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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SONOMA

YESSENIA CORTES, on behalf of herself and
all others similarly situated,

Plaintiff,

v.

MERITAGE MEDICAL NETWORK, a
California Corporation; and DOES 1-50,
inclusive.

Defendants.

CASE NO.: 24CV06304

**FIRST AMENDED CLASS AND PAGA
ACTION COMPLAINT:**

- (1) FAILURE TO PAY ALL OVERTIME WAGES;
- (2) MEAL PERIOD VIOLATIONS;
- (3) REST PERIOD VIOLATIONS;
- (4) FAILURE TO PAY ALL SICK TIME;
- (5) WAGE STATEMENT VIOLATIONS;
- (6) WAITING TIME PENALTIES;
- (7) FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES;
- (8) UNFAIR COMPETITION; &
- (9) PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT (“PAGA”)

DEMAND FOR JURY TRIAL

1 Plaintiff Yessenia Cortes (“Plaintiff”), on behalf of herself and all other similarly situated
2 non-exempt employees, alleges and complains of Defendant Meritage Medical Network
3 (“Defendant”) and DOES 1 to 50 (collectively “Defendants”) and each of them, as follows:

4 **INTRODUCTION**

5 1. Defendant is a network of over 700 local physicians who provide care for patients in
6 Marin, Sonoma, Napa, & Solano Counties.

7 2. Plaintiff brings this class action lawsuit against Defendant for alleged violations of the
8 California Labor Code and Business and Professions Code.

9 3. As set forth below, Plaintiff alleges that Defendant failed to pay all overtime
10 compensation and sick pay wages by incorrectly calculating the “regular rate of pay.” Moreover,
11 Plaintiff alleges that Defendant’s meal and rest period policies and practices failed to allow and permit
12 non-exempt employees to take all compliant and timely meal and rest periods or pay premium wages
13 at the “regular rate of pay” in lieu thereof. Plaintiff further alleges that Defendant failed to provide
14 non-exempt employees with accurate written itemized wage statements in violation of Labor Code §
15 226(a), failed to reimburse all necessary business expenses incurred, and failed to timely pay all final
16 wages upon separation of employment in violation of Labor Code §§ 201-203.

17 4. Plaintiff also brings a claim for civil penalties based on the foregoing Labor Code
18 violations under the Private Attorney General Act (“PAGA”).

19 5. Based on these alleged Labor Code violations, Plaintiff now brings this class action
20 and representative action to recover unpaid wages, restitution, penalties, and other related relief for
21 herself and all other similarly situated non-exempt employees.

22 **JURISDICTION AND VENUE**

23 6. Plaintiff, on behalf of herself and all other similarly situated employees hereby brings
24 this class action for recovery of unpaid wages and penalties under California Labor Code §§ 201-
25 204, 210, 226(a), 226(a)(6), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174, 1174.4, 1199,
26 2802-2804, and applicable Industrial Welfare Commission Wage Orders (“Wage Orders”), in
27 addition to seeking declaratory relief and restitution pursuant to California Business and Professions
28 Code § 17200, *et seq.*

7. This class action is brought pursuant to the California Code of Civil Procedure § 382.

8. This Court has jurisdiction over Defendant's violations of the California Labor Code and applicable Wage Orders because the amount in controversy exceeds this Court's jurisdictional minimum.

9. Venue is proper in this judicial district pursuant to California Code of Civil Procedure §§ 395(a) and 395.5, Defendant operates in California within the County of Sonoma, and Defendant is within the jurisdiction of this Court for the service of process.

PARTIES

10. At all relevant times herein, Plaintiff, who is over 18, was and currently is a California resident residing in the State of California.

11. Plaintiff is informed, believes, and alleges that Defendants are authorized to do business within the County of Sonoma and is and/or was the legal employer of Plaintiff and the Class Members during the applicable statutory periods. Plaintiff was, and is, a victim of Defendants' policies and/or practices complained of herein and has been deprived of the rights guaranteed to her by California Labor Code §§ 201-203, 204, 210, 226, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174, 1174.4, 1199, 2802-2804, and the California Business and Professions Code § 17200 *et seq.*, and applicable Wage Orders.

12. Plaintiff is informed and believes, and based thereon alleges, that during the four years preceding the filing of the Complaint and continuing to the present, Defendants did (and continue to do) business in the State of California, County of Sonoma.

13. Plaintiff does not know the true names or capacities, whether individual, partner, or corporate, of the Defendants sued herein as DOES 1 to 50, inclusive, and for that reason, said Defendants are sued under such fictitious names, and Plaintiff will seek leave from this Court to amend this Complaint when such true names and capacities are discovered. Plaintiff is informed, and believes, and thereon alleges, that each of said fictitious Defendants, whether individual, partners, or corporate, were responsible in some manner for the acts and omissions alleged herein, and proximately caused Plaintiff and the Classes to be subject to the unlawful employment practices alleged herein.

14. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned herein, Defendants were and are the employers of Plaintiff and all members of the Classes. At all times herein mentioned, each of the Defendants participated in the acts hereinafter alleged to have been done by the named Defendants. Furthermore, the Defendants, and each of them, were the agents, servants, and employees of each and every one of the other Defendants, as well as the agents of all Defendants, and at all times herein mentioned, were acting within the course and scope of said agency and employment. Defendants, and each of them, approved of, condoned, and/or otherwise ratified each and every one of the acts or omissions complained of herein.

