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County of Alameda

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SUPERIOR COURT OF CALIFORNIA

COUNTY OF ALAMEDA

HANNAH BERNSTEIN, as a proxy of the
State of California on behalf of Aggrieved
Employees,

Plaintiff,

v.

COMPILE, INC. D/B/A
BETTERHELP, Inc.; BETTERHELP,
INC.

Defendants.

CASE NO. 25CV109171

**PRIVATE ATTORNEYS GENERAL ACT
LAW ENFORCEMENT ACTION**

1 Plaintiff Hannah Bernstein, by and through her undersigned attorneys, hereby brings this
2 Law Enforcement Complaint against Defendants Compile, Inc. d/b/a BetterHelp and Betterhelp,
3 Inc. (hereinafter collectively referred to as “Defendants”). Plaintiff brings the claims as a
4 representative action on behalf of the State of California and Aggrieved Employee. Plaintiff
5 alleges as follows:

6 **NATURE OF THE CASE**

7 1. This case is brought as a law enforcement action under the Private Attorneys
8 General Act (PAGA), Cal. Labor Code §§ 2698, et seq., to address Defendants’ violations of the
9 California Labor Code and Industrial Welfare Commission (“IWC”) Wage Orders.

10 2. Defendants offer online therapy sessions to patients in need of healthcare to treat
11 their mental health conditions and challenges. Patients sign up as customers of BetterHelp and
12 pay a subscription fee to Defendants to receive therapy and treatment on Defendants’
13 BetterHelp.com online platform. Defendants then hire therapists to treat their patients on the
14 BetterHelp platform. The therapists are referred to herein as the “Aggrieved Employees.”

15 3. As part of their standardized job application and conditions of employment,
16 Defendants require the following:

- 17 i. Aggrieved Employees must agree to a non-negotiable, progressive pay scale that
18 begins at \$30 per hour without compensation for associated administrative tasks,
19 such as preparing clinical notes and preparing client records. The compensation
20 structure at BetterHelp forces therapists to significantly increase their client load
21 beyond what may be professionally recommended or personally sustainable, to
22 secure a livable income. Indeed, therapists at BetterHelp report needing to see 35-
23 53 clients per week for financial viability, which is well beyond the industry norm.
- 24 ii. Aggrieved Employees must agree to an illegal non-compete clause that severely
25 restricts and/or prohibits Plaintiff’s and Aggrieved Employees’ ability to
26 independently treat patients after termination of their employment with
27 Defendants. Without consideration for the therapist-patient relationship or
28 patients’ needs, Defendants not only restrict therapists’ ability to practice their

1 profession, but they also risk jeopardizing patient care through their illicit non-
2 competent clause;

3 iii. Aggrieved Employees must agree to an illegal prohibition on the discussion of
4 payment terms and mechanisms; and,

5 iv. Aggrieved Employees must agree to terms that require them to perform all clinical
6 treatment via BetterHelp’s platform in accordance with procedures dictated by
7 Defendants even if it compromises their clinical and professional judgment.

8 4. Despite labeling their therapists as independent contractors, Defendants exercise
9 extensive control, both direct and indirect, over the way therapists perform their job duties and
10 the terms and conditions of their work. This includes, but is not limited to: determining which
11 clients therapists are assigned and permitted to work with; controlling how therapists must use
12 and interface with BetterHelp’s platform; setting the non-negotiable, standardized wage scale and
13 pay policies used to compensate therapists; restricting the duration of client sessions and refusing
14 to pay the therapists for any time exceeding session caps; requiring therapists to use specific
15 templates, worksheets, and equipment on the job; regulating the speech of therapists with regard
16 to wages and payment mechanisms; and retaining the right to assign, reassign, disqualify,
17 suspend, and terminate the employment of therapists.

18 5. Defendants’ control over the therapists inevitably compromises the independence
19 and the integrity of the therapist-patient relationship by constraining the professional judgment of
20 the therapists.

21 6. This case seeks civil penalties on behalf of the State of California and the
22 Aggrieved Employees to remedy numerous violations of the California Labor Code that result
23 directly from Defendants’ profiteering business model and practices.

24 7. First, Defendants have violated the Labor Code by willfully misclassifying
25 Plaintiff and other Aggrieved Employees as independent contractors rather than employees,
26 despite (a) Defendants exercising direct and indirect control over the work of their therapists; (b)
27 the therapists providing counseling and therapy services within the scope of Defendants’ business;
28

1 and (c) Defendants and the therapists being engaged in the same business of providing mental
2 healthcare to patients.

