting their legal obligations at the expense of a vulnerable
6 working population.

7 31. Manageability: Plaintiff is informed and believes that all allegations in this Complaint
8 are capable of being determined on the same evidence and based primarily on review of corporate
9 records and key testimony of Defendant's corporate representatives. To the extent statistical
10 analysis and representative evidence is necessary, Plaintiff and proposed class counsel will employ
11 competent experts and consultants in the field to determine and review evidence for both issues of
12 liability and damages in a scientifically reliable manner.

13 32. Plaintiff requests, pursuant to Rule 1857(a)(1) and Rule 3.766 of the California Rules
14 of Court, that the absent Class and Subclass Members be notified by the best notice practicable
15 under the circumstances, including individual notice to all members who can be identified through
16 reasonable effort. The names and address of the Class and Subclass Members are available from
17 Defendant.

18 **FIRST CAUSE OF ACTION**

19 **FAILURE TO REIMBURSE FOR REQUIRED BUSINESS EXPENSES**

20 Cal. Lab. Code §§1198, 2802

21 (Plaintiff Against All Defendants)

22 33. Plaintiff incorporates by reference in this cause of action each allegation of the
23 preceding paragraphs as though fully set forth herein.

24 34. Defendants' conduct described in this complaint violates the provisions of Labor Code
25 §§ 1198, 2802.

26 35. Labor Code §2802 requires employers to indemnify employees for necessary
27 expenditures or losses incurred by employees in direct consequence of the discharge of duties.
28 Plaintiff and Class Members were required to use their personal cell phones for work purposes,

1 including for the DUO authenticator app. Plaintiff and Class Members were also required to
2 provide their own wifi and pay for additional electric charges related to their remote work
3 activities.

4 36. Defendants failed to reimburse Plaintiff and Class Members for these expenses and
5 these amounts remain due and owing.

6 **SECOND CAUSE OF ACTION**

7 **UNFAIR BUSINESS PRACTICES IN VIOLATION OF**

8 California Business and Professions Code section 17200, et seq.

9 **(Plaintiff Against All Defendants)**

10 37. Plaintiff incorporates by reference in this cause of action each allegation of the
11 preceding paragraphs as though fully set forth herein.

12 38. Defendants knowingly committed, and upon information and belief continue to
13 commit, ongoing unlawful business practices within the meaning of the UCL, including, but not
14 limited to unlawful practices as described in the causes of action articulated above, and hereby
15 incorporated herein.

16 39. Plaintiff lost money and property as a result of Defendants' unlawful business practices
17 described above.

18 40. Pursuant to the UCL, Plaintiff and all Class Members are entitled to restitution of
19 money or property acquired by Defendants by means of such unlawful business practices, in
20 amounts not yet known, but to be ascertained at trial.

21 41. Pursuant to the UCL, Plaintiff and Class Members are entitled to injunctive relief
22 against Defendants' ongoing unlawful business practices. If an injunction does not issue enjoining
23 Defendants from engaging in the unlawful business practices described above, Plaintiff and the
24 general public will be irreparably injured.

25 42. Plaintiff has no plain, speedy, and adequate remedy at law. Defendants, if not enjoined
26 by this Court, will continue to engage in the unlawful business practices described above in
27 violation of the UCL, in derogation of the rights of Plaintiff and Class Members and of the general
28 public.

1 43. Plaintiff's success in this action will result in the enforcement of important rights
2 affecting the public interest by conferring a significant benefit upon the general public.

3 44. Defendants' violations of local and California law, as well as the other statutory and
4 regulatory violations alleged herein, constitute unlawful business actions and practices in violation
5 of Business and Professions Code § 17200, et seq.

6 45. Pursuant to Business and Professions Code § 17200, et seq., Plaintiff and the Class
7 Members are entitled to restitution of unpaid reimbursements, among other relief alleged herein,
8 that were withheld and retained by Defendants during a period that commences four years prior to
9 the filing of this action. Plaintiff is further entitled to a permanent injunction requiring Defendants
10 to comply with all provisions of California labor law concerning the claims at issue herein.

11 **THIRD CAUSE OF ACTION**

12 Statutory Penalties Pursuant To Private Attorneys General Act,

13 Labor Code §2698 *et seq.*

14 (Plaintiff Against All Defendants)

15 46. Plaintiff incorporates by reference in this cause of action each allegation of the
16 preceding paragraphs as though fully set forth herein.