15. At all times mentioned herein, Defendants, and each of them, were members of and engaged in a joint venture, partnership, and common enterprise and acting within the course and scope of and in pursuance of said joint venture, partnership, and common enterprise. Further, Plaintiff alleges that all Defendants were joint employers for all purposes of Plaintiff and all members of the Classes.

COMMON FACTUAL ALLEGATIONS

16. Defendant is a network of over 700 local physicians who provide care for patients in Marin, Sonoma, Napa, and Solano Counties.

17. Plaintiff was employed by Defendant as a non-exempt employee with the title of “Appeal and Grievances Case Coordinator,” beginning on April 12, 2021, until her separation from employment on March 27, 2024. Plaintiff and other non-exempt employees (including, but not limited to, Senior Accounts Payable Specialist, Department Coordinator, Credentialing Coordinator, Appeal and Grievances Case Coordinator, Coding Specialist, Clinical Program Manager, and all other non-exempt positions) were responsible for all aspects of Defendant’s business in the State of California.

18. However, in these roles, Plaintiff and non-exempt employees were often not afforded all protections and rights conferred under the California Labor Code and applicable Wage Orders.

19. At all relevant times, Plaintiff and other non-exempt employees regularly worked various shifts, many of which were more than 8.0 hours in a workday and 40.0 hours in a workweek. Plaintiff alleges that other non-exempt employees were also subjected to the same policies, procedures, practices, working conditions, and corresponding wage and hour violations to which she

1 was subjected during her employment.

2 20. First, at all relevant times, Plaintiff and other non-exempt employees worked regular
3 shifts that lasted longer than 8.0 hours in a workday and resulted in non-exempt employees regularly
4 working more than 40 hours in a workweek. However, Defendant uniformly failed to properly
5 calculate and pay overtime wages at the proper legal rate due to Defendant's failure to include all
6 forms of compensation/remuneration, including, but not limited to, shift pay, commissions,
7 incentives, stipends, non-discretionary bonuses, and all other forms of remuneration in calculating
8 the "regular rate of pay" for purposes of overtime compensation.

9 21. Under the California Labor Code (as well as the FLSA), courts have consistently held
10 that regularly paid non-discretionary bonuses (and other forms of pay) must be included in
11 determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v.*
12 *The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency
13 bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F.
14 Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgment to Plaintiff under California
15 and federal law on the grounds that Defendant improperly calculated overtime by excluding annual
16 bonuses paid to employees from the "regular rate of compensation"]; see *Walling v. Youngerman-*
17 *Reynolds Hardwood Co.* (1945) 65 S.Ct. 1242, 1245. ("The regular rate by its very nature must reflect
18 all payments which the parties have agreed shall be received regularly during the workweek,
19 exclusive of overtime payments. It is not an arbitrary label chosen by the parties but an actual fact.
20 Once the parties have decided upon the amount of wages and the mode of payment, the determination
21 of the regular rate becomes a matter of mathematical computation, the result of which is unaffected
22 by any designation of a contrary 'regular rate' in the contracts."); see also 29 CFR §§ 778.110
23 ("production bonus") and 778.111 ("piece-rate").

24 22. Labor Code § 510 requires an employer to compensate an employee who works more
25 than eight (8.0) hours in one workday, forty (40.0) hours in a workweek, and for the first eight (8.0)
26 hours worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular
27 rate of pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less
28 than twice the regular rate of pay when an employee works more than twelve (12.0) hours in a

1 workday or more than eight (8.0) hours on the seventh consecutive day of work. Pursuant to Section
2 3 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8.0)
3 hours in any workday or more than 40.0 hours in any workweek unless the employee receives one
4 and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in
5 the workweek.

6 23. By their policy of requiring Plaintiff and the other non-exempt employees to work in
7 excess of eight (8) hours in a workday and/or forty (40) hours in a workweek without compensating
8 them at the lawful rate of one-half (1 1/2) their "regular rate of pay," Defendant willfully violated the
9 provisions of Labor Code § 510 and the applicable Wage Orders.

10 24. Similarly, at all relevant times, Defendant also failed in its obligation to provide
11 Plaintiff and other non-exempt employees the legally required paid sick days at the legal rate pursuant
12 to Labor Code §§ 246(a),(b), which requires that "[a]n employee who, on or after July 1, 2015, works
13 in California for the same employer for 30 or more days within a year from the commencement of
14 employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours
15 worked, beginning at the commencement of employment." Labor Code § 246(l)(1) provides that paid
16 sick time for non-exempt employees must be "calculated in the same manner as the regular rate of
17 pay for the workweek in which the employee uses paid sick time, whether or not the employee
18 actually works overtime in that workweek."

19 25. Additionally, Labor Code § 246(l)(2) states that the paid sick time must be "calculated
20 by dividing the employee's total wages, not including overtime premium pay, by the employee's total
21 hours worked in the full pay periods of the prior 90 days of employment." Finally, Labor Code §246(i)
22 requires employers to "provide an employee with written notice that sets forth the amount of paid
23 sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either
24 the employee's itemized wage statement described in Section 226 or in a separate writing provided
25 on the designated pay date with the employee's payment of wages."