3 8. Second, as a direct result of Defendants willfully misclassifying their therapists as
4 independent contractors, Defendants have also failed to pay their therapists for all hours worked,
5 including but not limited to off-the-clock work for preparing for sessions, documenting sessions,
6 communicating with clients outside the session time, and performing administrative work. This
7 in turn causes Defendants to violate the California Labor Code and applicable Industrial
8 Commission Wage Orders by failing to pay therapists for all hours worked. Defendants have also
9 knowingly, willingly and intentionally established a pay scheme that does not pay therapists for
10 all wages on a timely basis, does not provide itemized payroll statements (much less itemized
11 wage statements that are accurate), fails to timely pay all wages upon separation from
12 employment, and fails to reimburse for business expenses.

13 9. Furthermore, Defendants have also imposed illegal prohibitions on the therapists'
14 right to discuss their compensation and the BetterHelp platform, have required their therapists to
15 agree to an illegal non-compete clause, and have required their therapists to agree to written terms
16 that misclassify them as independent contractors.

17 10. As a proxy for the State of California, Plaintiff seeks civil penalties, injunctive
18 relief, attorneys' fees, and costs of suit, as more fully set forth herein.

19 **JURISDICTION AND VENUE**

20 11. The Court has jurisdiction over this law enforcement action pursuant to Article 6,
21 § 10 of the California Constitution and California Code of Civil Procedure § 410.10.

22 12. Additionally, this Court has jurisdiction over Plaintiff's claims on behalf of the
23 State of California and Aggrieved Employees for civil penalties and injunctive relief in violation
24 of the Labor Code pursuant to California Labor Code §§ 2699 and 2699.3.

25 13. The Court has jurisdiction over Defendant Compile, Inc. because it is a corporation
26 authorized to do business in the State of California and is registered with the California Secretary
27 of State. Compile, Inc. has sufficient business with sufficient minimum contacts in California,
28 and/or otherwise intentionally avails itself of the California market through the advertising,

1 marketing, and sale of goods and services, to render the exercise of jurisdiction over it by the
2 California court consistent with traditional notions of fair play and substantial justice.

3 14. The Court has jurisdiction over Defendant BetterHelp, Inc. because it is a
4 corporation authorized to do business in the State of California and is registered with the
5 California Secretary of State. BetterHelp, Inc. has sufficient business with sufficient minimum
6 contacts in California, and/or otherwise intentionally avail itself of the California market through
7 the advertising, marketing, and sale of goods and services, to render the exercise of jurisdiction
8 over it by the California court consistent with traditional notions of fair play and substantial
9 justice.

10 15. Venue is proper in this judicial district pursuant to Code of Civil Procedure §
11 393(a) because it is a law enforcement action for the recovery of civil penalties under PAGA.
12 Defendant has employed numerous therapists in this County, transacts business in this County,
13 and some of the events complained of in this Complaint occurred in this County.

14 **THE PARTIES**

15 16. Plaintiff brings this law enforcement action on behalf of the State of California
16 and Aggrieved Employees. Plaintiff and the Aggrieved Employees as set forth herein are
17 therapists currently and/or formerly employed by Defendants, but misclassified as independent
18 contractors rather than employees.

19 17. Plaintiff, Hannah Bernstein, resides in California and currently works for
20 Defendants as a therapist.

21 18. Defendant Compile, Inc., d/b/a BetterHelp, Inc., is and at all relevant times has
22 been engaged in the business of providing therapy to patients in the State of California. Defendant
23 Compile, Inc. provides therapy and employs numerous therapists (misclassified as independent
24 contractors) in this Judicial District.

25 19. Defendant BetterHelp, Inc. is and at all relevant times has been engaged in the
26 business of providing therapy to patients in the State of California. Defendant BetterHelp, Inc.
27 provides therapy to patients and employs numerous therapists (misclassified as independent
28 contractors) in this Judicial District.

