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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ORANGE

JEREMIAH COSTELLO and ALICIA CALVERT,
individuals, on behalf of themselves and on behalf of
all persons similarly situated, and on behalf of the State
of California, as private attorney generals,

Plaintiffs,

vs.

SHC SERVICES, INC., a corporation; and DOES 1
through 50, inclusive,

Defendants.

Case No. 30-2024-01409847-CU-OE-CXC

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

1. Unfair Competition in Violation of Cal. Bus. & Prof. Code §§ 17200;
2. Failure to Pay Minimum Wages in Violation of Cal. Lab. Code §§ 1194, 1197 & 1197.1;
3. Failure to Pay Overtime Wages in Violation of Cal. Lab. Code § 510;
4. Failure to Provide Required Meal Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 and the Applicable IWC Wage Order;
5. Failure to Provide Required Rest Periods in Violation of Cal. Lab. Code §§ 226.7 & 512 and the Applicable IWC Wage Order;
6. Failure to Provide Accurate Itemized Statements in Violation of Cal. Lab. Code § 226;
7. Failure to Reimburse Employees for Required Expenses in Violation of Cal. Lab. Code § 2802;
8. Failure to Provide Wages When Due in Violation of Cal. Lab. Code §§ 201, 202 and 203;
9. Failure to Pay Sick Pay Wages in Violation of Cal. Lab. Code §§ 201-203, 233, 246; and
10. Civil Penalties Pursuant to Labor Code § 2699, *et seq.* for violations of Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2100 *et seq.*, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1070(14) (Failure to Provide Seating), and the applicable Wage Order(s).

Demand for a Jury Trial

Jeremiah Costello and Alicia Calvert (“PLAINTIFFS”), individuals, on behalf of themselves and on behalf of all other similarly situated current and former employees allege on information and belief, except for their own acts and knowledge which are based on personal knowledge, the following.

THE PARTIES

1. SHC Services, Inc. (“DEFENDANT”) is a corporation that at all relevant times mentioned herein conducted and continues to conduct substantial business in California.

2. DEFENDANT provides healthcare services in California.

3. Plaintiff Costello was employed by DEFENDANT in California from December of 2022 to April of 2024. Plaintiff Costello was at all times classified by DEFENDANT as a non-exempt employee, paid on an hourly basis, and entitled to the legally required meal and rest periods and payment of minimum and overtime wages due for all time worked.

4. Plaintiff Calvert was employed by DEFENDANT in California from March 11, 2024 to April 1, 2024. Plaintiff Calvert was at all times classified by DEFENDANT as a non-exempt employee, paid on an hourly basis, and entitled to the legally required meal and rest periods and payment of minimum and overtime wages due for all time worked.

5. PLAINTIFFS bring this Class Action on behalf of themselves and an External California class, defined as all of SHC Services, Inc.’s non-exempt clinician employees who worked assignments for SHC Services, Inc. in California (the “EXTERNAL CLASS”) from February 8, 2022 through April 6, 2025 (the “EXTERNAL CLASS PERIOD”). PLAINTIFFS further bring this Class Action on behalf of themselves and an Internal California Class, defined as all of SHC Services, Inc.’s exempt recruiter employees who worked in California (the “INTERNAL CLASS”) from June 26, 2020 through April 6, 2025 (the “INTERNAL CLASS PERIOD”) (collectively, with the EXTERNAL CLASS, the “CALIFORNIA CLASS”).

6. PLAINTIFFS bring this Class Action on behalf of themselves and a CALIFORNIA CLASS in order to fully compensate the CALIFORNIA CLASS for their losses incurred during the CALIFORNIA CLASS PERIOD caused by DEFENDANT's policy and

1 practice which failed to lawfully compensate these employees. DEFENDANT's policy and
2 practice alleged herein was an unlawful, unfair and deceptive business practice whereby
3 DEFENDANT retained and continues to retain wages due to PLAINTIFFS and the other
4 members of the CALIFORNIA CLASS. PLAINTIFFS and the other members of the
5 CALIFORNIA CLASS seek an injunction enjoining such conduct by DEFENDANT in the
6 future, relief for the named PLAINTIFFS and the other members of the CALIFORNIA CLASS
7 who have been economically injured by DEFENDANT's past and current unlawful conduct,
8 and all other appropriate legal and equitable relief.

9 7. The true names and capacities, whether individual, corporate, subsidiary,
10 partnership, associate or otherwise of defendants DOES 1 through 50, inclusive, are presently
11 unknown to PLAINTIFFS who therefore sue these Defendants by such fictitious names
12 pursuant to Cal. Civ. Proc. Code § 474. PLAINTIFFS will seek leave to amend this Complaint
13 to allege the true names and capacities of Does 1 through 50, inclusive, when they are
14 ascertained. PLAINTIFFS are informed and believe, and based upon that information and
15 belief alleges, that the Defendants named in this Complaint, including DOES 1 through 50,
16 inclusive, are responsible in some manner for one or more of the events and happenings that
17 proximately caused the injuries and damages hereinafter alleged.

18 8. The agents, servants and/or employees of the Defendants and each of them acting
19 on behalf of the Defendants acted within the course and scope of his, her or its authority as the
20 agent, servant and/or employee of the Defendants, and personally participated in the conduct
21 alleged herein on behalf of the Defendants with respect to the conduct alleged herein.
22 Consequently, the acts of each Defendant are legally attributable to the other Defendants and
23 all Defendants are jointly and severally liable to PLAINTIFFS and the other members of the
24 CALIFORNIA CLASS, for the loss sustained as a proximate result of the conduct of the
25 Defendants' agents, servants and/or employees.

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THE CONDUCT

9. Pursuant to the Industrial Welfare Commission Wage Orders, DEFENDANT was required to pay PLAINTIFFS and CALIFORNIA CLASS Members for all their time worked, meaning the time during which an employee is subject to the control of an employer, including all the time the employee is suffered or permitted to work. DEFENDANT requires PLAINTIFFS and CALIFORNIA CLASS Members to work without paying them for all the time they are under DEFENDANT's control. Among other things, DEFENDANT requires PLAINTIFFS to work while clocked out during what is supposed to be PLAINTIFFS' off-duty meal break. PLAINTIFFS were from time to time interrupted by work assignments while clocked out for what should have been PLAINTIFFS' off-duty meal break. DEFENDANT, as a matter of established company policy and procedure, administers a uniform practice of rounding the actual time worked and recorded by PLAINTIFFS and CALIFORNIA CLASS Members, always to the benefit of DEFENDANT, so that during the course of their employment, PLAINTIFFS and CALIFORNIA CLASS Members are paid less than they would have been paid had they been paid for actual recorded time rather than "rounded" time. Additionally, DEFENDANT engages in the practice of requiring PLAINTIFFS and CALIFORNIA CLASS Members to perform work off the clock in that DEFENDANT, as a condition of employment, required these employees to submit to mandatory temperature checks and symptom questionnaires for COVID-19 screening prior to clocking into DEFENDANT's timekeeping system for the workday. As a result, PLAINTIFFS and other CALIFORNIA CLASS Members forfeit minimum wage, overtime wage compensation, and off-duty meal breaks by working without their time being correctly recorded and without compensation at the applicable rates. DEFENDANT's policy and practice not to pay PLAINTIFFS and other CALIFORNIA CLASS Members for all time worked, is evidenced by DEFENDANT's business records.

10. State and federal law provides that employees must be paid overtime and meal and rest break premiums at one-and-one-half times their "regular rate of pay." PLAINTIFFS and

1 other CALIFORNIA CLASS Members are compensated at an hourly rate plus incentive pay that
2 is tied to specific elements of an employee's performance.

3 11. The second component of PLAINTIFFS' and other CALIFORNIA CLASS
4 Members' compensation is DEFENDANT's non-discretionary incentive program that paid
5 PLAINTIFFS and other CALIFORNIA CLASS Members incentive wages based on their
6 performance for DEFENDANT. The non-discretionary incentive program provided all
7 employees paid on an hourly basis with incentive compensation when the employees met the
8 various performance goals set by DEFENDANT. However, when calculating the regular rate
9 of pay in order to pay overtime and meal and rest break premiums to PLAINTIFFS and other
10 CALIFORNIA CLASS Members, DEFENDANT failed to include the incentive compensation
11 as part of the employees' "regular rate of pay" for purposes of calculating overtime pay and
12 meal and rest break premium pay. Management and supervisors described the incentive
13 program to potential and new employees as part of the compensation package. As a matter of
14 law, the incentive compensation received by PLAINTIFFS and other CALIFORNIA CLASS
15 Members must be included in the "regular rate of pay." The failure to do so has resulted in a
16 underpayment of overtime compensation and meal and rest break premiums to PLAINTIFFS
17 and other CALIFORNIA CLASS Members by DEFENDANT.

18 12. As a result of their rigorous work schedules, PLAINTIFFS and other
19 CALIFORNIA CLASS Members were from time to time unable to take thirty (30) minute off
20 duty meal breaks and were not fully relieved of duty for their meal periods. PLAINTIFFS and
21 other CALIFORNIA CLASS Members were required from time to time to perform work as
22 ordered by DEFENDANT for more than five (5) hours during some shifts without receiving a
23 meal break. Further, DEFENDANT from time to time failed to provide PLAINTIFFS and
24 CALIFORNIA CLASS Members with a second off-duty meal period for some workdays in
25 which these employees were required by DEFENDANT to work ten (10) hours of work.
26 DEFENDANT also engaged in the practice of rounding the meal period times to avoid paying
27 penalties to PLAINTIFFS and other CALIFORNIA CLASS Members. PLAINTIFFS and other
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1 members of the CALIFORNIA CLASS therefore forfeit meal breaks without additional
2 compensation and in accordance with DEFENDANT's corporate policy and practice.