26 26. Here, at all relevant times, Defendant failed in its obligation to provide Plaintiff and
27 other non-exempt employees the legally required paid sick days at the legal rate, including all forms
28 of compensation, pursuant to Labor Code §§ 246(a), (b). As such, Defendant paid sick time below

1 the “regular rate of pay” as required by Labor Code §§ 246(l) (1-2).

2 27. Moreover, at all relevant times, Plaintiff and other non-exempt employees were denied
3 compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to
4 Defendant’s uniform meal period policies/practices, operational requirements, operational
5 requirements, and work demands, Plaintiff and other non-exempt employees often could not take
6 timely and uninterrupted net 30-minute first meal periods before the end of the fifth hour of work.
7 Further, when Plaintiff and other non-exempt employees worked more than 10.0 hours in a shift, they
8 were not always allowed and permitted to take a mandated second meal period before the end of the
9 tenth hour of work in violation of the Labor Code and applicable Wage Orders. Indeed, Plaintiff’s
10 and other non-exempt employees’ meal periods were often interrupted and/or lasted fewer than 30
11 minutes due to Defendant’s meal period policies/procedures, operational requirements, and work
12 demands.

13 28. In addition, for each missed or non-compliant meal period, Defendant failed and
14 continues to fail to maintain a mechanism by which non-exempt employees were paid meal period
15 premiums at the “regular rate of pay” pursuant to *Ferra v. Loews Hollywood Hotel, LLC* (2021) and
16 Labor Code § 226.7.

17 29. Accordingly, due to Defendant’s uniform meal period practices, non-exempt
18 employees were also regularly denied legally compliant meal periods in violation of Labor Code §§
19 226.7, 510, 516, and applicable Wage Orders.

20 30. Next, at all relevant times, Plaintiff and other non-exempt employees were not
21 provided with all 10-minute rest periods for every four hours worked, or a major fraction thereof, due
22 to Defendant’s uniform rest period policies/practices, operational requirements, and work demands.
23 As a result, Plaintiff and other non-exempt employees were and are often unable to take a net 10-
24 minute duty-free rest period for every major fraction of four hours worked. This includes a second
25 rest period for shifts in excess of six hours and a third rest period for shifts in excess of 10.0 hours in
26 a workday.

27 31. By not relieving all non-exempt employees of all duties during rest periods, Defendant
28 failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services, Inc.* (2016)

1 2 Cal. 5th 257, 269 [concluding that “during rest periods employers must relieve employees of all
2 duties and relinquish control over how employees spend their time.”] (Emphasis added). In *Augustus*,
3 the California Supreme Court expressly rejected the employer’s assertion that it could provide an on-
4 duty rest period to employees who worked as security guards and further explained: “that employers
5 [must] relinquish any control over how employees spend their break time and relieve their employees
6 of all duties.” *Id.* at 273. Each time non-exempt employees could not take a compliant rest period,
7 Defendant failed and continues to fail to adequately pay rest period premium payments at the “regular
8 rate of pay” as required by Labor Code § 226.7.

9 32. Accordingly, due to Defendant’s uniform rest period policies/practices, non-exempt
10 employees were regularly denied legally compliant rest breaks in violation of Labor Code §§ 226.7,
11 512, and applicable Wage Orders.

12 33. As a result of Defendant’s failure to pay Plaintiff and other non-exempt employees for
13 all overtime wages and sick pay wages at the “regular rate of pay,” and Defendant’s failure to pay all
14 meal and rest period premiums at the “regular rate of pay,” Defendant issued wage statements which
15 failed to identify the gross wages earned accurately, the total hours worked, the net wages earned,
16 and the correct corresponding number of hours worked at each hourly rate, in violation of Labor Code
17 § 226(a)(1, 2, 5, and 9).

18 34. Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of
19 Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per
20 employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for
21 each violation in a subsequent citation, for which the employer fails to provide the employee a wage
22 deduction statement or fails to keep the required in subdivision (a) of Section 226.”

23 35. Thus, for the violations of Labor Code section 226 described above, Plaintiff and other
24 non-exempt employees may also recover Labor Code § 226.3 penalties for Defendant’s violations of
25 Labor Code § 226(a). Consequently, because Defendant failed to comply with Labor Code § 226(a),
26 Plaintiff and other non-exempt employees would be entitled to recover penalties under Labor Code §
27 226(e).

28 36. Furthermore, because Defendant failed to pay all overtime, sick pay wages, and meal

1 and rest period premiums at the “regular rate of pay,” Defendant also failed and continues to fail to
2 pay Plaintiff and other non-exempt employees all wages owed at their time of separation from
3 employment in violation of Labor Code §§ 201-203. Thus, non-exempt employees would be entitled
4 to recover waiting time penalties under Labor Code §§ 201-203.

5 37. Finally, at all relevant times, Defendant required Plaintiff and other non-exempt
6 employees to incur necessary expenses for work-related purposes but did not reimburse non-exempt
7 employees adequately for these necessary expenditures in violation of Labor Code §§ 2802-2804.
8 Here, Defendant uniformly failed to reimburse non-exempt employees for the necessary costs
9 incurred in discharging their duties, including, but not limited to, the cost of home internet use for
10 business purposes. (*See Cochran v. Schwan’s Home Service, Inc.*, (2014) 228 Cal.App.4th 1137, 1144
11 “[i]f an employee is required to make work-related calls on a personal cell phone, then he or she is
12 incurring an expense for the purposes of section 2802. It does not matter whether the phone bill is
13 paid for by a third person or at all...To show liability under section 2802, an employee needs only to
14 show that he or she was required to use a personal cell phone to make work-related calls, and he or
15 she was not reimbursed”].). Accordingly, due to Defendant’s uniform failure to adequately reimburse
16 for necessary business expenditures in violation of Labor Code §§ 2802-2804 and applicable Wage
17 Orders.