1 **FACTUAL ALLEGATIONS**

2 **A. Defendants hire therapists to provide patients with online therapy.**

3 20. Founded in 2013, BetterHelp is a mental healthcare company in the business of
4 treating patients who subscribe to its online services for counseling and therapy. BetterHelp
5 recruits and hires therapists to carry out its business as “the world’s largest provider of therapy
6 services online.”¹

7 21. Defendants advertise the breadth of mental health conditions and challenges they
8 are equipped to treat, including but not limited to, depression, anxiety, grief, panic, anger, abuse,
9 parenting challenges, relationship issues, emotional regulation, panic disorder, eating disorders,
10 and trauma.²

11 22. Furthermore, Defendants offer their patients and subscribers a range of therapeutic
12 modalities to treat their mental health conditions and challenges, including family therapy,
13 cognitive behavior therapy, solution-focused brief therapy, narrative therapy, dialectical
14 behavioral therapy, person-centered therapy, interpersonal psychotherapy, mindfulness-based
15 cognitive therapy, emotionally focused therapy, acceptance and commitment therapy, talk
16 therapy, eating disorder therapy, couples therapy, and humanistic therapy.³

17 23. While Defendants market themselves as “100 percent online”⁴ with more than
18 30,000 active therapists treating more than five million people, Defendants refuse to acknowledge
19 that their therapists are actual employees under California law.⁵

20
21 **B. Defendants willfully misclassify their therapists as independent contractors.**

22 24. Despite labeling their therapists as independent contractors, Defendants cannot
23 sustain their burden of demonstrating that their therapists are independent contractors instead of
24 employees under California Labor Code § 2775. Under California Labor Code § 2775,
25 Defendants must demonstrate their therapists are (1) free from their control and direction in
26

27 ¹ Available at <https://www.betterhelp.com/online-therapy/> (last visited January 1, 2025)

28 ² Available at <https://www.betterhelp.com/online-therapy/> (last visited January 1, 2025)

³ *Id.*

⁴ Available at <https://www.betterhelp.com/faq/> (last visited January 1, 2025)

⁵ Available at <https://www.betterhelp.com/about/> (last visited January 1, 2025)

1 connection with the performance of the work, both under the contract for the performance of the
2 work and in fact; (2) that their therapists perform work that is outside the usual course of
3 Defendants' business; and (3) that their therapists are customarily engaged in an independently
4 established trade, occupation, or business of the same nature as that involved in the work
5 performed. Here, Defendants cannot demonstrate any of the above with respect to their therapists.

6 25. First, Defendants exercise direct and indirect control over the way therapists
7 perform their job duties and the terms and conditions of their work. Defendants' control over
8 their therapists includes, but is not limited to, the following:

- 9 i. Defendants decide which clients therapists are assigned and permitted to work
10 with;
- 11 ii. Defendants control how therapists must use and interface with the BetterHelp
12 platform;
- 13 iii. Defendants exercise control over the non-negotiable, standardized wage scale and
14 pay policies used to compensate therapists, including the required tasks for which
15 they are compensated and those for which they are not compensated;
- 16 iv. Defendants place strict limitations on the duration of client sessions, offering only
17 30 or 45 minute options, and refusing to pay the therapists for any time spent with
18 clients over the 45 minute capped sessions;
- 19 v. Defendants further exercise control over the templates, worksheets, and equipment
20 Plaintiff and the Aggrieved Employees must use for the job;
- 21 vi. Defendants exercise control over the speech that Plaintiff and the Aggrieved
22 Employees are permitted to use, including speech concerning the terms and
23 conditions of their compensation and the specifics and logistics of the BetterHelp
24 platform they are required to use;
- 25 vii. Defendants exercise control over who the Plaintiff and Aggrieved Employees can
26 provide therapy services to both during their employment with Defendants as well
27 as for a year after termination of their contract with Defendants. Among other
28 things, Defendants prohibit Plaintiff and the Aggrieved Employees from providing

- 1 services independently from BetterHelp to clients in the same class of business
2 offered by BetterHelp and prohibit them from marketing their own services to such
3 clients or potential clients for a similar service to what BetterHelp may provide—
4 *i.e.*, Defendants materially restrict and control the ability of Plaintiff and
5 Aggrieved Employees to engage in a business that is independent from BetterHelp;
- 6 viii. Defendants insert themselves into the patient-therapist relationship by prohibiting
7 therapists from contacting clients for therapy outside the BetterHelp platform
8 “unless absolutely clinically necessary” as “determined at the sole discretion of
9 the Betterhelp clinical team” and BetterHelp assesses penalties for noncompliance,
10 including termination and withholding “any payments owed or due” to therapists
11 in the “Company’s sole discretion;”
- 12 ix. Defendants require their therapists to maintain their professional licensures in
13 good standing and they provide their therapists with continuing education units so
14 that they can meet their licensure requirements;⁶ and,
- 15 x. Defendants maintain policies regarding response times for client messages that
16 therapists must adhere to and penalties for noncompliance, including warnings and
17 potential suspension;
- 18 xi. Defendants retain the right to assign, reassign, disqualify, suspend, and terminate
19 the employment of their therapists.
- 20 26. Second, the work performed by the Aggrieved Employees is within the usual
21 course of business of Defendants. Defendants are in the business of providing online therapy
22 services to patients. In fact, Defendants’ business as an online provider of therapy services is
23 evidenced by the following:
- 24 i. BetterHelp markets itself to patients and potential patients as a business that
25 provides “accessible and affordable” mental healthcare to patients “anytime,
26 anywhere” and it actively seeks out patients;⁷
- 27 ii. Patients pay BetterHelp for therapy and mental healthcare;
- 28