3 13. During the CALIFORNIA CLASS PERIOD, PLAINTIFFS and other
4 CALIFORNIA CLASS Members were also required from time to time to work in excess of four
5 (4) hours without being provided ten (10) minute rest periods. Further, these employees were
6 denied their first rest periods of at least ten (10) minutes for some shifts worked of at least two
7 (2) to four (4) hours from time to time, a first and second rest period of at least ten (10) minutes
8 for some shifts worked of between six (6) and eight (8) hours from time to time, and a first,
9 second and third rest period of at least ten (10) minutes for some shifts worked of ten (10) hours
10 or more from time to time. PLAINTIFFS and other CALIFORNIA CLASS Members were also
11 not provided with one hour wages in lieu thereof. Additionally, the applicable California Wage
12 Order requires employers to provide employees with off-duty rest periods, which the California
13 Supreme Court defined as time during which an employee is relieved from all work related
14 duties and free from employer control. In so doing, the Court held that the requirement under
15 California law that employers authorize and permit all employees to take rest period means that
16 employers must relieve employees of all duties and relinquish control over how employees
17 spend their time which includes control over the locations where employees may take their rest
18 period. Employers cannot impose controls that prohibit an employee from taking a brief walk -
19 five minutes out, five minutes back. Here, DEFENDANT's policy restricted PLAINTIFFS and
20 other CALIFORNIA CLASS Members from unconstrained walks and is unlawful based on
21 DEFENDANT's rule which states PLAINTIFFS and other CALIFORNIA CLASS Members
22 cannot leave the work premises during their rest period.

23 14. During the CALIFORNIA CLASS PERIOD, DEFENDANT failed to accurately
24 record and pay PLAINTIFFS and other CALIFORNIA CLASS Members for the actual amount
25 of time these employees worked. Pursuant to the Industrial Welfare Commission Wage Orders,
26 DEFENDANT was required to pay PLAINTIFFS and other CALIFORNIA CLASS Members
27 for all time worked, meaning the time during which an employee was subject to the control of
28 an employer, including all the time the employee was permitted or suffered to permit this work.

1 DEFENDANT required these employees to work off the clock without paying them for all the
2 time they were under DEFENDANT's control. As such, DEFENDANT knew or should have
3 known that PLAINTIFFS and the other members of the CALIFORNIA CLASS were under
4 compensated for all time worked. As a result, PLAINTIFFS and other CALIFORNIA CLASS
5 Members forfeited time worked by working without their time being accurately recorded and
6 without compensation at the applicable minimum wage and overtime wage rates. To the extent
7 that the time worked off the clock does not qualify for overtime premium payment,
8 DEFENDANT fails to pay minimum wages for the time worked off-the-clock in violation of
9 Cal. Lab. Code §§ 1194, 1197, and 1197.1.

10 15. From time to time, DEFENDANT also failed to provide PLAINTIFFS and the
11 other members of the CALIFORNIA CLASS with complete and accurate wage statements
12 which failed to show, among other things, the correct gross and net wages earned. Cal. Lab.
13 Code § 226 provides that every employer shall furnish each of his or her employees with an
14 accurate itemized wage statement in writing showing, among other things, gross wages earned
15 and all applicable hourly rates in effect during the pay period and the corresponding amount of
16 time worked at each hourly rate. PLAINTIFFS and CALIFORNIA CLASS Members were paid
17 on an hourly basis. As such, the wage statements should reflect all applicable hourly rates
18 during the pay period and the total hours worked, and the applicable pay period in which the
19 wages were earned pursuant to California Labor Code Section 226(a). The wage statements
20 DEFENDANT provided to PLAINTIFFS and other CALIFORNIA CLASS Members failed to
21 identify such information. More specifically, the wage statements failed to identify the accurate
22 total hours worked each pay period. When the hours shown on the wage statements were added
23 up, they did not equal the actual total hours worked during the pay period in violation of Cal.
24 Lab. Code 226(a)(2). Aside, from the violations listed above in this paragraph, DEFENDANT
25 failed to issue to PLAINTIFFS an itemized wage statement that lists all the requirements under
26 California Labor Code 226. As a result, DEFENDANT from time to time provided
27 PLAINTIFFS and the other members of the CALIFORNIA CLASS with wage statements
28 which violated Cal. Lab. Code § 226.

1 16. DEFENDANT underpaid sick pay wages to PLAINTIFFS and other
2 CALIFORNIA CLASS Members by failing to pay such wages at the regular rate of pay in
3 violation of Cal. Lab. Code Section 246. Specifically, PLAINTIFFS and other non-exempt
4 employees earn non-discretionary remuneration. Rather than pay sick pay at the regular rate of
5 pay, DEFENDANT underpaid sick pay to PLAINTIFFS and other CALIFORNIA CLASS
6 Members at their base rates of pay.

7 17. Cal. Lab. Code Section 246(l)(2) requires that paid sick time for nonexempt
8 employees be calculated by dividing the employee's total wages, not including overtime
9 premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days
10 of employment.

11 18. DEFENDANT violated Cal. Lab. Code Section 246 by failing to pay sick pay at
12 the regular rate of pay. PLAINTIFFS and CALIFORNIA CLASS Members routinely earned
13 non-discretionary incentive wages which increased their regular rate of pay. However, when
14 sick pay was paid, it was paid at the base rate of pay for PLAINTIFFS and members of the
15 CALIFORNIA CLASS, as opposed to the correct, higher regular rate of pay, as required under
16 Cal. Lab. Code Section 246.

17 19. As a pattern and practice, DEFENDANT regularly failed to pay PLAINTIFFS and
18 other members of the CALIFORNIA CLASS their correct wages and accordingly owe waiting
19 time penalties pursuant to Cal. Lab. Code Section 203. Further, PLAINTIFFS ARE informed
20 and believes and based thereon alleges that such failure to pay sick pay at regular rate was
21 willful, such that PLAINTIFFS and members of the CALIFORNIA CLASS whose employment
22 has separated are entitled to waiting time penalties pursuant to Cal. Lab. Code Sections 201-
23 203.

24 20. Pursuant to Cal. Lab. Code Section 221, "It shall be unlawful for any employer
25 to collect or receive from an employee any part of wages theretofore paid by said employer to
26 said employee." DEFENDANT failed to pay all compensation due to PLAINTIFFS and other
27 CALIFORNIA LABOR SUB-CLASS Members, made unlawful deductions from compensation
28 payable to PLAINTIFFS and CALIFORNIA LABOR SUB-CLASS Members, failed to disclose

1 all aspects of the deductions from compensation payable to PLAINTIFFS and CALIFORNIA
2 LABOR SUB-CLASS Members, and thereby failed to pay these employees all wages due at
3 each applicable pay period and upon termination. PLAINTIFFS and members of the
4 CALIFORNIA LABOR SUB-CLASS seek recovery of all illegal deductions from wages
5 according to proof, related penalties, interest, attorney fees and costs.

6 21. DEFENDANT intentionally and knowingly failed to reimburse and indemnify
7 PLAINTIFFS and the other CALIFORNIA CLASS Members for required business expenses
8 incurred by the PLAINTIFFS and other CALIFORNIA CLASS Members in direct consequence
9 of discharging their duties on behalf of DEFENDANT. Under California Labor Code Section
10 2802, employers are required to indemnify employees for all expenses incurred in the course
11 and scope of their employment. Cal. Lab. Code § 2802 expressly states that "an employer shall
12 indemnify his or her employee for all necessary expenditures or losses incurred by the employee
13 in direct consequence of the discharge of his or her duties, or of his or her obedience to the
14 directions of the employer, even though unlawful, unless the employee, at the time of obeying
15 the directions, believed them to be unlawful."

16 22. In the course of their employment PLAINTIFFS and other CALIFORNIA CLASS
17 Members as a business expense, were required by DEFENDANT to use their own personal
18 cellular phones as a result of and in furtherance of their job duties as employees for
19 DEFENDANT but are not reimbursed or indemnified by DEFENDANT for the cost associated
20 with the use of their personal cellular phones for DEFENDANT's benefit. Specifically,
21 PLAINTIFFS and other CALIFORNIA CLASS Members were required by DEFENDANT to
22 use their personal cellular phones. As a result, in the course of their employment with
23 DEFENDANT, PLAINTIFFS and other members of the CALIFORNIA CLASS incurred
24 unreimbursed business expenses which included, but were not limited to, costs related to the use
25 of their personal cellular phones all on behalf of and for the benefit of DEFENDANT.

26 23. Specifically as to PLAINTIFFS, DEFENDANT failed to provide all the legally
27 required off-duty meal and rest breaks to PLAINTIFFS as required by the applicable Wage
28 Order and Labor Code and failed to pay PLAINTIFFS all minimum and overtime wages due

1 to PLAINTIFFS. DEFENDANT did not have a policy or practice which provided timely off-
2 duty meal and rest breaks to PLAINTIFFS and also failed to compensate PLAINTIFFS for
3 PLAINTIFFS' missed meal and rest breaks. The nature of the work performed by the
4 PLAINTIFFS did not prevent PLAINTIFFS from being relieved of all of PLAINTIFFS' duties
5 for the legally required off-duty meal periods. As a result, DEFENDANT's failure to provide
6 PLAINTIFFS with the legally required meal periods is evidenced by DEFENDANT's business
7 records. The amount in controversy for PLAINTIFFS individually does not exceed the sum
8 or value of \$75,000.

9 24. DEFENDANT misclassified as exempt PLAINTIFFS and all other members of
10 the INTERNAL CLASS solely on the basis of their job title and without regard to
11 DEFENDANT's realistic expectations, the actual overall requirements of the job, the hours
12 worked or the pay received by the employee. Consequently, PLAINTIFFS and the other
13 members of the INTERNAL CLASS are uniformly and systematically exempted by
14 DEFENDANT from payment of overtime wages due for overtime worked during the
15 CALIFORNIA INTERNAL CLASS PERIOD. By reason of this uniform exemption policy,
16 practice and procedure applicable to the PLAINTIFF and the other CALIFORNIA INTERNAL
17 CLASS Members who performed work for DEFENDANT, DEFENDANT committed acts of
18 unfair competition in violation of the California Unfair Competition law, Cal. Bus. & Prof.
19 Code §§ 17200, *et seq.* (the "UCL"), by engaging in a company-wide policy, practice and
20 procedure which failed to properly classify the PLAINTIFF and the other CALIFORNIA
21 CLASS Members and thereby failed to pay them wages for all work performed, including
22 overtime wages. The proper classification of these employees is DEFENDANT's burden. As
23 a result of DEFENDANT's intentional disregard of the obligation to meet this burden,
24 DEFENDANT failed to pay all required compensation for all overtime worked by the
25 PLAINTIFF and the other CALIFORNIA CLASS Members and violated the California Labor
26 Code and regulations promulgated thereunder as herein alleged.

