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California and Aggrieved Employees*

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF SANTA CRUZ**

ALEESA FRANCO and REIKO THOMAS,
On Behalf of the State of California and Aggrieved
Employees,

Plaintiffs,

v.

**PATHWAYS IN EDUCATION, INC. d/b/a
PATHWAYS TRAVELS,**

Defendant.

Case No. 25CV00342

**COMPLAINT FOR CIVIL PENALTIES
PURSUANT TO THE CALIFORNIA
LABOR CODE § 2699(a) & (f)
PRIVATE ATTORNEYS GENERAL ACT
OF 2004**

Plaintiffs Aleesa Franco (“Franco”) and Reiko Thomas (“Thomas”) (together “Plaintiffs”) on behalf of the State of California and Aggrieved Employees (defined below), complains and alleges as follows:

SUMMARY

1. Plaintiffs, on behalf of the State of California and the other Aggrieved Employees brings this enforcement action pursuant to the California Labor Code Private Attorneys General Act of 2004, as amended (“PAGA”), against Pathways in Education, Inc. d/b/a Pathways Travels (Pathways) on behalf of individuals who work for or have worked for Pathways who have been denied overtime wages, have not received compliant meal and/or rest breaks, have not received premium compensation for such missed meal and rest breaks, have been required to exceed maximum hours of work fixed by relevant Industrial Wage Commission (“IWC”) Wage Orders (“Wage Orders”), have been denied necessary business expense reimbursements, have been denied accurate and/or compliant itemized wage statements, and/or have not been provided a copy of their employee records upon request, at any time since one year and 65 days before the filing of this Complaint until final resolution of this Action (the “Aggrieved Employees”).

2. Pathways pays the Aggrieved Employees on day rate basis.

3. That is, Pathways pays Aggrieved a flat dollar amount per day worked, regardless of the number of hours worked per day or per week.

4. The Aggrieved Employees regularly work more than 8 hours a day and more than 40 hours a workweek.

5. The Aggrieved Employees also occasionally work double time hours.

6. But Pathways does not pay the Aggrieved Employees overtime or double time rates for those hours worked.

7. Instead, Pathways misclassifies Aggrieved Employees as exempt teachers and pays them a flat amount for each day worked, regardless of the total number of hours they worked in a workweek (a “day rate”).

8. But Pathways does not employ Aggrieved Employees as *bona fide* teachers in an educational establishment.

1 9. Pathways' uniform day rate pay scheme violates the California Labor Code and
2 applicable IWC Wage Order(s) by depriving the Aggrieved Employees of overtime for their
3 overtime hours worked.

4 10. Likewise, Pathways' uniform day rate pay scheme violates the California Labor
5 Code and applicable IWC Wage Order(s) by depriving Aggrieved Employees of double time for
6 their double time hours worked.

7 11. Further, Pathways frequently does not authorize, permit, and make available
8 compliant meal and/or rest periods to Aggrieved Employees, which they are entitled to under the
9 California Labor Code and relevant Wage Orders.

10 12. Thus, Pathways fails to authorize, permit, and/or make available required meal
11 and/or rest periods to the Aggrieved Employees.

12 13. Further, Pathways fails to provide premium compensation to Plaintiffs and the
13 other Aggrieved Employees for missed and denied meal and/or rest periods.

14 14. And Pathways' violative policies and practices result in non-compliant wage
15 statements.

16 15. Among other things, the wage statements Pathways provides to the Aggrieved
17 Employees fail to accurately reflect their total hours worked, gross wages earned, net wages
18 earned, overtime wages earned, double time wages earned, and/or premium pay owed.

19 16. Because of Pathways' failure to pay all wages (including overtime wages, double
20 time wages, and premium pay) owed, Aggrieved Employees do not receive all wages owed during
21 employment.

22 17. Pathways also denies Plaintiffs and Aggrieved Employees proper reimbursement
23 for their necessary business expenditures, including cell phone and data plan expenses, specialty
24 food items for Pathways' customers to accommodate dietary restrictions, and other necessary
25 expenses spent for Pathways' benefit.