⁶ Available at https://www.betterhelp.com/counselor_application/ (last visited December 5, 2024)

⁷ Available at <https://www.betterhelp.com/faq/> (last visited January 5, 2025)

- 1 iii. BetterHelp sells therapy and mental healthcare;
- 2 iv. BetterHelp represents that therapists provide therapy and mental healthcare to
- 3 patients for Betterhelp; and
- 4 v. BetterHelp screens therapists and instructs therapists on how to conduct
- 5 themselves when treating patients.

6 27. Third, the Aggrieved Employees are not engaged in a trade, occupation or business

7 that is established independently from Defendants. Rather, Defendants are engaged in the same

8 business as their therapists—providing therapy services to patients who subscribe to BetterHelp.⁸

9 **C. Defendants require the Aggrieved Employees to agree in writing not to**

10 **discuss their compensation or mechanics of the BetterHelp platform.**

11 28. Defendants required and continued to require Plaintiff and Aggrieved Employee

12 to agree in writing that they will not discuss the specifics and logistics of their interactions with

13 the BetterHelp platform, including but not limited to, payments terms and mechanisms, without

14 the express written approval from Defendants.

15 29. Defendants’ terms and conditions for their therapists have required that the

16 therapists “will not discuss the specifics and logistics of his/her interactions within the Platform,

17 including, but not limited to, payment terms and mechanisms, without express written approval

18 from the Company.”

19 30. California Labor Code §§ 1197.5(j) and 232 prevent employers from requiring as

20 a condition of employment that “an employee refrain from disclosing the amount of his or her

21 wages” and/or require an employee “to sign a waiver or other document that purports to deny the

22 employee the right to disclose the amount of his or her wages.”

23 31. Defendants’ terms and conditions explicitly prohibit speech discussing wages,

24 payment terms, and mechanisms in violation of California Labor Code §§ 1197.5(j) and 232.

25 32. Furthermore, California Labor Code § 432.5 prohibits an employer from requiring

26 an employee to agree in writing to a term or condition that the employer knows is prohibited by

27 law.

28

⁸ Available at <https://www.betterhelp.com/about/> (last visited December 5, 2024)

1 33. Defendants have known that their written prohibition on discussing wages violated
2 the California Labor Code, yet they have included and continue to include the illegal term and
3 condition in their employment agreements with therapists.

4 **D. Defendants have required the Aggrieved Employees to agree in writing to an**
5 **unlawful non-compete clause.**

6 34. Defendants have implemented unlawful non-compete provisions in their
7 standardized, written agreements with Plaintiff and Aggrieved Employees.

8 35. In fact, Defendants have required and continue to require Aggrieved Employees
9 to agree in writing that they “will not, in any manner whatsoever, during the term of this
10 Agreement, and for a period of one (1) year following the date of termination of this Agreement
11 directly or indirectly, on its own behalf or on behalf of or in association with any other person or
12 entity: solicit, accept business, or attempt to induce, encourage, or entice any actual or prospective
13 clients or members of the Company who Contractor personally contacted or provided Provider
14 Services to, or about which the Contractor became aware of and/or received Confidential
15 Information about, for the purpose of: (i) materially interfering with the Company’s business as
16 currently conducted; (ii) doing business with such clients or members in the same class of business
17 offered by the Company; or (iii) marketing similar services provided by the Company to any such
18 actual or prospective clients or members.”

19 36. Defendants’ broad non-compete clause severely restricts and/or prohibits
20 Plaintiff’s and Aggrieved Employees’ ability to provide mental healthcare to patients
21 independently from BetterHelp, even after termination of their employment with Defendants.
22 Among other things, Defendants significantly limit the freedom of Plaintiff and Aggrieved
23 Employees to treat patients, work with other organizations and businesses, and market their
24 counseling and therapy services to patients if it is in the same class of business as BetterHelp.