27 25. DEFENDANT, as a matter of law, has the burden of proving that (a) employees
28 were properly classified as exempt and that (b) DEFENDANT otherwise complied with

1 applicable laws. Other than the initial classification of the PLAINTIFFS and the other
2 INTERNAL CLASS Members as exempt from being paid overtime at the time of hire,
3 DEFENDANT had no business policy, practice or procedure to ensure that the PLAINTIFF and
4 the other INTERNAL CLASS Members were properly classified as exempt, and in fact, as a
5 matter of corporate policy erroneously and unilaterally classified all the INTERNAL CLASS
6 Members as exempt without regard to whether they qualified for such exemption.

7 **JURISDICTION AND VENUE**

8 26. This Court has jurisdiction over this Action pursuant to California Code of Civil
9 Procedure, Section 410.10 and California Business & Professions Code, Section 17203. This
10 action is brought as a Class Action on behalf of PLAINTIFFS and similarly situated employees
11 of DEFENDANT pursuant to Cal. Code of Civ. Proc. § 382.

12 27. Venue is proper in this Court pursuant to California Code of Civil Procedure,
13 Sections 395 and 395.5, because PLAINTIFFS worked in this County for DEFENDANT and
14 DEFENDANT (i) currently maintains and at all relevant times maintained offices and facilities
15 in this County and/or conducts substantial business in this County, and (ii) committed the
16 wrongful conduct herein alleged in this County against members of the CALIFORNIA CLASS.

17 **THE CALIFORNIA CLASS**

18 28. PLAINTIFFS bring the First Cause of Action for Unfair, Unlawful and Deceptive
19 Business Practices pursuant to Cal. Bus. & Prof. Code §§ 17200, (the "UCL") as a Class Action,
20 pursuant to Cal. Code of Civ. Proc. § 382, on behalf of a California class, including an External
21 California class, defined as all of SHC Services, Inc.'s non-exempt clinician employees who
22 worked assignments for SHC Services, Inc. in California (the "EXTERNAL CLASS") from
23 February 8, 2022 through April 6, 2025 (the "EXTERNAL CLASS PERIOD"). PLAINTIFFS
24 further bring this Class Action on behalf of themselves and an Internal California Class, defined
25 as all of SHC Services, Inc.'s exempt recruiter employees who worked in California (the
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1 “INTERNAL CLASS”) from June 26, 2020 through April 6, 2025 (the “INTERNAL CLASS
2 PERIOD”) (collectively, with the EXTERNAL CLASS the “CALIFORNIA CLASS”).

3 29. To the extent equitable tolling operates to toll claims by the CALIFORNIA
4 CLASS against DEFENDANT, the CALIFORNIA CLASS PERIOD should be adjusted
5 accordingly.

6 30. DEFENDANT, as a matter of company policy, practice and procedure, and in
7 violation of the applicable Labor Code, Industrial Welfare Commission (“IWC”) Wage Order
8 requirements, and the applicable provisions of California law, intentionally, knowingly, and
9 wilfully, engaged in a practice whereby DEFENDANT failed to record all meal and rest breaks
10 missed by PLAINTIFFS and other CALIFORNIA CLASS Members, even though
11 DEFENDANT enjoyed the benefit of this work, required employees to perform this work and
12 permits or suffers to permit this work.

13 31. DEFENDANT has the legal burden to establish that each and every
14 CALIFORNIA CLASS Member was paid accurately for all meal and rest breaks missed as
15 required by California laws. The DEFENDANT, however, as a matter of policy and procedure
16 failed to have in place during the CALIFORNIA CLASS PERIOD and still fails to have in
17 place a policy or practice to ensure that each and every CALIFORNIA CLASS Member is paid
18 as required by law. This common business practice is applicable to each and every
19 CALIFORNIA CLASS Member can be adjudicated on a class-wide basis as unlawful, unfair,
20 and/or deceptive under Cal. Business & Professions Code §§ 17200, (the “UCL”) as causation,
21 damages, and reliance are not elements of this claim.

22 32. The CALIFORNIA CLASS, is so numerous that joinder of all CALIFORNIA
23 CLASS Members is impracticable.

24 33. DEFENDANT violated the rights of the CALIFORNIA CLASS under California
25 law by:

- 26 (a) Committing an act of unfair competition in violation of , Cal. Bus. & Prof.
27 Code §§ 17200, (the "UCL"), by unlawfully, unfairly and/or deceptively
28 having in place company policies, practices and procedures that failed to

1 record and pay PLAINTIFFS and the other members of the
2 CALIFORNIA CLASS for all time worked, including minimum wages
3 owed and overtime wages owed for work performed by these employees;
4 and,

- 5 (b) Committing an act of unfair competition in violation of the UCL, by
6 failing to provide the PLAINTIFFS and the other members of the
7 CALIFORNIA CLASS with the legally required meal and rest periods.

8 34. This Class Action meets the statutory prerequisites for the maintenance of a Class
9 Action as set forth in Cal. Code of Civ. Proc. § 382, in that:

- 10 (a) The persons who comprise the CALIFORNIA CLASS are so numerous
11 that the joinder of all such persons is impracticable and the disposition of
12 their claims as a class will benefit the parties and the Court;
- 13 (b) Nearly all factual, legal, statutory, declaratory and injunctive relief issues
14 that are raised in this Complaint are common to the CALIFORNIA
15 CLASS will apply to every member of the CALIFORNIA CLASS;
- 16 (c) The claims of the representative PLAINTIFFS are typical of the claims of
17 each member of the CALIFORNIA CLASS. PLAINTIFFS, like all the
18 other members of the CALIFORNIA CLASS, was classified as a non-
19 exempt employee paid on an hourly basis who was subjected to the
20 DEFENDANT's deceptive practice and policy which failed to provide the
21 legally required meal and rest periods to the CALIFORNIA CLASS and
22 thereby underpaid compensation to PLAINTIFFS and CALIFORNIA
23 CLASS. PLAINTIFFS sustained economic injury as a result of
24 DEFENDANT's employment practices. PLAINTIFFS and the members
25 of the CALIFORNIA CLASS were and are similarly or identically harmed
26 by the same unlawful, deceptive and unfair misconduct engaged in by
27 DEFENDANT; and,
- 28

1 (d) The representative PLAINTIFFS will fairly and adequately represent and
2 protect the interest of the CALIFORNIA CLASS, and has retained
3 counsel who are competent and experienced in Class Action litigation.
4 There are no material conflicts between the claims of the representative
5 PLAINTIFFS and the members of the CALIFORNIA CLASS that would
6 make class certification inappropriate. Counsel for the CALIFORNIA
7 CLASS will vigorously assert the claims of all CALIFORNIA CLASS
8 Members.

9 35. In addition to meeting the statutory prerequisites to a Class Action, this action is
10 properly maintained as a Class Action pursuant to Cal. Code of Civ. Proc. § 382, in that:

11 (a) Without class certification and determination of declaratory, injunctive,
12 statutory and other legal questions within the class format, prosecution of
13 separate actions by individual members of the CALIFORNIA CLASS will
14 create the risk of:

15 1) Inconsistent or varying adjudications with respect to individual
16 members of the CALIFORNIA CLASS which would establish
17 incompatible standards of conduct for the parties opposing the
18 CALIFORNIA CLASS; and/or,

19 2) Adjudication with respect to individual members of the
20 CALIFORNIA CLASS which would as a practical matter be
21 dispositive of interests of the other members not party to the
22 adjudication or substantially impair or impede their ability to
23 protect their interests.

24 (b) The parties opposing the CALIFORNIA CLASS have acted or refused to
25 act on grounds generally applicable to the CALIFORNIA CLASS, making
26 appropriate class-wide relief with respect to the CALIFORNIA CLASS
27 as a whole in that DEFENDANT failed to pay all wages due to members
28 of the CALIFORNIA CLASS as required by law;

1) With respect to the First Cause of Action, the final relief on behalf of the CALIFORNIA CLASS sought does not relate exclusively to restitution because through this claim PLAINTIFFS seeks declaratory relief holding that the DEFENDANT's policy and practices constitute unfair competition, along with declaratory relief, injunctive relief, and incidental equitable relief as may be necessary to prevent and remedy the conduct declared to constitute unfair competition;

(c) Common questions of law and fact exist as to the members of the CALIFORNIA CLASS, with respect to the practices and violations of California law as listed above, and predominate over any question affecting only individual CALIFORNIA CLASS Members, and a Class Action is superior to other available methods for the fair and efficient adjudication of the controversy, including consideration of:

1) The interests of the members of the CALIFORNIA CLASS in individually controlling the prosecution or defense of separate actions in that the substantial expense of individual actions will be avoided to recover the relatively small amount of economic losses sustained by the individual CALIFORNIA CLASS Members when compared to the substantial expense and burden of individual prosecution of this litigation;

2) Class certification will obviate the need for unduly duplicative litigation that would create the risk of:

A. Inconsistent or varying adjudications with respect to individual members of the CALIFORNIA CLASS, which would establish incompatible standards of conduct for the DEFENDANT; and/or,

1 B. Adjudications with respect to individual members of the
2 CALIFORNIA CLASS would as a practical matter be
3 dispositive of the interests of the other members not parties
4 to the adjudication or substantially impair or impede their
5 ability to protect their interests;

6 3) In the context of wage litigation because a substantial number of
7 individual CALIFORNIA CLASS Members will avoid asserting
8 their legal rights out of fear of retaliation by DEFENDANT, which
9 may adversely affect an individual's job with DEFENDANT or
10 with a subsequent employer, the Class Action is the only means to
11 assert their claims through a representative; and,

12 4) A class action is superior to other available methods for the fair
13 and efficient adjudication of this litigation because class treatment
14 will obviate the need for unduly and unnecessary duplicative
15 litigation that is likely to result in the absence of certification of
16 this action pursuant to Cal. Code of Civ. Proc. § 382.