17 47. Under the Private Attorneys General Act of 2006, Labor Code §§2698-2699.5, an
18 aggrieved employee, on behalf of herself and other current or former employees, may recover
19 penalties under any provision of the Labor Code that provides for civil penalties. These penalties
20 are in addition to any other relief available under the Labor Code. Plaintiff is an aggrieved
21 employee under PAGA.

22 48. As set forth above, Defendants have committed numerous violations for which the
23 Labor Code provides for penalties, including violations of all applicable Labor Code provisions
24 set forth in the foregoing causes of action. Labor Code §2699.5 identifies the aforementioned
25 Labor Code provisions as statutes to which §2699.3's procedural requirements must be met before
26 a penalty may be assessed under §2699(f). Plaintiff has complied with the procedural requirements
27 specified in §2699.3 by providing written notice to the Defendants and the Labor & Workforce
28 Development Agency ("LWDA"). See Exhibit 1 attached hereto, which is a true and correct copy

1 of the Notice correspondence showing compliance with §2699.3. No notice of intent to investigate
2 the alleged violations was provided within the statutory period. Consequently, Plaintiff has
3 exhausted administrative remedies, and on behalf of themselves and all other aggrieved current
4 and former employees of Defendants. Plaintiff, therefore, now pursues this cause of action as
5 permitted by §2698, *et seq.*

6 49. Enforcement of statutory provisions enacted to protect workers and to ensure proper
7 and prompt reimbursement of expenses is a fundamental public interest in California.
8 Consequently, Plaintiff's success in this action will result in the enforcement of important rights
9 affecting the public interest and will confer a significant benefit upon the general public. Private
10 enforcement of the rights enumerated herein is necessary, as no public agency has pursued
11 enforcement. Plaintiff is incurring a financial burden in pursuing this action and it would be against
12 the interests of justice to require payment of attorneys' fees and costs from any recover that might
13 be obtained herein, pursuant to, *inter alia*, Labor Code §§2698, *et seq.*, and Code of Civil Procedure
14 §1021.5

15 50. In addition, if Plaintiff succeeds in enforcing these rights affecting the public interest,
16 then attorneys' fees may be awarded to Plaintiff and against Defendants under Code of Civil
17 Procedure §1021.5 and other applicable law in part, because:

18 **a.** A successful outcome in this action will result in the enforcement of important
19 rights affecting the public interest by requiring Defendants to comply with the wage and hour laws
20 and California's unfair business practice law;

21 **b.** This action will result in a significant benefit to Plaintiff, the Class, and the general
22 public by bringing to a halt unlawful and/or unfair activity;

23 **c.** Unless this action is prosecuted, members of the Class and general public will not
24 recover those moneys, and many of Defendants' employees would not be aware that the acts and
25 practices they were subjected to by Defendants were wrongful;

26 **d.** Unless this action is prosecuted, Defendants will continue to mislead their
27 employees about the true nature of their rights and remedies under the wage and hour laws; and

28 51. An award of attorneys' fees and costs is necessary for the prosecution of this action
and will result in a benefit to Plaintiff, the Class, aggrieved employees, and to consumers in

1 general, by preventing Defendants from continuing to circumvent the wage and hour statutes and
2 frustrate the long-standing recognition by the California legislature and the courts that such
3 statutes, as pled herein, are not merely a matter of private concern between employer and employee
4 to be eviscerated by considerations of waiver, contributory negligence, good or bad faith, and
5 private agreements. Rather, the wage and hour statutes have been described as a matter of public
6 concern, were designed to provide minimum substantive guarantees to individual workers and are
7 essential to public welfare.

8 REQUEST FOR RELIEF

9 WHEREFORE, Plaintiff, on behalf of himself and the Proposed Class, request judgment
10 and the following specific relief against Defendants as follows:

- 11 A. That the Court determine that this action may be maintained as a class action
12 under Code of Civil Procedure § 382;
- 13 B. That the Court determine that this action may be maintained as a PAGA
14 representative action under Cal. Labor Code. §2698 et seq.;
- 15 C. Provision of class notice to all members of the Class;
- 16 D. That Defendants are found to have violated the above-referenced provisions of
17 the Labor Code, CCR and the IWC Wage Order as to Plaintiff, Class Members
18 and relevant subclass Members;
- 19 E. For compensatory damages, in an amount according to proof at trial, with
20 interest thereon;
- 21 F. For compensation for not being reimbursed for required business expenses;
- 22 G. That Plaintiff and Class Members receive damages pursuant to §§248.5 in
23 addition to reasonable attorneys' fees, and costs of suit pursuant to Labor Code
24 § 218.5 and CCP §1021.5;
- 25 H. That Defendants be ordered to pay restitution to Plaintiff and Class Members
26 for amounts acquired through Defendants' unlawful activities pursuant to
27 Business and Professions Code §§17200-05 and enjoined to cease and desist
28