25 37. These restrictions can have a detrimental impact on the individuals who have
26 trusted BetterHelp with their mental health care. By prohibiting their therapists from continuing
27 to work with individuals independently from the BetterHelp platform, Defendants disrupt the
28 continuity of services they purport to offer to the public. Defendants have put their own business

1 interests over the wellbeing of the individuals who have entrusted BetterHelp to provide ethical
2 and safe therapy services.

3 38. This non-compete clause also violates California Business and Professions Code
4 § 16600, which provides that “every contract by which anyone is restrained from engaging in a
5 lawful profession, trade, or business of any kind is to that extent void.” It also violated California
6 Business and Professions Code § 16600.1(a), which further provides: “It shall be unlawful to
7 include a noncompete clause in an employment contract, or to require an employee to enter a
8 noncompete agreement, that does not satisfy an exception in this chapter.”

9 39. California Business and Professions Code § 16600.1(b)(1) also provides: “For
10 current employees, and for former employees who were employed after January 1, 2022, whose
11 contracts include a noncompete clause, or who were required to enter a noncompete agreement,
12 that does not satisfy an exception to this chapter, the employer shall, by February 14, 2024, notify
13 the employee that the noncompete clause or noncompete agreement is void.”

14 40. Defendants have failed to notify Plaintiff and Aggrieved Employees that the non-
15 compete clause in their employment agreements is void. To the contrary, Defendants continue to
16 include it in the terms and conditions agreement they require their therapists to abide.

17 **E. Defendants fail to pay therapists for all hours worked and reimburse them**
18 **for expenditures they incur on the job.**

19 41. Defendants have and continue to routinely require and/or suffer and permit
20 Plaintiff and the Aggrieved Employees to regularly work-off-the-clock.

21 42. For example, Defendants’ policy has been to pay their therapists and similarly
22 situated individuals by the hour for patient sessions, but to cap the compensable time at 45 minutes
23 per session. This cap applies no matter how long the session actually takes or needs to take for
24 the therapists to properly serve the individuals seeking therapy.

25 43. As a matter of policy, Defendants also do not pay Plaintiff and Aggrieved
26 Employees for any of the numerous hours they regularly need to spend preparing for sessions,
27 documenting and note taking after sessions, communicating with patients outside the session time,
28 and . Nor do Defendants pay Plaintiff and Aggrieved Employees for their administrative work,

1 such as trouble shooting Defendant's software, working with Defendant's tech support, and
2 researching issues pertaining to the patients Defendants assign to them.

3 44. Plaintiff and the Aggrieved Employees have worked and continue to work off-the-
4 clock on a routine basis.

5 45. Furthermore, when Plaintiff and the Aggrieved Employees work over 8 hours in a
6 workday and/or over 40 hours in the workweek Defendants fail to pay them overtime wages.
7 Defendants also do not pay earned wages and at least all wages owed for the off-the-clock work
8 performed by their therapists.

9 46. In addition, Defendants have consistently failed to reimburse Plaintiff and
10 Aggrieved Employees for expenditures they have incurred to carry out their job functions,
11 including computer costs and internet fees required to access the BetterHelp platform, insurance,
12 and indemnification for third party claims. This is an ongoing violation of Labor Code § 2802.

13 **F. Defendants knowingly and intentionally do not provide itemized wage**
14 **statements and do not timely pay all wages owed.**

15 47. By willfully misclassifying their therapists as independent contractors and
16 deliberately constructing a pay policy that does not pay them for all hours worked, Defendants
17 have knowingly, intentionally, and willfully devised a pay policy that does not produce accurate,
18 itemized wage statements in accordance with Labor Code § 226.

19 48. Defendants knowingly and intentionally do not provide itemized wage statements
20 to their therapists. Defendants also do not truthfully and accurately inform the therapist of the
21 gross wages actually earned, the total hours actually worked, all deductions, net wages actually
22 earned, and the actual hourly rates in effect during the pay period and the corresponding number
23 of actual hours worked at each hourly rate by the employee.

24 49. Plaintiff and Aggrieved Employees cannot promptly and easily determine alone
25 from the information provided by Defendants (if any) their accurate gross wages earned, total
26 hours worked, all deductions, net wages earned, the actual hourly rates in effect during the pay
27 period and the corresponding actual number of hours worked at each hourly rate by the employee.