17 36. This Court should permit this action to be maintained as a Class Action pursuant
18 to Cal. Code of Civ. Proc. § 382 because:

19 (a) The questions of law and fact common to the CALIFORNIA CLASS
20 predominate over any question affecting only individual CALIFORNIA
21 CLASS Members because the DEFENDANT's employment practices are
22 applied with respect to the CALIFORNIA CLASS;

23 (b) A Class Action is superior to any other available method for the fair and
24 efficient adjudication of the claims of the members of the CALIFORNIA
25 CLASS because in the context of employment litigation a substantial
26 number of individual CALIFORNIA CLASS Members will avoid
27 asserting their rights individually out of fear of retaliation or adverse
28 impact on their employment;

- 1 (c) The members of the CALIFORNIA CLASS are so numerous that it is
2 impractical to bring all members of the CALIFORNIA CLASS before the
3 Court;
- 4 (d) PLAINTIFFS, and the other CALIFORNIA CLASS Members, will not be
5 able to obtain effective and economic legal redress unless the action is
6 maintained as a Class Action;
- 7 (e) There is a community of interest in obtaining appropriate legal and
8 equitable relief for the acts of unfair competition, statutory violations and
9 other improprieties, and in obtaining adequate compensation for the
10 damages and injuries which DEFENDANT's actions have inflicted upon
11 the CALIFORNIA CLASS;
- 12 (f) There is a community of interest in ensuring that the combined assets of
13 DEFENDANT are sufficient to adequately compensate the members of
14 the CALIFORNIA CLASS for the injuries sustained;
- 15 (g) DEFENDANT has acted or refused to act on grounds generally applicable
16 to the CALIFORNIA CLASS, thereby making final class-wide relief
17 appropriate with respect to the CALIFORNIA CLASS as a whole;
- 18 (h) The members of the CALIFORNIA CLASS are readily ascertainable from
19 the business records of DEFENDANT; and,
- 20 (i) Class treatment provides manageable judicial treatment calculated to bring
21 a efficient and rapid conclusion to all litigation of all wage and hour
22 related claims arising out of the conduct of DEFENDANT as to the
23 members of the CALIFORNIA CLASS.

24 37. DEFENDANT maintains records from which the Court can ascertain and identify
25 by job title each of DEFENDANT's employees who have been intentionally subjected to
26 DEFENDANT's company policy, practices and procedures as herein alleged. PLAINTIFFS
27 will seek leave to amend the Complaint to include any additional job titles of similarly situated
28 employees when they have been identified.

THE CALIFORNIA LABOR SUB-CLASS

38. PLAINTIFFS further bring the Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth and Ninth causes Action on behalf of a California sub-class, defined as all of SHC Services, Inc.’s non-exempt clinician employees who worked assignments for SHC Services, Inc. in California (the “EXTERNAL CLASS”) from February 8, 2022 through April 6, 2025 (the “EXTERNAL CLASS PERIOD”). PLAINTIFFS further bring this Class Action on behalf of themselves and an Internal California Class, defined as all of SHC Services, Inc.’s exempt recruiter employees who worked in California (the “INTERNAL CLASS”) from June 26, 2020 through April 6, 2025 (the “INTERNAL CLASS PERIOD”) (collectively, with the EXTERNAL CLASS the “CALIFORNIA CLASS”).

39. DEFENDANT, in violation of the applicable Labor Code, Industrial Welfare Commission (“IWC”) Wage Order requirements, and the applicable provisions of California law, intentionally, knowingly, and wilfully, engaged in a practice whereby DEFENDANT failed to correctly calculate compensation for the time worked by PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-CLASS and reporting time wages owed to these employees, even though DEFENDANT enjoyed the benefit of this work, required employees to perform this work and permitted or suffered to permit this work. DEFENDANT has denied these CALIFORNIA LABOR SUB-CLASS Members wages to which these employees are entitled in order to unfairly cheat the competition and unlawfully profit. To the extent equitable tolling operates to toll claims by the CALIFORNIA LABOR SUB-CLASS against DEFENDANT, the CALIFORNIA LABOR SUB-CLASS PERIOD should be adjusted accordingly.

40. DEFENDANT maintains records from which the Court can ascertain and identify by name and job title, each of DEFENDANT’s employees who have been intentionally subjected to DEFENDANT’s company policy, practices and procedures as herein alleged. PLAINTIFFS will seek leave to amend the complaint to include any additional job titles of similarly situated employees when they have been identified.

1 41. The CALIFORNIA LABOR SUB-CLASS is so numerous that joinder of all
2 CALIFORNIA LABOR SUB-CLASS Members is impracticable.

3 42. Common questions of law and fact exist as to members of the CALIFORNIA
4 LABOR SUB-CLASS, including, but not limited, to the following:

- 5 (a) Whether DEFENDANT unlawfully failed to correctly calculate and pay
6 compensation due to members of the CALIFORNIA LABOR SUB-
7 CLASS for missed meal and rest breaks in violation of the California
8 Labor Code and California regulations and the applicable California Wage
9 Order;
- 10 (b) Whether DEFENDANT failed to provide the PLAINTIFFS and the other
11 members of the CALIFORNIA LABOR SUB-CLASS with accurate
12 itemized wage statements;
- 13 (c) Whether DEFENDANT has engaged in unfair competition by the
14 above-listed conduct;
- 15 (d) The proper measure of damages and penalties owed to the members of the
16 CALIFORNIA LABOR SUB-CLASS; and,
- 17 (e) Whether DEFENDANT's conduct was willful.

18 43. DEFENDANT violated the rights of the CALIFORNIA LABOR SUB-CLASS
19 under California law by:

- 20 (a) Violating Cal. Lab. Code § 510, by failing to correctly pay the
21 PLAINTIFFS and the members of the CALIFORNIA LABOR SUB-
22 CLASS all wages due for overtime worked, for which DEFENDANT is
23 liable pursuant to Cal. Lab. Code § 1194;
- 24 (b) Violating Cal. Lab. Code §§ 1194, 1197 & 1197.1, by failing to accurately
25 pay PLAINTIFFS and the members of the CALIFORNIA LABOR SUB-
26 CLASS the correct minimum wage pay for which DEFENDANT is liable
27 pursuant to Cal. Lab. Code §§ 1194 and 1197;

- 1 (c) Violating Cal. Lab. Code § 226, by failing to provide PLAINTIFFS and
2 the members of the CALIFORNIA LABOR SUB-CLASS with an
3 accurate itemized statement in writing showing the corresponding correct
4 amount of wages earned by the employee;
- 5 (d) Violating Cal. Lab. Code §§ 226.7 and 512, by failing to provide
6 PLAINTIFFS and the other members of the CALIFORNIA LABOR
7 SUB-CLASS with all legally required off-duty, uninterrupted thirty (30)
8 minute meal breaks and the legally required off-duty rest breaks;
- 9 (e) Violating Cal. Lab. Code §§ 201, 202 and/or 203, which provides that
10 when an employee is discharged or quits from employment, the employer
11 must pay the employee all wages due without abatement, by failing to
12 tender full payment and/or restitution of wages owed or in the manner
13 required by California law to the members of the CALIFORNIA LABOR
14 SUB-CLASS who have terminated their employment; and,
- 15 (f) Violating Cal. Lab. Code § 2802 by failing to reimburse PLAINTIFFS
16 and the CALIFORNIA LABOR SUB-CLASS members with necessary
17 expenses incurred in the discharge of their job duties.

18 44. This Class Action meets the statutory prerequisites for the maintenance of a Class
19 Action as set forth in Cal. Code of Civ. Proc. § 382, in that:

- 20 (a) The persons who comprise the CALIFORNIA LABOR SUB-CLASS are
21 so numerous that the joinder of all CALIFORNIA LABOR SUB-CLASS
22 Members is impracticable and the disposition of their claims as a class
23 will benefit the parties and the Court;
- 24 (b) Nearly all factual, legal, statutory, declaratory and injunctive relief issues
25 that are raised in this Complaint are common to the CALIFORNIA
26 LABOR SUB-CLASS and will apply to every member of the
27 CALIFORNIA LABOR SUB-CLASS;
- 28

1 (c) The claims of the representative PLAINTIFFS are typical of the claims of
2 each member of the CALIFORNIA LABOR SUB-CLASS.
3 PLAINTIFFS, like all the other members of the CALIFORNIA LABOR
4 SUB-CLASS, was a non-exempt employee paid on an hourly basis who
5 was subjected to the DEFENDANT's practice and policy which failed to
6 pay the correct amount of wages due to the CALIFORNIA LABOR SUB-
7 CLASS. PLAINTIFFS sustained economic injury as a result of
8 DEFENDANT's employment practices. PLAINTIFFS and the members
9 of the CALIFORNIA LABOR SUB-CLASS were and are similarly or
10 identically harmed by the same unlawful, deceptive, and unfair
11 misconduct engaged in by DEFENDANT; and,

12 (d) The representative PLAINTIFFS will fairly and adequately represent and
13 protect the interest of the CALIFORNIA LABOR SUB-CLASS, and has
14 retained counsel who are competent and experienced in Class Action
15 litigation. There are no material conflicts between the claims of the
16 representative PLAINTIFFS and the members of the CALIFORNIA
17 LABOR SUB-CLASS that would make class certification inappropriate.
18 Counsel for the CALIFORNIA LABOR SUB-CLASS will vigorously
19 assert the claims of all CALIFORNIA LABOR SUB-CLASS Members.

20 45. In addition to meeting the statutory prerequisites to a Class Action, this action is
21 properly maintained as a Class Action pursuant to Cal. Code of Civ. Proc. § 382, in that:

22 (a) Without class certification and determination of declaratory, injunctive,
23 statutory and other legal questions within the class format, prosecution of
24 separate actions by individual members of the CALIFORNIA LABOR
25 SUB-CLASS will create the risk of:

26 1) Inconsistent or varying adjudications with respect to individual
27 members of the CALIFORNIA LABOR SUB-CLASS which
28

1 would establish incompatible standards of conduct for the parties
2 opposing the CALIFORNIA LABOR SUB-CLASS; or,

3 2) Adjudication with respect to individual members of the
4 CALIFORNIA LABOR SUB-CLASS which would as a practical
5 matter be dispositive of interests of the other members not party to
6 the adjudication or substantially impair or impede their ability to
7 protect their interests.