26 18. Plaintiffs bring these claims pursuant to PAGA to challenge Pathways' policies and
27 practices of: (1) failing to pay Aggrieved Employees all wages pursuant to Labor Code §§ 510,
28 1194, and 1194.5; (2) failing to provide or make available compliant meal and rest periods and

1 failing to provide required premium compensation for missed meal and rest periods pursuant to
2 Labor Code §§ 226.7 and 512; (3) failure to reimburse business expenses pursuant to Labor Code
3 § 2802; (4) failure to provide compliant wage statements pursuant to § 226; and (5) exceeding
4 the maximum work hours pursuant to Labor Code § 1198.

5 19. Plaintiffs bring this Action to recover all civil penalties and other PAGA damages
6 on behalf of the State of California and the other Aggrieved Employees.

7 20. Plaintiffs seek to remedy the unlawful practices Pathways has imposed and
8 continues to impose on its workers in California, which deprive the Aggrieved Employees of their
9 lawfully earned compensation.

10 JURISDICTION & VENUE

11 21. This Court has jurisdiction over the State of California's claims for civil penalties,
12 by and through Plaintiffs as the deputized PAGA representatives, pursuant to the California
13 Constitution, Article VI, section 10, which grants the Superior Court "original jurisdiction on all
14 other causes" except those given by statute to other courts. The statute under which this Action
15 is brought does not specify any other basis for jurisdiction.

16 22. Plaintiffs electronically filed their written PAGA Notice with the California Labor
17 and Workforce Development Agency ("LWDA") on November 26, 2024.

18 23. This Court has personal jurisdiction over Pathways because Pathways is a domestic
19 corporation with its principal place of business located in California.

20 24. Venue is proper in this judicial district pursuant to CCP §§ 393 and/or 395.5.

21 25. Pathways has employed Aggrieved Employees within Santa Cruz County.

22 26. Pathways conducts business in this County, employs Aggrieved Employees in this
23 County, and therefore liability under PAGA arises in this County.

24 PARTIES

25 27. Franco is a current Pathways employee and has been employed since approximately
26 August 2022. Franco works for Pathways as an experiential learning educator.

27 28. Franco has worked for Pathways throughout California, including locations such as
28 Philo, San Diego, Pomona, Upland, Ridgecrest, and Pasadena, as well as other locations

1 throughout the rest of the country including Colorado, Tennessee, Washington, D.C., and abroad
2 in Ireland and Italy.

3 29. Pathways misclassifies Franco as exempt from overtime and pays Franco on a daily
4 rate basis of approximately \$175 to \$200 per day.

5 30. Pathways does not pay Franco overtime when she works more than 8 hours in a day
6 or when she works more than 40 hours in a week.

7 31. Pathways does not pay Franco double time when she works double time hours.

8 32. Thomas is a current Pathways employee and has been employed since
9 approximately August 2021. Thomas works for Pathways as an experiential learning educator.

10 33. Thomas has worked for Pathways throughout California, including in Santa Cruz,
11 Sacramento, Mendocino, and San Diego, as well as other locations outside of California including
12 Nevada, Colorado, Louisiana, Mississippi, Tennessee, Georgia, New York, Pennsylvania, and
13 Washington, D.C.

14 34. Pathways misclassifies Thomas as exempt from overtime and pays Thomas on a
15 daily rate basis of approximately \$200 per day.

16 35. Pathways does not pay Thomas overtime when she works more than 8 hours in a
17 day or when she works more than 40 hours in a week.

18 36. Pathways does not pay Thomas double time when she works double time hours.

19 37. Plaintiffs bring this action on behalf of the State of California and on behalf of all of
20 Pathways' current and former non-exempt employees employed in California who suffered one
21 or more Labor Code violations Plaintiffs suffered, which are enumerated in Labor Code §§ 2698
22 *et seq.*, and who worked for Pathways any time since one year and 65 days before the filing of this
23 Complaint until final resolution of this Action.