28 50. By willfully misclassifying their therapists as independent contractors and
deliberately constructing a pay policy that does not pay them for all hours worked, Defendants

1 also have willfully and intentionally devised a pay policy that does not compensate Plaintiff and
2 other Aggrieved Employees all earned wages at least twice during each calendar month, on days
3 designated in advance by Defendants as the regular paydays, in violation of California Labor
4 Code § 204.

5 51. By willfully misclassifying their therapists as independent contractors and
6 deliberately constructing a pay policy that does not pay them for all hours worked, Defendants
7 also have willfully and intentionally devised a pay policy that does not compensate Aggrieved
8 Employees who have separated from their employment with Defendants, all wages (including all
9 off-the-clock and overtime wages) following said separation from employment.

10 **G. Defendants willfully disregard the responsibilities of an employer.**

11 52. Defendants knew that their therapists should be classified as employees rather than
12 independent contractors under California law and entitled to overtime, minimum wage, and the
13 other rights and benefits to which workers are entitled under the California Labor Code, California
14 Business and Professions Code, and applicable Wage Orders, as alleged herein. Defendants'
15 violations of the California Labor Code alleged herein have been knowing, willful, and
16 intentional.

17 **CAUSE OF ACTION**
18 **Statutory Penalties Pursuant to PAGA (Labor Code §§ 2698, *et seq.*)**
19 **(On behalf of All Aggrieved Employees)**

20 53. Plaintiff hereby realleges and incorporates by reference the allegations set forth
21 above as if fully set forth herein.

22 54. At all times set forth herein, the Private Attorneys General Act of 2004 (PAGA)
23 has applied to Defendants' employment of Plaintiff and the Aggrieved Employees.

24 55. At all times herein set forth, the PAGA provided that any provision of the
25 California Labor Code that provides for a civil penalty to be assessed and collected by the Labor
26 and Workforce Development Agency (LWDA) for violations of the California Labor Code may,
27 as an alternative, be recovered through a civil action brought by an Aggrieved Employee on behalf
28 of her or himself and other current or former Aggrieved Employees pursuant to procedures
outlined in California Labor Code § 2699.3.

1 56. At all times herein set forth, the PAGA provided that for reoccurring violations of
2 Labor Code provisions that do not themselves contain a civil penalty, there are established civil
3 penalties of \$100 for each Aggrieved Employee per pay period, which may be lowered to \$25 per
4 Aggrieved Employee per pay period for certain violations of Labor Code § 226, and \$200 for
5 each Aggrieved Employee per pay period for violations shown to be malicious, fraudulent, or
6 oppressive. Cal. Lab. C. § 2699(f).

7 57. Plaintiff was employed by Defendants and the violations alleged herein were
8 committed against her during her time of employment and she is, therefore, an Aggrieved
9 Employee. Plaintiff and other employees are “Aggrieved Employees” as defined by California
10 Labor Code § 2699(c) in that they are all current or former employees of Defendants who have
11 personally suffered the violations alleged herein, as they are caused by Defendants’ standardized
12 form agreement and uniform compensation policies that apply to all Aggrieved Employees.

13 58. Plaintiff has fulfilled the filing requirements of California Labor Code § 2699.3 to
14 bring this law enforcement action for civil penalties and injunctive relief under California Labor
15 Code § 2699(a) and (f). On November 6, 2024, Plaintiff provided written notice online to the
16 LWDA and by certified mail to Defendants of the specific provisions of the California Labor
17 Code alleged to have been violated, including the facts and theories to support the alleged
18 violations. It has been more than 65 days since Plaintiff submitted her written notice, and the
19 LWDA has not provided notice of its intent to investigate. Accordingly, Plaintiff has satisfied the
20 administrative prerequisites under California Labor Code § 2699.3(a) to recover civil penalties
21 against Defendants for violations of California Labor Code stated above.

22 59. As a proxy of the State of California and on behalf of the Aggrieved Employees,
23 Plaintiff is entitled to recover civil penalties for the State of California and the Aggrieved
24 Employees for Defendants’ violations of the Labor Code during the applicable limitations period
25 in the following amounts:

- 26 i. For violations of California Labor Code §§ 226.8 for willfully misclassifying an
27 individual as an independent contractor, not less than five thousand dollars
28 (\$5,000) and not more than fifteen thousand dollars (\$15,000) for each violation,

1 or ten thousand dollars (\$10,000) and not more than twenty-five thousand dollars
2 (\$25,000) for a pattern or practice of these violations for each violation (penalty
3 amounts established by California Labor Code § 226.8(b) and (c));