8 (b) The parties opposing the CALIFORNIA LABOR SUB-CLASS have acted
9 or refused to act on grounds generally applicable to the CALIFORNIA
10 LABOR SUB-CLASS, making appropriate class-wide relief with respect
11 to the CALIFORNIA LABOR SUB-CLASS as a whole in that
12 DEFENDANT fails to pay all wages due. Including the correct wages for
13 all time worked by the members of the CALIFORNIA LABOR SUB-
14 CLASS as required by law;

15 (c) Common questions of law and fact predominate as to the members of the
16 CALIFORNIA LABOR SUB-CLASS, with respect to the practices and
17 violations of California Law as listed above, and predominate over any
18 question affecting only individual CALIFORNIA LABOR SUB-CLASS
19 Members, and a Class Action is superior to other available methods for
20 the fair and efficient adjudication of the controversy, including
21 consideration of:

22 1) The interests of the members of the CALIFORNIA LABOR SUB-
23 CLASS in individually controlling the prosecution or defense of
24 separate actions in that the substantial expense of individual
25 actions will be avoided to recover the relatively small amount of
26 economic losses sustained by the individual CALIFORNIA
27 LABOR SUB-CLASS Members when compared to the substantial
28 expense and burden of individual prosecution of this litigation;

- 1 2) Class certification will obviate the need for unduly duplicative
2 litigation that would create the risk of:
- 3 A. Inconsistent or varying adjudications with respect to
4 individual members of the CALIFORNIA LABOR SUB-
5 CLASS, which would establish incompatible standards of
6 conduct for the DEFENDANT; and/or,
- 7 B. Adjudications with respect to individual members of the
8 CALIFORNIA LABOR SUB-CLASS would as a practical
9 matter be dispositive of the interests of the other members
10 not parties to the adjudication or substantially impair or
11 impede their ability to protect their interests;
- 12 3) In the context of wage litigation because a substantial number of
13 individual CALIFORNIA LABOR SUB-CLASS Members will
14 avoid asserting their legal rights out of fear of retaliation by
15 DEFENDANT, which may adversely affect an individual's job
16 with DEFENDANT or with a subsequent employer, the Class
17 Action is the only means to assert their claims through a
18 representative; and,
- 19 4) A class action is superior to other available methods for the fair
20 and efficient adjudication of this litigation because class treatment
21 will obviate the need for unduly and unnecessary duplicative
22 litigation that is likely to result in the absence of certification of
23 this action pursuant to Cal. Code of Civ. Proc. § 382.

24 46. This Court should permit this action to be maintained as a Class Action pursuant
25 to Cal. Code of Civ. Proc. § 382 because:

- 26 (a) The questions of law and fact common to the CALIFORNIA LABOR
27 SUB-CLASS predominate over any question affecting only individual
28 CALIFORNIA LABOR SUB-CLASS Members;

- 1 (b) A Class Action is superior to any other available method for the fair and
2 efficient adjudication of the claims of the members of the CALIFORNIA
3 LABOR SUB-CLASS because in the context of employment litigation a
4 substantial number of individual CALIFORNIA LABOR SUB-CLASS
5 Members will avoid asserting their rights individually out of fear of
6 retaliation or adverse impact on their employment;
- 7 (c) The members of the CALIFORNIA LABOR SUB-CLASS are so
8 numerous that it is impractical to bring all members of the CALIFORNIA
9 LABOR SUB-CLASS before the Court;
- 10 (d) PLAINTIFFS, and the other CALIFORNIA LABOR SUB-CLASS
11 Members, will not be able to obtain effective and economic legal redress
12 unless the action is maintained as a Class Action;
- 13 (e) There is a community of interest in obtaining appropriate legal and
14 equitable relief for the acts of unfair competition, statutory violations and
15 other improprieties, and in obtaining adequate compensation for the
16 damages and injuries which DEFENDANT's actions have inflicted upon
17 the CALIFORNIA LABOR SUB-CLASS;
- 18 (f) There is a community of interest in ensuring that the combined assets of
19 DEFENDANT are sufficient to adequately compensate the members of
20 the CALIFORNIA LABOR SUB-CLASS for the injuries sustained;
- 21 (g) DEFENDANT has acted or refused to act on grounds generally applicable
22 to the CALIFORNIA LABOR SUB-CLASS, thereby making final class-
23 wide relief appropriate with respect to the CALIFORNIA LABOR SUB-
24 CLASS as a whole;
- 25 (h) The members of the CALIFORNIA LABOR SUB-CLASS are readily
26 ascertainable from the business records of DEFENDANT. The
27 CALIFORNIA LABOR SUB-CLASS consists of all CALIFORNIA
28

1 CLASS Members who worked for DEFENDANT in California at any
2 time during the CALIFORNIA LABOR SUB-CLASS PERIOD; and,

- 3 (i) Class treatment provides manageable judicial treatment calculated to bring
4 a efficient and rapid conclusion to all litigation of all wage and hour
5 related claims arising out of the conduct of DEFENDANT as to the
6 members of the CALIFORNIA LABOR SUB-CLASS.

7
8 **FIRST CAUSE OF ACTION**

9 **For Unlawful Business Practices**

10 **[Cal. Bus. And Prof. Code §§ 17200]**

11 **(By PLAINTIFFS and the CALIFORNIA CLASS and Against All Defendants)**

12 47. PLAINTIFFS, and the other members of the CALIFORNIA CLASS, reallege and
13 incorporate by this reference, as though fully set forth herein, the prior paragraphs of this
14 Complaint.

15 48. DEFENDANT is a “person” as that term is defined under Cal. Bus. and Prof.
16 Code § 17021.

17 50. California Business & Professions Code §§ 17200, (the “UCL”) defines unfair
18 competition as any unlawful, unfair, or fraudulent business act or practice. Section 17203
19 authorizes injunctive, declaratory, and/or other equitable relief with respect to unfair
20 competition as follows:

21 Any person who engages, has engaged, or proposes to engage in unfair
22 competition may be enjoined in any court of competent jurisdiction. The court
23 may make such orders or judgments, including the appointment of a receiver, as
24 may be necessary to prevent the use or employment by any person of any practice
which constitutes unfair competition, as defined in this chapter, or as may be
necessary to restore to any person in interest any money or property, real or
personal, which may have been acquired by means of such unfair competition.

25 Cal. Bus. & Prof. Code § 17203.

26 51. By the conduct alleged herein, DEFENDANT has engaged and continues to
27 engage in a business practice which violates California law, including but not limited to, the
28 applicable Industrial Wage Order(s), the California Code of Regulations and the California

1 Labor Code including Sections 221, 226.7, 246, 510, 512, 1194, 1197, 1197.1, 1198, 2802 and
2 the Fair Labor Standards Act and federal regulations promulgated thereunder, for which this
3 Court should issue declaratory and other equitable relief pursuant to Cal. Bus. & Prof. Code §
4 17203 as may be necessary to prevent and remedy the conduct held to constitute unfair
5 competition, including restitution of wages wrongfully withheld.

6 52. By the conduct alleged herein, DEFENDANT's practices were unlawful and
7 unfair in that these practices violate public policy, were immoral, unethical, oppressive,
8 unscrupulous or substantially injurious to employees, and were without valid justification or
9 utility for which this Court should issue equitable and injunctive relief pursuant to Section
10 17203 of the California Business & Professions Code, including restitution of wages wrongfully
11 withheld.

12 53. By the conduct alleged herein, DEFENDANT's practices were deceptive and
13 fraudulent in that DEFENDANT's policy and practice failed to provide the legally mandated
14 meal and rest periods, the required amount of compensation for missed meal and rest periods
15 and overtime and minimum wages owed, failed to timely pay wages, and failed to reimburse
16 all necessary business expenses incurred, and failed to provide Fair Labor Standards Act
17 overtime wages due for overtime worked as a result of failing to include non-discretionary
18 incentive compensation into their regular rates of pay for purposes of computing the proper
19 overtime pay due to a business practice that cannot be justified, pursuant to the applicable Cal.
20 Lab. Code, and Industrial Welfare Commission requirements in violation of Cal. Bus. Code §§
21 17200, and for which this Court should issue injunctive and equitable relief, pursuant to Cal.
22 Bus. & Prof. Code § 17203, including restitution of wages wrongfully withheld.

23 54. By the conduct alleged herein, DEFENDANT's practices were also unlawful,
24 unfair and deceptive in that DEFENDANT's employment practices caused PLAINTIFFS and
25 the other members of the CALIFORNIA CLASS to be underpaid during their employment with
26 DEFENDANT.

27 55. By the conduct alleged herein, DEFENDANT's practices were also unlawful,
28 unfair and deceptive in that DEFENDANT's policies, practices and procedures failed to provide

1 all legally required meal breaks to PLAINTIFFS and the other members of the CALIFORNIA
2 CLASS as required by Cal. Lab. Code §§ 226.7 and 512.

3 56. Therefore, PLAINTIFFS demands on behalf of themselves and on behalf of each
4 CALIFORNIA CLASS Member, one (1) hour of pay for each workday in which an off-duty
5 meal period was not timely provided for each five (5) hours of work, and/or one (1) hour of pay
6 for each workday in which a second off-duty meal period was not timely provided for each ten
7 (10) hours of work.

8 57. PLAINTIFFS further demand on behalf of themselves and each member of the
9 CALIFORNIA LABOR SUB-CLASS, one (1) hour of pay for each workday in which an off
10 duty paid rest period was not timely provided as required by law.

11 58. By and through the unlawful and unfair business practices described herein,
12 DEFENDANT has obtained valuable property, money and services from PLAINTIFFS and the
13 other members of the CALIFORNIA CLASS, including earned wages for all time worked, and
14 has deprived them of valuable rights and benefits guaranteed by law and contract, all to the
15 detriment of these employees and to the benefit of DEFENDANT so as to allow DEFENDANT
16 to unfairly compete against competitors who comply with the law.

17 59. All the acts described herein as violations of, among other things, the Industrial
18 Welfare Commission Wage Orders, the California Code of Regulations, and the California
19 Labor Code, were unlawful and in violation of public policy, were immoral, unethical,
20 oppressive and unscrupulous, were deceptive, and thereby constitute unlawful, unfair and
21 deceptive business practices in violation of Cal. Bus. & Prof. Code §§ 17200.

22 60. PLAINTIFFS and the other members of the CALIFORNIA CLASS are entitled
23 to, and do, seek such relief as may be necessary to restore to them the money and property
24 which DEFENDANT has acquired, or of which PLAINTIFFS and the other members of the
25 CALIFORNIA CLASS have been deprived, by means of the above described unlawful and
26 unfair business practices, including earned but unpaid wages for all time worked.