18 **CLASS ACTION ALLEGATIONS**

19 38. Plaintiff brings this action on behalf of herself and the following Classes pursuant to §
20 382 of the Code of Civil Procedure:

21 All current or former non-exempt hourly employees who work or worked for
22 Defendant in California during the four years immediately preceding the
filing of the Complaint through the date of trial. (the “Class”);

23 All current or former non-exempt employees who worked for Defendant in
24 California and worked overtime hours during at least one shift during the four
25 years immediately preceding the filing of the Complaint through the date of
trial. (“the Overtime Subclass”);

26 All current or former employees who work or worked for Defendant in
27 California during the one year immediately preceding the filing of the
28 Complaint through the date of trial. (“the Wage Statement Subclass”)

1 All employees who work or worked for Defendant in California and who left
2 their employment during the three years immediately preceding the filing of
the Complaint through the date of trial. ("Waiting Time Penalty Subclass")

3 (collectively "the Classes")

4 39. **Numerosity/Ascertainability:** The members of the Classes are so numerous that
5 joinder of all members would be unfeasible and not practicable. The membership of the Classes is
6 unknown to Plaintiff at this time; however, it is estimated that the Classes consist of at least one
7 hundred (100) individuals. The identity of such membership is readily ascertainable via inspection of
8 Defendant's employment and payroll records.

9 40. **Common Questions of Law and Fact Predominate/Well-Defined Community of**
10 **Interest:** There are common questions of law and fact as to Plaintiff and all other similarly situated
11 non-exempt employees, which predominate over questions affecting only individual members
12 including, without limitation to:

13 1. Whether Defendant failed to properly calculate the "regular rate of pay" for purposes of
14 paying overtime and sick pay wages to the members of the Class;

15 2. Whether Defendant provided legally compliant meal and rest periods or proper
16 compensation at the "regular rate of pay" in lieu thereof to members of the Class;

17 3. Whether Defendant furnished legally compliant wage statements to members of the
18 Wage Statement Subclass pursuant to Labor Code § 226(a);

19 4. Whether the timing and amount of payment of final wages to members of the Waiting
20 Time Penalty Subclass at the time of separation from employment were unlawful; and

21 5. Whether Defendant failed to reimburse Class Members for all necessary business
22 expenses in violation of Labor Code §§ 2802-2804.

23 41. **Predominance of Common Questions:** Common questions of law and fact
24 predominate over questions that affect only individual members of the Classes. The common
25 questions of law set forth above are numerous and substantial and stem from Defendant's policies
26 and/or practices applicable to each individual class member, such as without limitation, Defendant's
27 failure to properly pay overtime and sick pay wages at the proper "regular rate of pay," Defendant's
28 failure to provide all compliant meal and rest periods or premiums at the "regular rate of pay" in lieu

1 thereof, Defendant's failure to provide accurate itemized wage statements, Defendant's failure to
2 reimburse for all necessary business expenses, and Defendant's failure to pay for all wages due upon
3 separation of employment. As such, the common questions predominate over individual questions
4 concerning each class member's showing as to his or her eligibility for recovery or the amount of his
5 or her damages.

6 42. **Typicality:** The claims of Plaintiff are typical of the claims of the Classes because
7 Plaintiff was employed by Defendant as a non-exempt employee in California during the statute(s)
8 of limitation applicable to each cause of action pled in the Complaint in this action. As alleged herein,
9 Plaintiff, like the members of the Classes, was deprived of overtime and sick pay wages, was deprived
10 of meal and rest period premium wages, was subject to Defendant's uniform meal and rest period
11 policies/practices, was not provided accurate itemized wage statements, was not reimbursed for all
12 necessary business expenses, and was not timely paid all wages owed upon separation of
13 employment.

14 43. **Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps to
15 represent fairly and adequately the interests of the members of the Classes. Moreover, Plaintiff's
16 attorneys are ready, willing, and able to fully and adequately represent the members of the Classes.
17 Plaintiff's attorneys have prosecuted and are actively litigating several wage-and-hour class actions
18 in state and federal courts and are committed to vigorously prosecuting this action on behalf of the
19 members of the Classes.

20 44. **Superiority:** The California Labor Code is broadly remedial in nature and serves an
21 important public interest in establishing minimum working conditions and standards in California.
22 These laws and labor standards protect the average working employee from exploitation by
23 employers who have the responsibility to follow the laws and who may seek to take advantage of
24 superior economic and bargaining power in setting onerous terms and conditions of employment. The
25 nature of this action and the format of laws available to Plaintiff and members of the Classes make
26 the class action format a particularly efficient and appropriate procedure to redress the violations
27 alleged herein. If each employee were required to file an individual lawsuit, Defendant would
28 necessarily gain an unconscionable advantage since they would be able to exploit and overwhelm the

1 limited resources of each individual plaintiff with their vastly superior financial and legal resources.