1 from unlawful and unfair activities in violation of California Business and
2 Professions Code § 17200 et. seq.;

3 I. That Plaintiff and Class Members receive an award of reasonable attorneys'
4 fees and costs pursuant to Code of Civil Procedure §1021.5, 218.5, and 1194
5 and/or applicable laws;

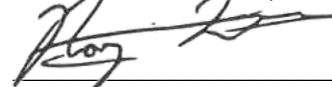
6 J. That the Court award penalties pursuant to Labor Code §2698 et seq.

7 K. That the Court issue declaratory relief that Defendant's challenged policies are
8 unlawful; and

9 L. That the Court order further relief, in law and equity, as it deems appropriate
10 and just.

11
12 DATED: December 19, 2024

KOUL LAW FIRM, APC



13
14 BY: Nazo Koulloukian, Esq.
15 Attorneys for Plaintiff BRIAN HUGUEZ
16 and putative class members
17
18

19 ***DEMAND FOR JURY TRIAL***

20 Plaintiff, on behalf of himself and the putative class, hereby demands trial by jury to the
21 full extent permitted by law.
22

23 DATED: December 19, 2024

KOUL LAW FIRM, APC

24
25 

26 BY: Nazo Koulloukian, Esq.
27 Attorneys for Plaintiff BRIAN HUGUEZ
28 and putative class members

EXHIBIT 1



Nazo@Koullaw.com

P (213) 761 – 5484

F (818) 561 – 3938

3435 WILSHIRE BLVD

SUITE 1710

LOS ANGELES, CA 90010

www.koullaw.com

June 13, 2024

Via E-filing:

California Labor & Workforce
Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Via Certified U.S. Mail:

R1 RCM Inc.
433 Ascension Way, 2nd Floor
Murray, UT 84123

R1 RCM Inc.
c/o CT Corporation System
330 N. Brand Blvd.
Glendale, CA 91203

R1 RCM Holdco, Inc.
433 Ascension Way, 2nd Floor
Murray, UT 84123

R1 RCM Holdco, Inc.
c/o CT Corporation System
330 N. Brand Blvd.
Glendale, CA 91203

Re: PAGA Notice Pursuant to California Labor Code §2698 *et seq.*

Claimant: Brian Huguez

Employers: R1 RCM Inc., and R1 RCM Holdco, Inc.

Dear Sir or Madam:

Brian Huguez (“Claimant”) has retained Nazo Koulloukian, Esq. of Koul Law Firm, APC, to represent him, and all other aggrieved employees, for conditions of employment and wage and hour claims against former employers R1 RCM Inc. and R1 RCM Holdco, Inc. (hereafter collectively referred to as “Employers”). Claimant worked for Employer as an hourly nonexempt employee in California until February 2024.

Claimant alleges herein the specific provisions of California law that Employer has violated, requiring this Notice, including but not limited to: California Labor Code sections 201-203, 204, 208, 216, 221-223, 226, 226.2, 226.7, 245-248.6, 432, 432.5, 432.6, 432.7, 510, 512,

558, 558.1, 1024.5, 1174, 1194, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2810.5, and all applicable Wage Orders.

Employer violated, and/or has caused to be violated, several Labor Code provisions and is therefore liable for civil penalties under Labor Code § 2698 *et seq.* We request that your agency investigate the claims alleged below or permit Claimant to seek civil penalties under the Private Attorney General Act (“PAGA”), Labor Code § 2698 *et seq.*, on behalf of the Labor and Workforce and development Agency (“LWDA”) and the State of California in a representative action. This letter will serve as notice of these allegations pursuant to Labor Code § 2699.3. Based on information and belief, Employer continues to commit all the violations alleged herein.

As alleged below, Claimant personally suffered some of the Labor Code violations committed by Employer, while other violations, though not personally suffered by Claimant, were suffered by other Aggrieved Employees. As held in *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 758, “[b]y the plain language of the statute, an aggrieved employee need only suffer one of the Labor Code violations alleged against his or her employer to be able to bring a PAGA claim on behalf of himself or herself and current or former employees who suffered any Labor Code violation at the hands of the employer. Claimants need not have actually suffered all of the Labor Code violations that they alleges to have taken place for purposes of seeking PAGA penalties.” (citation omitted). Accordingly, Claimant plans to pursue penalties for all the violations committed by Employer against the Aggrieved Employees, including those Claimant may not have personally suffered.