27 61. PLAINTIFFS and the other members of the CALIFORNIA CLASS are further
28 entitled to, and do, seek a declaration that the described business practices are unlawful, unfair

1 and deceptive, and that injunctive relief should be issued restraining DEFENDANT from
2 engaging in any unlawful and unfair business practices in the future.

3 62. PLAINTIFFS and the other members of the CALIFORNIA CLASS have no plain,
4 speedy and/or adequate remedy at law that will end the unlawful and unfair business practices
5 of DEFENDANT. Further, the practices herein alleged presently continue to occur unabated.
6 As a result of the unlawful and unfair business practices described herein, PLAINTIFFS and
7 the other members of the CALIFORNIA CLASS have suffered and will continue to suffer
8 irreparable legal and economic harm unless DEFENDANT is restrained from continuing to
9 engage in these unlawful and unfair business practices.

10
11 **SECOND CAUSE OF ACTION**

12 **For Failure To Pay Minimum Wages**

13 **[Cal. Lab. Code §§ 1194, 1197 and 1197.1]**

14 **(By PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS**
15 **and Against All Defendants)**

16 63. PLAINTIFFS, and the other members of the CALIFORNIA LABOR SUB-
17 CLASS, reallege and incorporate by this reference, as though fully set forth herein, the prior
18 paragraphs of this Complaint.

19 64. PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-
20 CLASS bring a claim for DEFENDANT's willful and intentional violations of the California
21 Labor Code and the Industrial Welfare Commission requirements for DEFENDANT's failure
22 to accurately calculate and pay minimum wages to PLAINTIFFS and CALIFORNIA CLASS
23 Members.

24 65. Cal. Lab. Code § 1197 provides the minimum wage for employees fixed by the
25 commission is the minimum wage to be paid to employees, and the payment of a less wage than
26 the minimum so fixed is unlawful.

27 66. Cal. Lab. Code § 1194 establishes an employee's right to recover unpaid wages,
28 including minimum wage compensation and interest thereon, together with the costs of suit.

1 67. DEFENDANT maintained a wage practice of paying PLAINTIFFS and the other
2 members of the CALIFORNIA LABOR SUB-CLASS without regard to the correct amount of
3 time they work. As set forth herein, DEFENDANT's policy and practice was to unlawfully and
4 intentionally deny timely payment of wages due to PLAINTIFFS and the other members of the
5 CALIFORNIA LABOR SUB-CLASS.

6 68. DEFENDANT's unlawful wage and hour practices manifested, without
7 limitation, applicable to the CALIFORNIA LABOR SUB-CLASS as a whole, as a result of
8 implementing a policy and practice that denies accurate compensation to PLAINTIFFS and the
9 other members of the CALIFORNIA LABOR SUB-CLASS in regards to minimum wage pay.

10 69. In committing these violations of the California Labor Code, DEFENDANT
11 inaccurately calculated the correct time worked and consequently underpaid the actual time
12 worked by PLAINTIFFS and other members of the CALIFORNIA LABOR SUB-CLASS.
13 DEFENDANT acted in an illegal attempt to avoid the payment of all earned wages, and other
14 benefits in violation of the California Labor Code, the Industrial Welfare Commission
15 requirements and other applicable laws and regulations.

16 70. As a direct result of DEFENDANT's unlawful wage practices as alleged herein,
17 PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-CLASS did not
18 receive the correct minimum wage compensation for their time worked for DEFENDANT.

19 71. During the CALIFORNIA LABOR SUB-CLASS PERIOD, DEFENDANT
20 required, permitted or suffered PLAINTIFFS and CALIFORNIA LABOR SUB-CLASS
21 Members to work without paying them for all the time they were under DEFENDANT's
22 control. During the CALIFORNIA LABOR SUB-CLASS PERIOD, PLAINTIFFS and the
23 other members of the CALIFORNIA LABOR SUB-CLASS were paid less for time worked that
24 they were entitled to, constituting a failure to pay all earned wages.

25 72. By virtue of DEFENDANT's unlawful failure to accurately pay all earned
26 compensation to PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-
27 CLASS for the true time they worked, PLAINTIFFS and the other members of the
28 CALIFORNIA LABOR SUB-CLASS have suffered and will continue to suffer an economic

1 injury in amounts which are presently unknown to them and which will be ascertained
2 according to proof at trial.

3 73. DEFENDANT knew or should have known that PLAINTIFFS and the other
4 members of the CALIFORNIA LABOR SUB-CLASS were under compensated for their time
5 worked. DEFENDANT elected, either through intentional malfeasance or gross nonfeasance,
6 to not pay employees for their labor as a matter of company policy, practice and procedure, and
7 DEFENDANT perpetrated this scheme by refusing to pay PLAINTIFFS and the other members
8 of the CALIFORNIA LABOR SUB-CLASS the correct minimum wages for their time worked.

9 74 In performing the acts and practices herein alleged in violation of California labor
10 laws, and refusing to compensate the members of the CALIFORNIA LABOR SUB-CLASS for
11 all time worked and provide them with the requisite compensation, DEFENDANT acted and
12 continues to act intentionally, oppressively, and maliciously toward PLAINTIFFS and the other
13 members of the CALIFORNIA LABOR SUB-CLASS with a conscious and utter disregard for
14 their legal rights, or the consequences to them, and with the despicable intent of depriving them
15 of their property and legal rights, and otherwise causing them injury in order to increase
16 company profits at the expense of these employees.

17 75. PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-
18 CLASS therefore request recovery of all unpaid wages, according to proof, interest, statutory
19 costs, as well as the assessment of any statutory penalties against DEFENDANT, in a sum as
20 provided by the California Labor Code and/or other applicable statutes. To the extent minimum
21 wage compensation is determined to be owed to the CALIFORNIA LABOR SUB-CLASS
22 Members who have terminated their employment, DEFENDANT's conduct also violates Labor
23 Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time
24 penalties under Cal. Lab. Code § 203, which penalties are sought herein on behalf of these
25 CALIFORNIA LABOR SUB-CLASS Members. DEFENDANT's conduct as alleged herein
26 was willful, intentional and not in good faith. Further, PLAINTIFFS and other CALIFORNIA
27 LABOR SUB-CLASS Members are entitled to seek and recover statutory costs.

1 **THIRD CAUSE OF ACTION**

2 **For Failure To Pay Overtime Compensation**

3 **[Cal. Lab. Code § 510]**

4 **(By PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS and Against All**
5 **Defendants)**

6 76. PLAINTIFFS, and the other members of the CALIFORNIA LABOR SUB-
7 CLASS, reallege and incorporate by this reference, as though full set forth herein, the prior
8 paragraphs of this Complaint.

9 77. PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-
10 CLASS bring a claim for DEFENDANT's willful and intentional violations of the California
11 Labor Code and the Industrial Welfare Commission requirements for DEFENDANT's failure
12 to pay these employees for all overtime worked, including, work performed in excess of eight
13 (8) hours in a workday, and/or twelve (12) hours in a workday, and/or forty (40) hours in any
14 workweek.

15 78. Cal. Lab. Code § 510 further provides that employees in California shall not be
16 employed more than eight (8) hours per workday and more than forty (40) hours per workweek
17 unless they receive additional compensation beyond their regular wages in amounts specified
18 by law.

19 79. Cal. Lab. Code § 1194 establishes an employee's right to recover unpaid wages,
20 including minimum wage and overtime compensation and interest thereon, together with the
21 costs of suit. Cal. Lab. Code § 1198 further states that the employment of an employee for
22 longer hours than those fixed by the Industrial Welfare Commission is unlawful.

23 80. During the CALIFORNIA LABOR SUB-CLASS PERIOD, PLAINTIFFS and
24 CALIFORNIA LABOR SUB-CLASS Members were required, permitted or suffered by
25 DEFENDANT to work for DEFENDANT and were not paid for all the time they worked,
26 including overtime work.

27 81. DEFENDANT's unlawful wage and hour practices manifested, without
28 limitation, applicable to the CALIFORNIA LABOR SUB-CLASS as a whole, as a result of

1 implementing a policy and practice that failed to accurately record overtime worked by
2 PLAINTIFFS and other CALIFORNIA LABOR SUB-CLASS Members and denied accurate
3 compensation to PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-
4 CLASS for overtime worked, including, the overtime work performed in excess of eight (8)
5 hours in a workday, and/or twelve (12) hours in a workday, and/or forty (40) hours in any
6 workweek.

7 82. In committing these violations of the California Labor Code, DEFENDANT
8 inaccurately recorded overtime worked and consequently underpaid the overtime worked by
9 PLAINTIFFS and other CALIFORNIA LABOR-SUB CLASS Members. DEFENDANT acted
10 in an illegal attempt to avoid the payment of all earned wages, and other benefits in violation
11 of the California Labor Code, the Industrial Welfare Commission requirements and other
12 applicable laws and regulations. As a direct result of DEFENDANT's unlawful wage practices
13 as alleged herein, the PLAINTIFFS and the other members of the CALIFORNIA LABOR
14 SUB-CLASS did not receive full compensation for overtime worked.

15 83. Cal. Lab. Code § 515 sets out various categories of employees who are exempt
16 from the overtime requirements of the law. None of these exemptions are applicable to the
17 PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-CLASS. Further,
18 PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-CLASS were not
19 subject to a valid collective bargaining agreement that would preclude the causes of action
20 contained herein this Complaint. Rather, PLAINTIFFS bring this Action on behalf of
21 themselves and the CALIFORNIA LABOR SUB-CLASS based on DEFENDANT's violations
22 of non-negotiable, non-waiveable rights provided by the State of California.

23 84. During the CALIFORNIA LABOR SUB-CLASS PERIOD, PLAINTIFFS and
24 the other members of the CALIFORNIA LABOR SUB-CLASS have been paid less for
25 overtime worked that they are entitled to, constituting a failure to pay all earned wages.

26 85. DEFENDANT failed to accurately pay the PLAINTIFFS and the other members
27 of the CALIFORNIA LABOR SUB-CLASS overtime wages for the time they worked which
28 was in excess of the maximum hours permissible by law as required by Cal. Lab. Code §§ 510,

1 1194 & 1198, even though PLAINTIFFS and the other members of the CALIFORNIA LABOR
2 SUB-CLASS were required to work, and did in fact work, overtime as to which DEFENDANT
3 failed to accurately record and pay as evidenced by DEFENDANT's business records and
4 witnessed by employees.