2 45. Moreover, requiring each member of the Classes to pursue an individual remedy would
3 also discourage the assertion of lawful claims by employees who would be disinclined to file an action
4 against their former and/or current employer for real and justifiable fear of retaliation and permanent
5 damages to their careers at subsequent employment. Further, the prosecution of separate actions by
6 the individual class members, even if possible, would create a substantial risk of inconsistent or
7 varying verdicts or adjudications with respect to the individual class members against Defendant
8 herein and which would establish potentially incompatible standards of conduct for Defendant; and/or
9 legal determinations with respect to individual class members which would, as a practical matter, be
10 dispositive of the interest of the other class members not parties to adjudications or which would
11 substantially impair or impede the ability of the class members to protect their interests. Further, the
12 claims of the individual members of the class are not sufficiently large to warrant vigorous individual
13 prosecution considering all of the concomitant costs and expenses attending thereto. As such, the
14 Classes identified in Paragraph 38 are maintainable as Classes under § 382 of the Code of Civil
15 Procedure.

16 **FIRST CAUSE OF ACTION**

17 **FAILURE TO PAY ALL OVERTIME WAGES**

18 **(AGAINST ALL DEFENDANTS)**

19 46. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

20 47. This cause of action is brought pursuant to Labor Code §§ 204, 210, 510, 558, 1194,
21 and 1198, which provide that non-exempt employees are entitled to overtime wages for all overtime
22 hours worked and provide a private right of action for the failure to pay all overtime compensation
23 for overtime work performed.

24 48. At all times relevant herein, Defendant was required to properly pay Plaintiff and
25 members of the Overtime Subclass for all overtime hours worked pursuant to California Labor Code
26 § 1194 and the applicable Wage Orders.

27 49. Section 3 of the applicable Wage Order requires an employer to pay an employee “one
28 and one-half (1 1/2) times the employee’s regular rate of pay” for work in excess of 8 hours per

1 workday and/or in excess of 40 hours of work in the workweek. The same section also requires an
2 employer to pay an employee double the employee's regular rate of pay for work in excess of twelve
3 hours each workday and/or for work in excess of 8 hours on the seventh consecutive day of work in
4 the workweek. Defendant caused Plaintiff to work overtime and hours but did not compensate
5 Plaintiff or members of the Overtime Subclass at one and one-half times their "regular rate of pay"
6 for such hours.

7 50. At all relevant times herein, Defendant failed to conform their pay practices to the
8 requirements of the law. This unlawful conduct includes but is not limited to, Defendant's failure to
9 include all forms of compensation, including, but not limited to, shift pay, commissions, incentive
10 pay, and non-discretionary bonuses in calculating the "regular rate of pay," which resulted in these
11 individuals not being paid for all overtime hours worked.

12 51. The foregoing policies and practices are unlawful and create an entitlement to recovery
13 by Plaintiff and the members of the Overtime Subclass in a civil action for the unpaid amount of
14 overtime wages, including interest thereon, statutory penalties, attorney's fees, and costs of suit
15 according to Labor Code §§ 204, 210, 510, 1194, and 1198, the applicable Wage Orders, and Code
16 of Civil Procedure § 1021.5.

17 **SECOND CAUSE OF ACTION**

18 **MEAL PERIOD VIOLATIONS**

19 **(AGAINST ALL DEFENDANTS)**

20 52. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

21 53. Plaintiff is informed and believes, and based thereon alleges, that Defendant failed in
22 their affirmative obligation to provide all of their hourly non-exempt employees, including Plaintiff
23 and members of the Class, with all required meal periods in accordance with the mandates of the
24 California Labor Code and applicable Wage Orders, for the reasons set forth in the Common
25 Allegations section of this Complaint.

26 54. Despite Defendant's violations, Defendant has not paid an additional hour of pay at
27 the "regular rate of pay" to Plaintiff and Class members at their respective regular rates of pay for
28 each violation, per California Labor Code § 226.7.

1 55. As a result, Defendant is responsible for paying premium compensation at the “regular
2 rate of pay” for meal period violations, including interest thereon, statutory penalties, and costs of
3 suit pursuant to the applicable Wage Orders, Labor Code §§ 226.7, 512, and Civil Code §§ 3287(b)
4 and 3289.

5 **THIRD CAUSE OF ACTION**

6 **REST PERIOD VIOLATIONS**

7 **(AGAINST ALL DEFENDANTS)**

8 56. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

9 57. Section 12 of the applicable Wage Orders and Labor Code §§ 226.7 and 516
10 establishes the right of non-exempt employees to be provided with a rest period of at least ten (10)
11 minutes for each four (4) hour period worked or major fraction thereof.

12 58. Due to their unlawful rest period policy/practices and operational requirements/work
13 demands, Defendant did not authorize and permit Plaintiff and Class members to take all rest periods
14 to which they were legally entitled.

15 59. Despite Defendant’s violations, Defendant has not paid an additional hour of pay at
16 the “regular rate of pay” to Plaintiff and Class members at their respective regular rates of pay for
17 each violation, per California Labor Code § 226.7.

18 60. The foregoing violations create an entitlement to recovery by Plaintiff and members
19 of the Class in a civil action for the unpaid amount of rest period premiums owing, including interest
20 thereon, statutory penalties, and costs of suit pursuant to the applicable Wage Orders, Labor Code §§
21 226.7 and 516, and Civil Code §§ 3287(b) and 3289.