4 ii. For violations of California Labor Code §§ 221-223 for unlawfully withholding
5 wages, one hundred dollars (\$100.00) for each Aggrieved Employee for each
6 initial violation and two hundred dollars (\$200.00) for each Aggrieved Employee
7 for each subsequent or willful violation, plus 25 percent of the amount unlawfully
8 withheld (penalty amounts established by California Labor Code § 225.5);

9 iii. For violations of California Labor Code §§ 1182.12 and 1197 for failure to pay
10 minimum wages, one hundred dollars (\$100.00) for each Aggrieved Employee
11 per pay period for each initial violation and two hundred dollars and fifty
12 (\$250.00) for each Aggrieved Employee per pay period for each subsequent
13 violation regardless of whether the initial violation is intentionally committed
14 (penalty amounts established by California Labor Code § 1197.1);

15 iv. For violations of California Labor Code §§ 510 and 1198 for failure to pay
16 premium overtime compensation, including unpaid overtime resulting from
17 performing off-the-clock work, fifty dollars (\$50.00) for each Aggrieved
18 Employee for each initial violation for each pay period for which the employee
19 was underpaid and one hundred dollars (\$100.00) for each underpaid employee
20 for each pay period for which the employee was underpaid (penalty amounts
21 established by California Labor Code § 558);

22 v. For violations of California Labor Code § 1174 for failure to keep accurate payroll
23 records, five hundred dollars (\$500.00) for each of Defendants' violations in
24 addition to any other penalties or fines permitted by law (penalty amounts
25 established by California Labor Code § 1174.5);

26 vi. For violations of California Labor Code § 226 for knowingly and intentionally
27 failing to furnish wage statements, one hundred dollars (\$100) for each Aggrieved
28 Employee per pay period, as Defendants did not provide itemized payroll

1 statements. Alternatively, if Defendants are determined to have provided wage
2 statements, then Plaintiff seeks civil penalties for such statements being
3 inaccurate and incomplete, in the amount of twenty-five dollars (\$25) for each
4 Aggrieved Employee per pay period (penalty amounts established by California
5 Labor Code §§ 2699(f)(2)(A)(i); 226.3);

6 vii. For violations of California Labor Code § 204 for knowingly and intentionally
7 failing to timely pay all wages earned each pay period, one hundred dollars
8 (\$100.00) for each Aggrieved Employee per pay period for each initial violation
9 and two hundred dollars (\$200.00) for each Aggrieved Employee per pay period
10 for each subsequent violation, plus 25 percent of the amount unlawfully withheld
11 (penalty amounts established by California Labor Code § 210);

12 viii. For violations of California Labor Code §§ 201-203 for knowingly and
13 intentionally failing to timely pay all wages owed upon the discharge or
14 termination of an employee, a penalty up to 30 days of continued compensation
15 for each Aggrieved Employee (penalty amount established by California Labor
16 Code § 256);

17 ix. For violations of California Labor Code §§ 201-202, and 221-223 for failing to
18 pay for all hours worked, one hundred dollars (\$100.00) for each Aggrieved
19 Employee per pay period and two hundred dollars (\$200.00) for each Aggrieved
20 Employee per pay period for each violation determined to be malicious,
21 fraudulent, or oppressive (penalty amounts established by California Labor Code
22 § 2699(f)(2));

23 x. For violations of California Labor Code § 432.5 for requiring employees to agree
24 in writing to a term or condition of employment the employer knows is prohibited
25 by law, one hundred dollars (\$100.00) for each Aggrieved Employee per pay
26 period for each violation and two hundred dollars (\$200.00) for each Aggrieved
27 Employee per pay period for each violation determined to be malicious,
28