24 38. These employees are referred to as the "Aggrieved Employees."

25 39. Plaintiffs are "Aggrieved Employees" within the meaning of Labor Code § 2699(c)
26 because Pathways employed them, and they each suffered one or more of the alleged Labor Code
27 and/or Wage Order violations committed by Pathways within the relevant limitations period.

28 40. Plaintiffs and the other Aggrieved Employees were employees of Pathways at all

relevant times, within the meanings set forth in the California Labor Code and the applicable Wage Order(s).

41. Pathways is a California corporation with its principal place of business located in Pasadena, California.

42. Pathways can be served through its registered agent: **John C. Hall, 320 North Halstead Street, Suite 280, Pasadena, California 91107.**

43. Pathways was and is Plaintiffs' and the Aggrieved Employees' employer or person(s) acting on behalf of their employer(s), either individually, or as an officer, agent, or employees of another person, within the meaning of California Labor Code § 1197.1, who paid or caused to be paid to any employee a wage less than the minimum fixed by California state law for each hour and overtime/double time hour worked, and as such, is subject to civil penalties.

FACTS

44. Pathways bills itself as "a trusted and proven operator of multi-day trips for teenagers."¹

45. Pathways is not an educational establishment or educational institution.

46. Pathways is not an elementary or secondary school system.

47. Pathways is not an institution of higher education.

48. Pathways is not a special school for disabled or gifted children.

49. Pathways is not a post-secondary career program.

50. Pathways is not accredited by any state's education system.

51. Pathways is not accredited by any nationally recognized accrediting organization for career schools.

52. Rather, as Pathways advertises, it is a "travel agency."²

¹ <https://pathwaystravels.org/how-it-works/> (last visited Jan. 16, 2025).

² <https://www.facebook.com/pieadventures/> (last visited Jan. 16, 2025).

53. Specifically, Pathways offers both in-person and virtual travel programs across the country and abroad geared towards underserved, at-risk youth.³

54. These travel programs include, among other services, 11-day trips to Blackbird Farm in Philo, California;⁴ 11-day trips to Pathways Ranch in the Rocky Mountains;⁵ 4- to 6-day college tours of universities, community colleges, and HBCU's in California, Oregon, Washington, Arizona, New Mexico, Illinois, and the East Coast;⁶ 6-day tours of Washington, DC;⁷ and 3- to 5-day volunteer and service projects across the country.⁸

55. Pathways operates, and provides these various travel programs, year-round.

56. While Pathways markets its travel programs as "experiential learning" opportunities, they are not educational or academic in nature.

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³ See <https://pathwaystravels.org/2021/03/11/virtual-programs/> (last visited Jan. 16, 2025); <https://pathwaystravels.org/programs/>; <https://pathwaystravels.org/our-history/> (last visited Jan. 16, 2025).

⁴ See <https://pathwaystravels.org/programs/blackbird-farm/> (last visited Jan. 16, 2025).

⁵ See <https://pathwaystravels.org/programs/rmpr/> (last visited Jan. 16, 2025).

⁶ See <https://pathwaystravels.org/programs/college-tour/> (last visited Jan. 16, 2025).

⁷ See <https://pathwaystravels.org/programs/washington-d-c/> (last visited Jan. 16, 2025).

⁸ See <https://pathwaystravels.org/programs/service-learning/> (last visited Jan. 16, 2025).

57. For example, a typical day of Pathways' Camp Blackbird program in California starts at 7:30 AM and ends at 10:00 PM, during which attendees practice archery, go hiking and canoeing, play out-of-the-box sports, and complete ropes courses:⁹



A Typical Day	
	
Morning Chores	7:30 am
Breakfast	8:30 am
Morning Mindfulness Activity	9:30 am
Ropes Course	10:00 am
Lunch	12:30 am
Camp Olympics – Part 1	1:30 pm
Snack	3:00 pm
Camp Olympics – Part 2	3:15 pm
Workbooks	5:00 pm
Dinner	6:00 pm
Night Hike	7:00 pm
Students in Yurt	9:00 pm
Lights Out	10:00 pm