5 86. By virtue of DEFENDANT's unlawful failure to accurately pay all earned
6 compensation to PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-
7 CLASS for the true amount of time they worked, PLAINTIFFS and the other members of the
8 CALIFORNIA LABOR SUB-CLASS have suffered and will continue to suffer an economic
9 injury in amounts which are presently unknown to them and which will be ascertained
10 according to proof at trial.

11 87. DEFENDANT knew or should have known that PLAINTIFFS and the other
12 members of the CALIFORNIA LABOR SUB-CLASS were under compensated for all overtime
13 worked. DEFENDANT elected, either through intentional malfeasance or gross nonfeasance,
14 to not pay employees for their labor as a matter of company policy, practice and procedure, and
15 DEFENDANT perpetrated this scheme by refusing to pay PLAINTIFFS and the other members
16 of the CALIFORNIA LABOR SUB-CLASS for overtime worked.

17 88. In performing the acts and practices herein alleged in violation of California labor
18 laws, and refusing to compensate the members of the CALIFORNIA LABOR SUB-CLASS for
19 all overtime worked and provide them with the requisite overtime compensation, DEFENDANT
20 acted and continues to act intentionally, oppressively, and maliciously toward PLAINTIFFS and
21 the other members of the CALIFORNIA LABOR SUB-CLASS with a conscious of and utter
22 disregard for their legal rights, or the consequences to them, and with the despicable intent of
23 depriving them of their property and legal rights, and otherwise causing them injury in order
24 to increase company profits at the expense of these employees.

25 89. PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-
26 CLASS therefore request recovery of all overtime wages, according to proof, interest, statutory
27 costs, as well as the assessment of any statutory penalties against DEFENDANT, in a sum as
28 provided by the California Labor Code and/or other applicable statutes. To the extent minimum

1 and/or overtime compensation is determined to be owed to the CALIFORNIA LABOR SUB-
2 CLASS Members who have terminated their employment, DEFENDANT's conduct also
3 violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to
4 waiting time penalties under Cal. Lab. Code § 203, which penalties are sought herein on behalf
5 of these CALIFORNIA LABOR SUB-CLASS Members. DEFENDANT's conduct as alleged
6 herein was willful, intentional and not in good faith. Further, PLAINTIFFS and other
7 CALIFORNIA LABOR SUB-CLASS Members are entitled to seek and recover statutory costs.

8
9 **FOURTH CAUSE OF ACTION**

10 **For Failure to Provide Required Meal Periods**

11 **[Cal. Lab. Code §§ 226.7 & 512]**

12 **(By PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS and Against All**
13 **Defendants)**

14 90. PLAINTIFFS, and the other members of the CALIFORNIA LABOR SUB-
15 CLASS, reallege and incorporate by this reference, as though fully set forth herein, the prior
16 paragraphs of this Complaint.

17 91. During the CALIFORNIA CLASS PERIOD, DEFENDANT from time to time
18 failed to provide all the legally required off-duty meal breaks to PLAINTIFFS and the other
19 CALIFORNIA LABOR SUB-CLASS Members as required by the applicable Wage Order and
20 Labor Code. The nature of the work performed by PLAINTIFFS and CALIFORNIA LABOR
21 SUB-CLASS MEMBERS did not prevent these employees from being relieved of all of their
22 duties for the legally required off-duty meal periods. As a result of their rigorous work
23 schedules, PLAINTIFFS and other CALIFORNIA LABOR SUB-CLASS Members were from
24 time to time not fully relieved of duty by DEFENDANT for their meal periods. Additionally,
25 DEFENDANT's failure to provide PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS
26 Members with legally required meal breaks prior to their fifth (5th) hour of work is evidenced
27 by DEFENDANT's business records from time to time. Further, DEFENDANT failed to
28 provide PLAINTIFFS and CALIFORNIA CLASS Members with a second off-duty meal period

1 in some workdays in which these employees were required by DEFENDANT to work ten (10)
2 hours of work from time to time. As a result, PLAINTIFFS and other members of the
3 CALIFORNIA LABOR SUB-CLASS therefore forfeited meal breaks without additional
4 compensation and in accordance with DEFENDANT's strict corporate policy and practice.

5 92. DEFENDANT further violates California Labor Code §§ 226.7 and the applicable
6 IWC Wage Order by failing to compensate PLAINTIFFS and CALIFORNIA LABOR SUB-
7 CLASS Members who were not provided a meal period, in accordance with the applicable
8 Wage Order, one additional hour of compensation at each employee's regular rate of pay for
9 each workday that a meal period was not provided.

10 93 As a proximate result of the aforementioned violations, PLAINTIFFS and
11 CALIFORNIA LABOR SUB-CLASS Members have been damaged in an amount according
12 to proof at trial, and seek all wages earned and due, interest, penalties, expenses and costs of
13 suit.

14
15 **FIFTH CAUSE OF ACTION**

16 **For Failure to Provide Required Rest Periods**

17 **[Cal. Lab. Code §§ 226.7 & 512]**

18 **(By PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS and Against All**
19 **Defendants)**

20 94. PLAINTIFFS, and the other members of the CALIFORNIA LABOR SUB-
21 CLASS, reallege and incorporate by this reference, as though fully set forth herein, the prior
22 paragraphs of this Complaint.

23 95. PLAINTIFFS and other CALIFORNIA LABOR SUB-CLASS Members were
24 from time to time required to work in excess of four (4) hours without being provided ten (10)
25 minute rest periods. Further, these employees from time to time were denied their first rest
26 periods of at least ten (10) minutes for some shifts worked of at least two (2) to four (4) hours,
27 a first and second rest period of at least ten (10) minutes for some shifts worked of between six
28 (6) and eight (8) hours, and a first, second and third rest period of at least ten (10) minutes for

1 some shifts worked of ten (10) hours or more from time to time. PLAINTIFFS and other
2 CALIFORNIA LABOR SUB-CLASS Members were also not provided with one hour wages
3 in lieu thereof. As a result of their rigorous work schedules, PLAINTIFFS and other
4 CALIFORNIA LABOR SUB-CLASS Members were periodically denied their proper rest
5 periods by DEFENDANT and DEFENDANT's managers.

6 96. DEFENDANT further violated California Labor Code §§ 226.7 and the applicable
7 IWC Wage Order by failing to compensate PLAINTIFFS and CALIFORNIA LABOR SUB-
8 CLASS Members who were not provided a rest period, in accordance with the applicable Wage
9 Order, one additional hour of compensation at each employee's regular rate of pay for each
10 workday that rest period was not provided.

11 97. As a proximate result of the aforementioned violations, PLAINTIFFS and
12 CALIFORNIA LABOR SUB-CLASS Members have been damaged in an amount according
13 to proof at trial, and seek all wages earned and due, interest, penalties, expenses and costs of
14 suit.

15 **SIXTH CAUSE OF ACTION**

16 **For Failure to Provide Accurate Itemized Statements**

17 **[Cal. Lab. Code § 226]**

18 **(By PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS and Against All**
19 **Defendants)**

20 98. PLAINTIFFS, and the other members of the CALIFORNIA LABOR SUB-
21 CLASS, reallege and incorporate by this reference, as though fully set forth herein, the prior
22 paragraphs of this Complaint.

23 99. Cal. Labor Code § 226 provides that an employer must furnish employees with
24 an "accurate itemized" statement in writing showing:

- 25 (1) gross wages earned,
26 (2) total hours worked by the employee, except for any employee whose
27 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,
28 (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, except that by January 1, 2008, only the last four digits of his or her social security number or an employee identification number other than a social security number may be shown on the itemized statement,
(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.

100. From time to time, DEFENDANT also failed to provide PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-CLASS with complete and accurate wage statements which failed to show, among other things, the correct gross and net wages earned. Cal. Lab. Code § 226 provides that every employer shall furnish each of his or her employees with an accurate itemized wage statement in writing showing, among other things, gross wages earned and all applicable hourly rates in effect during the pay period and the corresponding amount of time worked at each hourly rate. PLAINTIFFS and CALIFORNIA LABOR SUB-CLASS Members were paid on an hourly basis. As such, the wage statements should reflect all applicable hourly rates during the pay period and the total hours worked, and the applicable pay period in which the wages were earned pursuant to California Labor Code Section 226(a). The wage statements DEFENDANT provided to PLAINTIFFS and other CALIFORNIA LABOR SUB-CLASS Members failed to identify such information. More specifically, the wage statements failed to identify the accurate total hours worked each pay period. When the hours shown on the wage statements were added up, they did not equal the actual total hours worked during the pay period in violation of Cal. Lab. Code 226(a)(2). Aside, from the violations listed above in this paragraph, DEFENDANT failed to issue to PLAINTIFFS an itemized wage statement that lists all the requirements under California Labor Code 226. As a result, DEFENDANT from time to time provided PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-CLASS with wage statements which violated Cal. Lab. Code § 226.

101. DEFENDANT knowingly and intentionally failed to comply with Cal. Lab. Code § 226, causing injury and damages to PLAINTIFFS and the other members of the

1 CALIFORNIA LABOR SUB-CLASS. These damages include, but are not limited to, costs
2 expended calculating the correct wages for all missed meal and rest breaks and the amount
3 of employment taxes which were not properly paid to state and federal tax authorities.
4 These damages are difficult to estimate. Therefore, PLAINTIFFS and the other members of
5 the CALIFORNIA LABOR SUB-CLASS may elect to recover liquidated damages of fifty
6 dollars (\$50.00) for the initial pay period in which the violation occurred, and one hundred
7 dollars (\$100.00) for each violation in a subsequent pay period pursuant to Cal. Lab. Code §
8 226, in an amount according to proof at the time of trial (but in no event more than four
9 thousand dollars (\$4,000.00) for PLAINTIFFS and each respective member of the
10 CALIFORNIA LABOR SUB-CLASS herein).

11
12 **SEVENTH CAUSE OF ACTION**

13 **For Failure to Reimburse Employees for Required Expenses**

14 **[Cal. Lab. Code § 2802]**

15 **(By PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS and Against All**
16 **Defendants)**

17 102. PLAINTIFFS and the other CALIFORNIA LABOR SUB-CLASS members
18 reallege and incorporate by this reference, as though fully set forth herein, the prior
19 paragraphs of this Complaint.