- 1 fraudulent, or oppressive (penalty amounts established by California Labor Code
2 § 2699(f)(2)); and,
- 3 xi. For violations of California Labor Code § 2802 for unreimbursed business
4 expenses, one hundred dollars (\$100.00) for each Aggrieved Employee per pay
5 period for each violation and two hundred dollars (\$200.00) for each Aggrieved
6 Employee per pay period for each violation determined to be malicious,
7 fraudulent, or oppressive (penalty amounts established by California Labor Code
8 § 2699(f)(2)); and,
- 9 xii. For violations of California Labor Code § 558 for failure to comply with IWC
10 Wage Orders, fifty dollars (\$50.00) for each underpaid employee for each initial
11 violation for each pay period for which the employee was underpaid in addition
12 to an amount sufficient to recover unpaid wages and one hundred dollars
13 (\$100.00) for each underpaid employee for each subsequent violation for each
14 pay period for which the employee was underpaid in addition to an amount
15 sufficient to recover underpaid wages (penalty amounts established by California
16 Labor Code § 558);
- 17 60. Pursuant to California Labor Code § 2699(e) and (k)(1), Plaintiff, on behalf of the
18 State of California and other Aggrieved Employees, seeks injunctive relief enjoining Defendants
19 as follows:
- 20 i. Reclassify Plaintiff and Aggrieved Employees as employees rather than
21 independent contractors and provide them with all rights and safeguards afforded
22 by the California Labor Code, IWC Wage Orders, and other applicable laws and/or
23 permit them to freely negotiate their pay scales and terms of compensation
24 independently from Defendants' form agreement and provide their services
25 independently from the operational control by Defendants alleged herein;
- 26 ii. Cease and desist their unlawful policy of requiring Plaintiff and Aggrieved
27 Employees to agree in writing to non-compete provisions;
- 28 iii. Cease and desist their unlawful policy of requiring Plaintiff and Aggrieved

1 Employees to agree in writing that they will not discuss their payment terms and
2 details or logistics of the BetterHelp platform with others;

3 iv. Compensate Plaintiff and Aggrieved Employees for all time spent on work tasks
4 at no less than their regular hourly rate, including but not limited to, all time spent
5 on sessions with patients, all time spent preparing for and documenting sessions,
6 all time communicating with patients and/or Defendants, and all time spent on
7 administrative tasks;

8 v. Timely compensate Plaintiff and Aggrieved Employees all earned wages twice
9 during each calendar month, on days designated in advance by Defendants as
10 regular paydays;

11 vi. Provide Plaintiff and Aggrieved Employees with accurate, itemized wage
12 statements in accordance with Labor Code § 226, including wage statements that
13 accurately state the gross wages earned, total hours worked, all deductions, net
14 wages earned, and “all applicable hourly rates in effect during the pay period and
15 the corresponding number of hours worked at each hourly rate by the employee;”
16 and,

17 vii. Pay all earned and unpaid wages due to Aggrieved Employees immediately upon
18 discharge if the discharge is involuntary and within 72 hours of discharge if it is
19 voluntary, in accordance with Labor Code § 201-202.

20 61. Pursuant to California Labor Code § 2699(g), Plaintiff, on behalf of the State of
21 California and the other Aggrieved Employees, is entitled to an award of reasonable attorneys’
22 fees and costs.

23 **PRAYER FOR RELIEF**

24 WHEREFORE, Plaintiff, on behalf of the State of California and the Aggrieved
25 Employees, request the following relief:

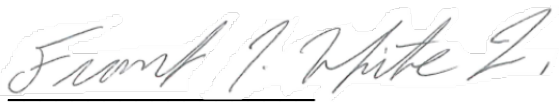
- 26 a) That the Court find that Defendants have been in violation of California Labor
27 Code §§ 201-204, 210, 221-223, 226, 226.8, 232, 432.5, 510, 512, 558, 1174,
28 1182.12, 1197, 1198, 1197.5(j), and 2802;
- b) That the Court award the injunctive relief described above;

- 1 c) That the Court enjoin Defendants from future violations of the California Labor
2 Code and order an audit and accounting of payroll records to determine the
3 amount of restitution of all unpaid wages owed to Plaintiff and other Aggrieved
4 Employees;
- 5 d) That the Court award to Plaintiff and the Aggrieved Employees civil penalties as
6 provided herein, including but not limited to Labor Code §§ 210, 225.5, 226.3,
7 226.8, 256, 558, 1174.5, 1197.1, 2699(f);
- 8 e) That the Court award prejudgment interest under Cal Civ. C. § 3287, and other
9 applicable law;
- 10 f) That Plaintiff be awarded reasonable attorneys' fees and costs pursuant to Labor
11 Code § 2699(g)(1), Code of Civil Procedure § 1021.5, and/or other applicable
12 law;
- 13 g) That the Court award any and all other applicable civil or statutory penalties, as
14 provided by law; and
- 15 h) For such other and further relief as this Court deems just and proper.

16 Respectfully submitted,

17 DATED: January 30, 2025

18 **SCHNEIDER WALLACE**
19 **COTTRELL KONECKY**

20
21 By: 
22 Frank J. White Jr.
23 Attorneys for Plaintiff
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