58. Similarly, a typical day of Pathways Travels' Rocky Mountain Ranch program in Colorado starts at 7:00 AM and ends at 10:30 PM, during which attendees go horseback riding, rock climbing, hiking, snowshoeing, and fly fishing:¹⁰



A Typical Day	
	
Morning Activities	7:00 am
Breakfast	8:30 am
Equine Lesson	9:15 am
Lunch	12:30 pm
Work Projects/Horse Rides	1:30 pm
Goal Setting Lesson	3:45 pm
Dinner	6:00 pm
Evening Programming	7:00 pm
Lights Out	10:30 pm

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⁹ See <https://pathwaystravels.org/programs/blackbird-farm/> (last visited Jan. 16, 2025)

¹⁰ See <https://pathwaystravels.org/programs/rmpr/> (last visited Jan. 16, 2025).

59. Likewise, a typical day of Pathways Travels' college tours program starts at 8:30 AM and ends at 10:30 PM, during which students tour college campuses and hear about the admissions process, degree programs, and campus life:¹¹



 A Typical Day	
Breakfast	8:30 am
Depart for first campus	9:30 am
Admission Talk	10:30 am
Lunch	12:30 pm
Campus Challenge	1:30 pm
Campus Tour	2:30 pm
Visit Bookstore	5:00 pm
Return to Hotel	6:30 pm
Dinner	7:30 pm
College Life Jeopardy	8:30 pm
Graduation Reflection	9:30 pm
Lights Out	10:30 pm

60. While some of Pathways' programs are *hosted* at campgrounds, like Camp Blackbird, Pathways is not a recreational or amusement establishment, nor is it an organized camp.

61. In fact, neither Pathways nor the "camps" it partners with to host certain programs are accredited by the American Camp Association.

62. Again, Pathways is merely a travel agency that provides travel planning and logistics, transportation, housing accommodation, and chaperoned trips to teens in cities across the globe:¹²

What's Included

We include major logistics and planning to make sure you have the best experience without the gritty work. Trips can be customizable and may vary depending on the program.



Transportation

Pathways Travels will take care of your travel logistics between each destination.



Accommodation

We provide fully furnished rooms for each program. Accommodations can vary from hotels, BnBs, or homestays.



10:1

Ratio of adults and students. We ensure that everyone gets the attention and care they need.



No Phones*

Students have the unique opportunity to engage in a digital detox and interact with their peers and surroundings. (Optional)



Local Experiences

We like to get immersed in local cultural and social events and activities.



Guided Trips

Our trips are carefully planned to ensure students are safe, think critically, and have fun!

¹¹ See <https://pathwaystravels.org/programs/college-tour/> (last visited Jan. 16, 2025).

¹² See <https://pathwaystravels.org/how-it-works/> (last visited Jan. 16, 2025).

1 63. To meet its business objectives, Pathways employs workers, like Plaintiffs and the
2 other Aggrieved Employees, who facilitate its various travel programs.

3 64. Pathways uniformly misclassifies its Aggrieved Employees as exempt from
4 overtime under the Labor Code and refuses to pay them overtime or double time wages.

5 65. Instead, Pathways pays Aggrieved Employees a day rate with no overtime or double
6 time.

7 66. While exact job titles and precise job duties may differ, these employees are
8 subjected to the same or similar pay practice—Pathways’ illegal day rate pay scheme—for similar
9 work.

10 67. For example, Franco has been employed by Pathways as an experiential learning
11 educator since approximately August 2022.

12 68. During her employment, Franco has worked on Pathways programs throughout
13 California, including locations such as Philo, San Diego, Irvine, Pomona, Upland, Ridgecrest, and
14 Pasadena.

15 69. On average, when Franco is on assignment, she typically works 12-to-16 hours per
16 day for 7 day per week, which schedules set by Pathways. On occasion, Franco has been required
17 to work overnights (*i.e.*, a full 24-hour shift). Franco last worked for Pathways during the time
18 period of February 24 to March 8, 2024, and suffered one or more of the Labor Code violations
19 described herein during that time.