22 **FOURTH CAUSE OF ACTION**

23 **FAILURE TO PAY ALL SICK TIME**

24 **(AGAINST ALL DEFENDANTS)**

25 61. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

26 62. This cause of action is brought pursuant to Labor Code §§ 246, 558, 1194.2, 1197.1,
27 1198, and 1199 which provide that “[a]n employee who, on or after July 1, 2015, works in California
28 for the same employer for 30 or more days within a year from the commencement of employment is

1 entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours worked, beginning
2 at the commencement of employment.”

3 63. At all times relevant herein, Defendant was required to properly pay Plaintiff and Class
4 members for all sick time pursuant to California Labor Code § 246 and the applicable Wage Orders.

5 64. Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must
6 be “calculated in the same manner as the regular rate of pay for the workweek in which the employee
7 uses paid sick time, whether or not the employee actually works overtime in that workweek.”
8 Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated by dividing
9 the employee’s total wages, not including overtime premium pay, by the employee’s total hours
10 worked in the full pay periods of the prior 90 days of employment.” Finally, Labor Code §246(i)
11 requires employers to “provide an employee with written notice that sets forth the amount of paid
12 sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either
13 the employee’s itemized wage statement described in Section 226 or in a separate writing provided
14 on the designated pay date with the employee’s payment of wages.”

15 65. Defendant failed in their obligation to provide Plaintiff and the Class the legally
16 required paid sick days at the legal rate pursuant to Labor Code §§ 246(a),(b). Plaintiff and the Class
17 members were not paid at the correct “regular rate of pay.”

18 66. The foregoing policies and practices are unlawful and create an entitlement to recovery
19 by Plaintiff and the members of the Class in a civil action for the unpaid amount of wages, including
20 interest thereon, statutory penalties, attorney’s fees, and costs of suit according to Labor Code §§ 246
21 1192, 1194 *et seq.*, 1197, 1198, the applicable Wage Orders, and Code of Civil Procedure § 1021.5.

22 **FIFTH CAUSE OF ACTION**

23 **FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS**

24 **(AGAINST ALL DEFENDANTS)**

25 67. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

26 68. Labor Code 226(a) states in pertinent part the following:

27 “(a) An employer, semimonthly or at the time of each payment of wages,
28 shall furnish to his or her employee, either as a detachable part of the check,

1 draft, or voucher paying the employee's wages, or separately if wages are
2 paid by personal check or cash, an accurate itemized statement in writing
3 showing (1) gross wages earned, (2) total hours worked by the employee,
4 (3) the number of piece-rate units earned and any applicable piece rate if the
5 employee is paid on a piece-rate basis, (4) all deductions, provided that all
6 deductions made on written orders of the employee may be aggregated and
7 shown as one item, (5) net wages earned, (6) the inclusive dates of the
8 period for which the employee is paid, (7) the name of the employee and
9 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 (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."

10 69. As set forth above, during the Class Period, Defendant issued and continues to issue
11 wage statements to its employees, including Plaintiff and members of the Wage Statement Subclass,
12 which are inadequate under Labor Code Section § 226(a).

13 70. Because Defendant failed to pay Plaintiff and the Wage Statement Subclass for all
14 overtime, sick pay wages, and missed meal and rest period premiums at the appropriate "regular rate
15 of pay," Defendant failed to include required information on Plaintiff and the Wage Statement
16 Subclass' wage statements, including, but not limited to, the total hours worked and the correct
17 corresponding number of hours worked at each hourly rate in violation of Labor Code section
18 226(a)(1,2,5 and 9).

19 71. Defendant' failure to comply with section 226(a) of the Labor Code was knowing
20 and intentional.

21 72. As a result of Defendant's issuance of inaccurate itemized wage statements to Plaintiff
22 and members of the Wage Statement Subclass in violation of section 226(a) of the California Labor
23 Code, Plaintiff and members of the Wage Statement Subclass are each entitled to recover an initial
24 penalty of \$50, and subsequent penalties of \$100, up to an amount not exceeding an aggregate penalty
25 of \$4,000 per Plaintiff and per every member of the Wage Statement Subclass from Defendant's
26 pursuant to section 226(e) of the Labor Code, costs and reasonable attorneys' fees.

27 **SIXTH CAUSE OF ACTION**

28 **WAITING TIME PENALTIES**

1 **(AGAINST ALL DEFENDANTS)**

2 73. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

3 74. The actionable period for this cause of action is three years before filing this Complaint
4 through the present and ongoing until the violation is corrected or the class is certified.

5 75. Labor Code §§ 201 and 202 require Defendant to pay all compensation due and owing
6 to Plaintiff and the Waiting Time Subclass during the actionable period for this cause of action at or
7 around the time their employment is terminated or ended.

8 76. Labor Code § 203 provides that if an employer willfully fails to pay compensation
9 promptly upon discharge or resignation, as required by Labor Code sections 201 and 202, the
10 employer is liable for penalties for continued compensation up to thirty (30) workdays.

11 77. Defendant willfully failed to pay the Waiting Time Subclass for all overtime, sick pay
12 wages, and their meal and rest period premiums at the “regular rate of pay” before or upon termination
13 or separation from employment with Defendant as required by Labor Code §§ 201 and 202.