Failure to Pay Wages Due Upon Termination

(Cal. Lab. Code §§201, 202, 203, 227.3 and 2698 *et seq.*)

An employee who is discharged must be paid all of his or her wages, including accrued vacation, immediately at the time of termination. (Labor Code Sections 201 and 227.3.) Employer knowingly and willfully failed to pay all compensation due and owing to Claimant at the time employment terminated. For example, Claimant did not receive his final wages until almost two weeks following termination.

Employer willfully failed to pay employees who are no longer employed by it all compensation due upon termination of employment as required by Cal. Lab. Code §§201 and 202. Claimant and similarly situated individuals are now entitled to recover up to thirty (30) days pay as waiting time under the terms of §203. Moreover, Employer is liable for civil penalties pursuant to Cal. Lab. Code § 2698 *et. seq.*

Failure to Reimburse for Required Business Expenses

(Cal. Labor Code §§1198, 2802, 2699 *et seq.*)

Labor Code §2802 requires employers to indemnify employees for necessary expenditures or losses incurred by employees in direct consequence of the discharge of duties. Claimant and aggrieved employees were required to use their personal cell phones for work purposes, including for the DUO authenticator app. Employees were also required to provide their own wifi and pay for additional electric charges related to their remote work activities. Accordingly, Employer is liable for civil penalties under PAGA §2699 *et seq.*

Failure to Provide Accurate Itemized Wage Statements

(Cal. Labor Code §§ 226, 1174, 2699 *et seq.*)

Employer knowingly and intentionally failed to provide timely, accurate, itemized wage statements to Claimant and the aggrieved employees in accordance with Labor Code §§ 226 and keep accurate records as required by §1174(d).

The statements provided to Claimant and aggrieved employees, and the records maintained by Employer, have not accurately reflected the name and address of the legal entity that is the employer. Wage statements reference R1 RCM Holdco, Inc., as the employer, however onboarding paperwork, including offer letters transmitted to Claimant and aggrieved employees list R1 RCM Inc. as the employer. Wage statements also fail to include all required reimbursements and accordingly list an inaccurate total amount payable to employees.

§226 (a) requires:

An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b)

of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee...

Such failures called injury to Claimant and others, by, among other things, impeding them from knowing the true legal name of their employer and the monetary amount to which they are and were entitled. Employer knowingly and intentionally failed to issue accurate wage statements and is liable for civil penalties pursuant to Labor Code § 2698 *et seq.*

Finally, Employer has violated Labor Code §432.5 for forcing Claimant and aggrieved employees to sign employment-related contracts and documents that contained unlawful terms of employment.

Conclusion

Employer has violated a number of California wage and hour laws. Claimant respectfully requests that the agency investigate the above allegations and hereby provides notice of the allegations pursuant to PAGA's provisions. Alternatively, Claimant requests that the agency inform Claimant if it does not intend to investigate these violations so that Claimant may pursue these claims as a representative action in civil court.

Sincerely,



Nazo Koulloukian, Esq.
Attorney for Claimant

PROOF OF SERVICE

Case No. CVRI2405537
Huguez v. R1 RCM, Inc., et al.

I, NADIA CHAVEZ declare that I am a resident of or employed in the County of Los Angeles, California. I am over the age of 18 years and not a party to the entitled case. The name and address of my residence or business is KOUL LAW FIRM, 3435 Wilshire Blvd. Ste. 1710, Los Angeles, California 90010.

On December 19, 2024, I served the foregoing document described as:

FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT

 X

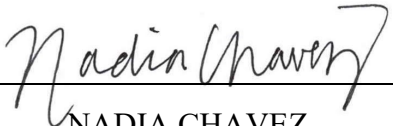
BY E-MAIL: I hereby certify that this document was served from Los Angeles, California, by e-mail delivery on the parties listed herein at their most recent known e-mail address from e-mail nadia@koullaw.com pursuant to California Rules of Court. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

on the interested parties in this action by sending [] the original [or] [✓] a true copy thereof [✓] to interested parties as follows [or] [] as stated on the attached service list:

Winston Hu
Emilie Woodhead
Scott De Nardo
WINSTON & STRAWN LLP
333 S. Grand Ave
Los Angeles, CA 90071
WHu@winston.com
EWoodhead@winston.com
SDeNardo@winston.com
GMontoya@winston.com

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on this December 19, 2024, in Los Angeles, California.



NADIA CHAVEZ