20 70. Likewise, Thomas has been employed by Pathways as an experiential learning
21 educator since approximately August 2021.

22 71. On average, when Thomas is on assignment, she typically works at least 12 hours
23 per day for 3-to-5 days per week in accordance with the schedules set by Pathways. On occasion,
24 Thomas has been required to work overnights (*i.e.*, a full 24-hour shift).

25 72. Aggrieved Employees are given similar titles, paid in similar manner, and work
26 similar hours while on assignment for Pathways.

27 73. Despite regularly working more than 8 hours in a day and/or 40 hours in a week,
28 Pathways fails to pay Plaintiffs and Aggrieved Employees overtime pay or double time pay.

1 74. Instead, Pathways misclassified, and continues to misclassify, Plaintiffs and
2 Aggrieved Employees as exempt and pays them the same amount per day worked, regardless of
3 the number of hours worked in a given day or week.

4 75. Despite their job titles including words like “learning” or “educator,” Plaintiffs
5 and Aggrieved Employees are not teachers.

6 76. Plaintiffs’ and Aggrieved Employees’ primary responsibilities include traveling
7 with and overseeing the teens attending Pathways’ programs, facilitating programs in accordance
8 with Pathways’ curriculum, and supporting the programs’ tour guides. In short, Plaintiffs and
9 Aggrieved Employees largely function as chaperones.

10 77. Plaintiffs and Aggrieved Employees are not required to be licensed or certified
11 teachers to be hired and work for Pathways, even as a so-called “experiential learning educators.”

12 78. And Plaintiffs and Aggrieved Employees are not licensed or certified teachers in
13 any state during their employment with Pathways.

14 79. Likewise, Pathways does not require Plaintiffs and Aggrieved Employees to have an
15 advanced degree in teaching or education as a standard prerequisite to become an experiential
16 learning educator.

17 80. Indeed, Plaintiffs and Aggrieved Employees did not and do not have an advanced
18 degree in teaching or education.

19 81. This is because Pathways is not an educational establishment or institution.

20 82. Throughout their employment, Plaintiffs and Aggrieved Employees regularly work
21 overtime (and double time).

22 83. Despite knowing Plaintiffs and Aggrieved Employees regularly worked overtime
23 (and double time), Pathways does not pay them overtime (or double time) wages.

24 84. Pathways fails to pay Plaintiffs and Aggrieved Employees overtime for their
25 overtime hours worked in violation of the Labor Code.

26 85. Pathways also fails to pay Plaintiffs and Aggrieved Employees double time for their
27 double time hours worked in violation of the Labor Code.

1 86. Thus, Pathways also fails to provide Plaintiffs and Aggrieved Employees with
2 itemized wage statements that accurately reflected their overtime wages, double time wages,
3 gross wages, net wages, or hours worked in violation of the Labor Code.

4 87. Finally, because Plaintiffs' and Aggrieved Employees' work overseeing teens in
5 Pathways' programs is constant and requires constant vigilance, they do not and cannot
6 realistically receive off-duty meal and rest periods in violation of the Labor Code.

7 88. As such, even though Pathways' rigorously-scheduled workdays set out specific
8 times for breakfast, lunch and dinner each workday, as a practical reality of Plaintiffs' and
9 Aggrieved Employees' job duties overseeing and monitoring the teens left to their chaperonage,
10 they are unable to be relieved of all work duties during such lunch and dinner time periods as
11 required by the Labor Code.

12 89. Similarly, because Plaintiffs and Aggrieved Employees are entrusted to monitor and
13 ensure the safety of teens left to their care, they are not realistically relieved of work duties for
14 rest periods as required by the Labor Code.

15 90. In this role, Pathways expects and requires Plaintiffs and Aggrieved Employees to
16 use their personal cell phones and data plans to do their jobs while they are overseeing the welfare
17 of the teenagers entrusted to their care for various purposes, including sending and receiving
18 work-related emails while in remote locations and to remain available for emergency calls.