14 78. As a result, Defendant is liable to the Waiting Time Subclass for waiting time penalties
15 amounting to thirty (30) days wages for Plaintiff and the Waiting Time Subclass pursuant to Labor
16 Code § 203. *See, e.g., DLSE Manual, 4.3.4 (Failure to pay any sort of wages due upon termination*
17 *entitles an employee to recover waiting time penalties).*

18 **SEVENTH CAUSE OF ACTION**

19 **FAILURE TO REIMBURSE FOR NECESSARY BUSINESS EXPENDITURES**

20 **(AGAINST ALL DEFENDANTS)**

21 79. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

22 80. Labor Code 2802(a) states in pertinent part the following: “(a) An employer shall
23 indemnify his or her employee for all necessary expenditures or losses incurred by the employee in
24 direct consequence of the discharge of his or her duties, or of his or her obedience to the directions
25 of the employer, even though unlawful, unless the employee, at the time of obeying the directions,
26 believed them to be unlawful.”

27 81. As set forth above, Plaintiff and Class members must be compensated for all necessary
28 business expenditures, including, but not limited to, a reasonable portion of their monthly personal

1 cell phone bills, home internet, and other costs incurred in the discharge of their duties. (See *Cochran*
2 *v. Schwan's Home Service, Inc.* (2014) 228 Cal.App.4th 1137 (“We hold that when employees must
3 use their personal cell phones for work-related calls, Labor Code section 2802 requires the employer
4 to reimburse them. Whether the employees have cell phone plans with unlimited minutes or limited
5 minutes, the reimbursement owed is a reasonable percentage of their cell phone bills.”); *Ritchie v.*
6 *Blue Shield of California*, 2014 WL 6982943, at *21 (N.D. Cal. 2014) (certifying class of cell phone
7 reimbursement claim and adopting the logic of *Cochran*).

8 82. At all relevant times, Defendant has failed to comply with Labor Code Section 2802
9 and the applicable Wage Orders by failing to reimburse Plaintiff and the Class for all necessary
10 business expenditures.

11 **EIGHT CAUSE OF ACTION**

12 **UNFAIR COMPETITION**

13 **(AGAINST ALL DEFENDANTS)**

14 83. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

15 84. Defendant has engaged and continues to engage in unfair and/or unlawful business
16 practices in California in violation of California Business and Professions Code § 17200 *et seq.*, by
17 failing to pay all overtime and sick pay wages at the proper legal rate, by failing to provide all legally
18 required meal and rest periods or pay premium payments at the “regular rate of pay” in lieu thereof,
19 by failing to provide accurate wage statements, by failing to reimburse for all necessary business
20 expenses adequately, and by failing to pay all earned wages at the time of separation from
21 employment.

22 85. Defendant’s utilization of these unfair and/or unlawful business practices deprived
23 Plaintiff and continues to deprive members of the Classes of compensation to which they are legally
24 entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage over
25 Defendant competitors who have been and/or are currently employing workers and attempting to do
26 so in honest compliance with applicable wage and hour laws.

27 86. Because Plaintiff is a victim of Defendant’s unfair and/or unlawful conduct alleged
28 herein, Plaintiff, for herself and on behalf of the members of the Classes, seeks full restitution of

monies, as necessary and according to proof, to restore any and all monies withheld, acquired and/or converted by Defendant's pursuant to Business and Professions Code §§ 17203 and 17208.

87. The acts complained of herein occurred within the last four years immediately preceding the filing of the Complaint in this action.

88. Plaintiff was compelled to retain the services of counsel to file this court action to protect his interests and those of the Classes, to obtain restitution and injunctive relief on behalf of Defendant's current hourly non-exempt employees, and to enforce important rights affecting the public interest. Plaintiff has thereby incurred the financial burden of attorneys' fees and costs, which she is entitled to recover under Code of Civil Procedure § 1021.5.

NINTH CAUSE OF ACTION

PRIVATE ATTORNEYS GENERAL ACT

(AGAINST ALL DEFENDANTS)

89. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

90. Defendant has committed several Labor Code violations against Plaintiff and other similarly aggrieved employees. Plaintiff, an "aggrieved employee" within the meaning of Labor Code § 2698 *et seq.*, acting on behalf of herself and other similarly aggrieved employees, brings this PAGA representative action against Defendant to recover the civil penalties due to Plaintiff, other similarly aggrieved employees, and the State of California according to proof pursuant to Labor Code § 2699 (a) and (f) including, but not limited to (1) \$100 for each initial violation and (2) \$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 following Labor Code violations:

a) Failing to pay Plaintiff and other similarly Aggrieved Employees all overtime and sick pay wages at the appropriate premium rates in violation of Labor Code §§ 246, 510, 1194, 1197;

b) Failing to provide Plaintiff and other similarly Aggrieved Employees with all of their statutorily-mandated meal periods in violation of Labor Code §§ 204, 510, 1194 and 1198;

c) Failing to authorize and permit Plaintiff and other similarly Aggrieved employees with all of their statutorily-mandated rest periods in violation of Labor Code §§ 226.7 and 516;

d) Failing to furnish Plaintiff and other similarly situated employees with complete,

1 accurate, itemized wage statements in violations of Labor Code § 226(a) and applicable Wage Orders;

2 e) Failing to pay final wages in a timely manner in violation of Labor Code §§ 201-203
3 and applicable Wage Orders; and

4 f) Failing to reimburse Plaintiff and other aggrieved employees with all necessary
5 business expenditures in violation of Labor Code §§ 2802-2804 and applicable Wage Orders.