19 91. Pathways, however, does not reimburse Plaintiffs and Aggrieved Employees for the
20 cost of their cell phones or data plans.

21 92. Pathways likewise expects and requires Plaintiffs and Aggrieved Employees to
22 spend their own money to purchase specialty food items for Pathways' teenage customers during
23 group meals, such as vegetarian, vegan, kosher, halal, and/or other specialized dietary
24 restrictions, during trips (such as college tours) where Plaintiffs and Aggrieved Employees are
25 chaperoning the teenagers.

26 93. Pathways, however, does not reimburse Plaintiffs and Aggrieved Employees for the
27 costs of these necessarily incurred business expenses in violation of the Labor Code.
28

1 94. Further, Pathways does not take any affirmative efforts to ensure Plaintiffs and
2 Aggrieved Employees are provided with or receive rest periods during which they are completely
3 relieved of work duties as required by the Labor Code.

4 95. Pathways also does not ensure Plaintiffs and Aggrieved Employees are provided
5 with rest periods in a timely manner as required by the Labor Code.

6 96. But Pathways also fails to pay Plaintiffs and Aggrieved Employees the required one-
7 hour of premium pay for each day it denies them a compliant meal or rest period in violation of
8 the Labor Code.

9 97. Pathways pays Aggrieved Employees according to the same illegal day rate pay
10 scheme it imposed on Plaintiffs.

11 98. Pathways pays its Aggrieved Employees (like Plaintiffs) on a day rate basis and fails
12 to pay them overtime when they work more than 8 hours in a day and 40 hours in a week.

13 99. Like Plaintiffs, Aggrieved Employees work in accordance with the schedule set by
14 Pathways.

15 100. Despite knowing Aggrieved Employees regularly work overtime (and double time),
16 Pathways does not pay them overtime (or double time) wages.

17 101. Instead, Pathways misclassifies Aggrieved Employees (like Plaintiffs) as exempt
18 and pays them a flat amount for each day worked, regardless of the number of hours they worked
19 that day (or that workweek).

20 102. Pathways does not pay Aggrieved Employees (like Plaintiffs) overtime wages when
21 they work overtime, in violation of the Labor Code.

22 103. Nor does Pathways pay Aggrieved Employees (like Plaintiffs) double time wages
23 when they work double time, in violation of the Labor Code.

24 104. And Pathways fails to provide its Aggrieved Employees (like Plaintiffs) with
25 itemized wage statements that accurately reflect their overtime wages, double time wages, gross
26 wages, net wages, or hours worked, in violation of the Labor Code.

27 105. Despite misclassifying Aggrieved Employees (like Plaintiffs) as exempt, Pathways
28 does not pay Plaintiffs and Aggrieved Employees on a “salary basis.”

1 106. Pathways does not pay Plaintiffs and Aggrieved Employees a guaranteed salary that
2 is not subject to reduction based on the quality or quantity worked.

3 107. Pathways only pays Plaintiffs and Aggrieved Employees their set day rates for the
4 actual days they work.

5 108. If Plaintiffs and Aggrieved Employees do not work on a given day, they do not get
6 paid.

7 109. The Aggrieved Employees' day rates do not increase when they work overtime (or
8 double time).

9 110. Thus, Pathways does not pay Plaintiffs and Aggrieved Employees on a "salary
10 basis." (*See Helix Energy Sols. Grp., Inc. v. Hewitt*, 598 U.S. 39, 143 S. Ct. 677, 685 (2023)
11 ["Daily-rate workers, of whatever income level, are paid on a salary basis only through the test
12 set out in § 604(b)"]; *see also* 29 C.F.R. § 541.604; *Semprini v. Wedbush Securities, Inc.* (2020)
13 57 Cal. App. 5th 246, 252 ["California courts follow the federal salary basis test to a substantial
14 degree and look to the federal regulations implementing the [FLSA] for guidance in
15 implementing the salary basis test."].)

16 111. Further, Plaintiffs and Aggrieved Employees are not required to be licensed or
17 certified teachers to work for Pathways.

18 112. Likewise, Pathways does not require Plaintiffs and Aggrieved Employees to have an
19 advanced degree in teaching or education as a standard prerequisite.

20 113. This is because Plaintiffs and Aggrieved Employees do not work for an educational
21 establishment or institution.

22 114. Because Pathways fails to pay Plaintiffs and Aggrieved Employees on a "salary
23 basis" and these employees do not work for an educational establishment, they are all non-
24 exempt employees entitled to overtime (and double time).

25 115. But under its uniform, illegal day rate pay scheme, Pathways does not pay Plaintiffs
26 and Aggrieved Employees overtime (or double time) in violation of the Labor Code.

27 116. Pathways' violations of the Labor Code are willful, carried out in bad faith, and have
28 caused significant damage to the Aggrieved Employees.

COUNT I

PENALTIES PURSUANT TO LABOR CODE § 2699(a)

117. Labor Code § 2699(a) provides:

Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees.

118. Labor Code § 226(a) provides:

Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when 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 for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission, (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 his or her 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.

119. Labor Code § 226(e)(1) provides:

An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees.

120. Labor Code § 226.3 provides:

Any employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each

violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the records required in subdivision (a) of Section 226. The civil penalties provided for in this section are in addition to any other penalty provided by law. In enforcing this section, the Labor Commissioner shall take into consideration whether the violation was inadvertent, and in his or her discretion, may decide not to penalize an employer for a first violation when that violation was due to a clerical error or inadvertent mistake.

121. Labor Code § 558(a) and (c) provide:

(a) Any employer [] who violates, or causes to be violated, a section of this chapter or any provisions regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.... (c) The civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.

122. Plaintiffs seek civil penalties pursuant to Labor Code § 2699(a) for each failure by Pathways, alleged in this Complaint, to provide the Aggrieved Employees with accurate, itemized wage statements in compliance with Labor Code § 226(a) in the amounts established by Labor Code § 226(e).

123. Plaintiffs also seek civil penalties in the amounts described under Labor Code § 558 pursuant to Labor Code § 2699(a) for each pay period in which Pathways, as alleged in this Complaint, failed to pay the Aggrieved Employees for all overtime wages and double wages owed.

124. Pursuant to Labor Code § 2699.3(a)(1) and (2), Plaintiffs provided the LWDA with notice of their intention to file this claim on November 26, 2024.

125. More than sixty-five (65) calendar days have passed without notice from the LWDA.

126. As such, Plaintiffs have satisfied all administrative prerequisites to commence this civil action in compliance with § 2699.3(a).

127. Plaintiffs seek the aforementioned penalties on behalf of the State and the other Aggrieved Employees as set forth in Labor Code § 2699(g) and (i).

128. Pathways is liable to the Aggrieved Employees and the State of California for the civil penalties set forth in this Complaint, with interest thereon.

129. Plaintiffs are also entitled to an award of attorneys' fees and costs as set forth below.

130. Wherefore, Plaintiffs and the Aggrieved Employees request relief as hereinafter provided.

COUNT II

PENALTIES PURSUANT TO LABOR CODE § 2699(f)

131. Labor Code § 2699(f) provides:

For all provisions of this code except those for which a civil penalty is specifically provided, there is established a civil penalty for a violation of these provisions, as follows: ... (2) If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.

132. Labor Code § 200 defines wages as “all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation.” All such wages are subject to California’s overtime and double time requirements, including those set forth above.

133. Labor Code § 204(a) provides that “[a]ll wages . . . earned by any person in any employment are due and payable twice during each calendar month[.]”

134. Labor Code § 510(a) provides as follows:

Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee.