6 91. On or about October 21, 2024, Plaintiff notified Defendant Meritage Medical Network
7 (“Defendant”) and the California Labor and Workforce Development Agency (“LWDA”) via email
8 of Defendant’s violations of the California Labor Code § 2698 *et seq.*, with respect to violations of
9 the California Labor Code identified in Paragraph 90 (a)-(f). Now that the sixty-five days have passed
10 from Plaintiff notifying Defendant of these violations, Plaintiff has exhausted her administrative
11 requirements for bringing a claim under the Private Attorneys General Act with respect to these
12 violations.

13 92. Plaintiff was compelled to retain the services of counsel to file this court action to
14 protect her interests and the interests of similarly aggrieved employees, and to assess and collect the
15 civil penalties owed by Defendant. Plaintiff has hereby incurred attorneys’ fees and costs, which she
16 is entitled to receive under California Labor Code § 2699.

17 **PRAYER FOR RELIEF**

18 **WHEREFORE**, Plaintiff prays for judgment for herself and all others on whose behalf this
19 suit is brought against Defendant, as follows:

- 20 1. For an order certifying the proposed Classes;
- 21 2. For an order appointing Plaintiff as representative of the Classes;
- 22 3. For an order appointing Counsel for Plaintiff as Counsel for the Classes;
- 23 4. Upon the First Cause of Action for compensatory, consequential, general, and
24 special damages according to proof pursuant to Labor Code §§ 204, 210, 510, 1194, and 1198 and
25 reasonable attorneys’ fees and costs;
- 26 5. Upon the Second Cause of Action, for compensatory, consequential, general, and
27 special damages according to proof pursuant to Labor Code §§ 204, 210, 510, 1194, 1197, and 1198
28 and reasonable attorneys’ fees and costs;

1 6. Upon the Second Cause of Action, for compensatory, consequential, general, and
2 special damages according to proof pursuant to Labor Code §§ 226.7 and 512;

3 7. Upon the Third Cause of Action, for compensatory, consequential, general, and
4 special damages according to proof pursuant to Labor Code §§ 226.7 and 516;

5 8. Upon the Fourth Cause of Action, for compensatory, consequential, general, and
6 special damages according to proof pursuant to Labor Code §§ 246, 558, 1194.2, 1198, and 1199;

7 9. Upon the Fifth Cause of Action, penalties pursuant to Labor Code § 226(a), and
8 reasonable costs and attorney's fees;

9 10. Upon the Sixth Cause of Action, for statutory waiting time penalties pursuant to
10 Labor Code §§ 201-203;

11 11. Upon the Seventh Cause of Action, for unreimbursed expenses, interest, and
12 attorney's fees and costs pursuant to Labor Code § 2802;

13 12. Upon the Eighth Cause of Action, for restitution to Plaintiff and members of the
14 Classes of all money and/or property unlawfully acquired by Defendant by means of any acts or
15 practices declared by this Court to be in violation of Business and Professions Code § 17200 *et seq.*;

16 13. Upon the Ninth Cause of Action, for civil penalties due to Plaintiff, other similarly
17 Aggrieved Employees, and the State of California according to proof pursuant to Labor Code § 2699
18 (a) and (f) including, but not limited to: (1) \$100.00 for each initial violation and \$200 for each
19 subsequent violation per employee per pay period for those violations of the Labor Code for which
20 no civil penalty is specifically provided under the Labor Code, and for reasonable attorneys' fees and
21 costs;

22 14. Prejudgment interest on all due and unpaid wages pursuant to California Labor Code
23 § 218.6 and Civil Code §§ 3287 and 3289;

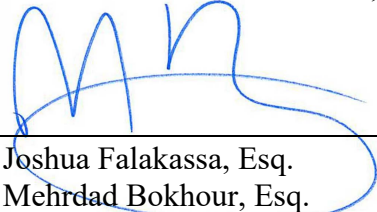
24 15. On all causes of action, for attorneys' fees and costs as provided by Labor Code §§
25 218.5, 226, 1194, Code of Civil Procedure § 1021.5; and

26 16. For such other relief that the Court may deem just and proper.
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Dated: January 27, 2025

FALAKASSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.

By: 
Joshua Falakassa, Esq.
Mehrdad Bokhour, Esq.
Attorneys for Plaintiff and the Putative Classes

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the action; my business address is 1901 Avenue of the Stars, Suite 450, Los Angeles, California 90067.

On January 27, 2025, I served the following document(s) described as **FIRST AMENDED CLASS AND PAGA ACTION COMPLAINT** on the interested parties in this action:

Sumy Kim, Esq.
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Geoffrey Hersch, Esq.
ghersch@ohaganmeyer.com
O’HAGAN MEYER, LLP
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Counsel for defendant Meritage Medical Network

BY ELECTRONIC SERVICE: I transmitted the above-referenced document(s) via electronic service provider First Legal to the person(s) identified above at the email address(es) indicated and did not, within a reasonable time after transmission, receive any message or communication indicating that delivery failed or that any other error had occurred which would delay or caused failure in transmission and delivery of the document and/or any attachments thereto.

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

Executed on January 27, 2025, at Los Angeles, California.

/s/ Carlos Garcia

Carlos Garcia