135. IWC Wage Order 16-2001(3)(A)(1) states that employees:

...shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Employment beyond eight (8) hours in any workday

1 or more than six (6) days in any workweek is permissible
2 provided the employee is compensated for such overtime at not
3 less than ... [o]ne and one-half (1½) times the employee's
4 regular rate of pay for all hours worked in excess of eight (8)
5 hours up to and including 12 hours in any workday, and for the
6 first eight (8) hours worked on the seventh (7th) consecutive day
7 of work in a workweek....

8 136. Labor Code § 1194(a) provides as follows:

9 Notwithstanding any agreement to work for a lesser wage, any
10 employee receiving less than the legal minimum wage or the
11 legal overtime compensation applicable to the employee is
12 entitled to recover in a civil action the unpaid balance of the full
13 amount of this minimum wage or overtime compensation,
14 including interest thereon, reasonable attorneys' fees, and costs
15 of suit.

16 137. Labor Code § 1198 makes it unlawful for employers to employ employees under
17 conditions that violate relevant Wage Order(s).

18 138. Labor Code § 2802 requires employers to indemnify employees for all necessary
19 expenditures or losses incurred by the employee in direct consequence of the discharge of their
20 duties.

21 139. To the extent that any violation alleged herein does not carry penalties under Labor
22 Code § 2699(a), Plaintiffs seek civil penalties pursuant to Labor Code § 2699(f) for the Aggrieved
23 Employees for each pay period in which such employee was aggrieved, in the amounts established
24 by Labor Code § 2699(f).

25 140. Plaintiffs seek civil penalties under Labor Code § 2699(f) for Pathways' violations
26 of Labor Code §§ 226.7, 510, 512, 1194, 1194.5, 1198, 1194.5, and 2802.

27 141. Pursuant to Labor Code § 2699.3(a)(1) and (2), Plaintiffs provided the LWDA with
28 notice of their intention to file this claim on November 26, 2024.

142. More than sixty-five (65) calendar days have passed without notice from the
LWDA. Thus, Plaintiffs satisfied all administrative prerequisites to commence this civil action.

143. Plaintiffs seek the aforementioned penalties on behalf of the Aggrieved Employees
and the State of California as set forth in Labor Code § 2699(g) and (i).

144. Labor Code § 2699(f)(2) provides a civil penalty of one hundred dollars (\$100) for
each aggrieved employee per pay period for the initial violation of a Labor Code provision that

1 does not provide for a civil penalty if, at the time of the violation, the employer employs one or
2 more employees. Labor Code § 2699(f)(2) provides for a civil penalty of two hundred dollars
3 (\$200) for each aggrieved employee per pay period for each subsequent violation of a Labor Code
4 provision that does not provide a civil penalty if, at the time of the violation, the employer employs
5 one or more employees.

6 145. Pathways is liable to the State of California and Aggrieved Employees for the civil
7 penalties set forth in this Complaint.

8 146. Plaintiffs are also entitled to an award of attorneys' fees and costs.

9 147. Wherefore, Plaintiffs and the Aggrieved Employees request relief as hereinafter
10 provided.

11 **RELIEF SOUGHT**

12 WHEREFORE, Plaintiffs, on behalf of the State of California and the Aggrieved
13 Employees, requests the following relief:

- 14 a. A declaratory judgment that Pathways' conduct violated the Labor Code as
15 alleged herein;
 - 16 b. An order awarding civil penalties against Pathways to the fullest extent
17 provided for by PAGA;
 - 18 c. An award of attorneys' fees, costs, and expenses as provided by the
19 California Labor Code, including Labor Code § 2699(g)(1); California Code
20 of Civil Procedure §1021.5; and/or any other applicable law;
 - 21 d. Pre- and post-judgment interest on any amounts awarded at the highest
22 applicable allowed by law; and
 - 23 e. Such other and further relief as this Court deems just and proper.
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1 Date: January 27, 2025

Respectfully submitted,

2 **JOSEPHSON DUNLAP LLP**

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4
5 William M. Hogg (SBN 338196)

6 *Counsel for Plaintiffs, on Behalf of the State of*
7 *California and Aggrieved Employees*