20 103. Cal. Lab. Code § 2802 provides, in relevant part, that:

21 An employer shall indemnify his or her employee for all necessary
22 expenditures or losses incurred by the employee in direct consequence of the
23 discharge of his or her duties, or of his or her obedience to the directions of
the employer, even though unlawful, unless the employee, at the time of
obeying the directions, believed them to be unlawful.

24 104. At all relevant times herein, DEFENDANT violated Cal. Lab. Code § 2802,
25 by failing to indemnify and reimburse PLAINTIFFS and the CALIFORNIA LABOR SUB-
26 CLASS members for required expenses incurred in the discharge of their job duties for
27 DEFENDANT's benefit. DEFENDANT failed to reimburse PLAINTIFFS and the
28 CALIFORNIA LABOR SUB-CLASS members for expenses which included, but were not

1 limited to, costs related to using their personal cellular phones on behalf of and for the
2 benefit of DEFENDANT. Specifically, PLAINTIFFS and other CALIFORNIA LABOR
3 SUB-CLASS Members were required by DEFENDANT to use their personal cellular
4 phones and home offices in order to perform work related job tasks. DEFENDANT's policy
5 and practice was to not reimburse PLAINTIFFS and the CALIFORNIA LABOR SUB-
6 CLASS members for expenses resulting from using their personal cellular phones and home
7 offices for DEFENDANT within the course and scope of their employment for
8 DEFENDANT. These expenses were necessary to complete their principal job duties.
9 DEFENDANT is estopped by DEFENDANT's conduct to assert any waiver of this
10 expectation. Although these expenses were necessary expenses incurred by PLAINTIFFS
11 and the CALIFORNIA LABOR SUB-CLASS members, DEFENDANT failed to indemnify
12 and reimburse PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS members for
13 these expenses as an employer is required to do under the laws and regulations of California.

14 105. PLAINTIFFS therefore demand reimbursement for expenditures or losses
15 incurred by themselves and the CALIFORNIA LABOR SUB-CLASS members in the
16 discharge of their job duties for DEFENDANT, or their obedience to the directions of
17 DEFENDANT, with interest at the statutory rate and costs under Cal. Lab. Code § 2802.

18 **EIGHTH CAUSE OF ACTION**

19 **For Failure to Pay Wages When Due**

20 **[Cal. Lab. Code §§ 201, 202, 203]**

21 **(By PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS**
22 **and Against All Defendants)**

23 106. PLAINTIFFS, and the other members of the CALIFORNIA LABOR SUB-
24 CLASS, reallege and incorporate by reference, as though fully set forth herein, the prior
25 paragraphs of this Complaint.

26 107. Cal. Lab. Code § 200 provides, in relevant part, that:

27 As used in this article:

28 (a) "Wages" includes all amounts for labor performed by employees of
every description, whether the amount is fixed or ascertained by the

1 standard of time, task, piece, Commission basis, or other method of calculation.
2 (b) "Labor" includes labor, work, or service whether rendered or
3 performed under contract, subcontract, partnership, station plan, or other
4 agreement if the labor to be paid for is performed personally by the person
5 demanding payment.

6 108. Cal. Lab. Code § 201 provides, in relevant part, "that If an employer
7 discharges an employee, the wages earned and unpaid at the time of discharge are due and
8 payable immediately."

9 109. Cal. Lab. Code § 202 provides, in relevant part, that:

10 If an employee not having a written contract for a definite period quits his
11 or her employment, his or her wages shall become due and payable not
12 later than 72 hours thereafter, unless the employee has given 72 hours
13 previous notice of his or her intention to quit, in which case the employee
14 is entitled to his or her wages at the time of quitting. Notwithstanding any
15 other provision of law, an employee who quits without providing a 72-
16 hour notice shall be entitled to receive payment by mail if he or she so
17 requests and designates a mailing address. The date of the mailing shall
18 constitute the date of payment for purposes of the requirement to provide
19 payment within 72 hours of the notice of quitting.

20 110. There was no definite term in PLAINTIFFS' or any CALIFORNIA LABOR
21 SUB-CLASS Members' employment contract.

22 111. Cal. Lab. Code § 203 provides, in relevant part, that:

23 If an employer willfully fails to pay, without abatement or reduction, in
24 accordance with Sections 201, 201.5, 202, and 205.5, any wages of an
25 employee who is discharged or who quits, the wages of the employee shall
26 continue as a penalty from the due date thereof at the same rate until paid
27 or until an action therefor is commenced; but the wages shall not continue
28 for more than 30 days.

112. The employment of PLAINTIFFS and many CALIFORNIA LABOR SUB-
CLASS Members has terminated and DEFENDANT has not tendered payment of all wages
owed as required by law. Additionally, at all times during the term of PLAINTIFFS'
employment with DEFENDANT, PLAINTIFFS and CALIFORNIA LABOR SUB-CLASS
Members earned and accrued vested vacation and holiday time on the date of their
termination pursuant to DEFENDANT's uniform vacation policies and applicable California
law. The amount of vacation pay PLAINTIFFS and the other CALIFORNIA LABOR SUB-
CLASS Members earned and accumulated is evidenced by DEFENDANT's business
records. Additionally, DEFENDANT also underpaid accrued vested vacation wages to

1 PLAINTIFFS and other CALIFORNIA LABOR SUB-CLASS MEMBERS by failing to pay
2 such wages at the regular rate of pay and more specifically the final rate of pay that included
3 all non-discretionary incentive compensation. Rather than pay vacation wages at the regular
4 rate of pay, DEFENDANT underpaid vacation wages to PLAINTIFFS and other
5 CALIFORNIA LABOR SUB-CLASS Members at their base rates of pay, instead of
6 including all of PLAINTIFFS' and CALIFORNIA LABOR SUB-CLASS Members' non-
7 discretionary incentive compensation into the vacation wage payment calculations.
8 DEFENDANT failed to specify in DEFENDANT's written vacation policy the rate at which
9 PLAINTIFFS and other CALIFORNIA LABOR CLASS Members would be paid vacation
10 upon leaving employment with DEFENDANT. As a result of DEFENDANT's unlawful
11 practice, policy and procedure to deny paying the PLAINTIFFS and the other members of
12 the CALIFORNIA LABOR SUB-CLASS all of their vested vacation and holiday time,
13 DEFENDANT failed to pay the PLAINTIFFS and the members of the CALIFORNIA
14 LABOR SUB-CLASS all vested vacation time as wages due upon employment termination,
15 in violation of the California Labor Code, Sections 201, 202, 203 and 227.3. Similarly,
16 DEFENDANT underpaid waiting time penalties to PLAINTIFFS and other CALIFORNIA
17 LABOR SUB-CLASS Members at their base rates of pay, instead of including all of
18 PLAINTIFFS' and CALIFORNIA LABOR SUB-CLASS Members' non-discretionary
19 compensation into the waiting time penalty calculations. This failure by DEFENDANT is
20 believed to be the result of DEFENDANT's unlawful, unfair and deceptive refusal to
21 provide compensation for earned, accrued and vested vacation and holiday time, as well as
22 the corresponding waiting time penalties that were paid. DEFENDANT perpetrated this
23 unlawful, unfair and deceptive practice to the detriment of the PLAINTIFFS and the
24 members of the CALIFORNIA LABOR SUB-CLASS . DEFENDANT's uniform practice
25 and policy of failing to pay the LABOR SUB-CLASS Members for all vested vacation and
26 holiday time accumulated at employment termination violated and continues to violate
27 Section 227.3 of the California Labor Code.

1 113. Therefore, as provided by Cal Lab. Code § 203, on behalf of themselves and
2 the members of the CALIFORNIA LABOR SUB-CLASS whose employment has
3 terminated and who have not been fully paid their wages due to them, PLAINTIFFS demand
4 thirty days of pay as penalty for not paying all wages due at time of termination for all
5 employees who terminated employment during the CALIFORNIA LABOR SUB-CLASS
6 PERIOD and demand an accounting and payment of all wages due, plus interest and
7 statutory costs as allowed by law.

8
9 **NINTH CAUSE OF ACTION**

10 **For Failure to Pay Sick Pay Wages**

11 **[Cal. Lab. Code §§ 201-203, 233, 246]**

12 **(By PLAINTIFFS and the CALIFORNIA LABOR SUB-CLASS**

13 **and Against All Defendants)**

14 114. PLAINTIFFS, and the other members of the CALIFORNIA LABOR SUB-
15 CLASS, reallege and incorporate by reference, as though fully set forth herein, the prior
16 paragraphs of this Complaint.

17 115. Cal Lab. Code § 233 provides that an employer must permit an employee to
18 use accrued sick leave in accordance with Cal Lab. Code § 246.5 at the employee's then
19 current rate of entitlement. Cal Lab. Code § 246 provides that an employee is entitled to
20 sick pay wages for use of accrued sick leave pursuant to Cal Lab. Code § 246.5.
21 Specifically, once accrued sick leave is used as paid sick time, an employee has a vested
22 right to sick pay wages, which an employer must calculate and compensate based on one of
23 two calculations: (i) "Paid sick time for nonexempt employees shall be calculated in the
24 same manner as the regular rate of pay for the workweek in which the employee uses paid
25 sick time, whether or not the employee actually works overtime in that workweek," or (ii)
26 "Paid sick time for nonexempt employees shall be calculated by dividing the employee's
27 total wages, not including overtime premium pay, by the employee's total hours worked in
28

1 the full pay periods of the prior 90 days of employment.” Under Cal Lab. Code §§ 218 and
2 233, employees may sue to recover underpaid sick pay wages as damages.

3 116. As a matter of policy and practice, DEFENDANT pays sick pay wages to
4 PLAINTIFFS and the other members of the CALIFORNIA LABOR SUB-CLASS at the
5 incorrect rate of pay. PLAINTIFFS and the other members of the CALIFORNIA LABOR-
6 SUB-CLASS regularly use accrued sick leave in the workweeks in which they also earn
7 non-hourly remuneration. As a matter of policy and practice, DEFENDANT pays sick pay
8 wages to PLAINTIFFS and the other members of the CALIFORNIA LABOR-SUB-CLASS
9 at the base hourly pay, as opposed to the regular rate of pay, which would consider all non-
10 hourly remuneration in addition to base hourly wages, or the rate resulting from dividing the
11 employee’s total wages, not including overtime premium pay, by the employee’s total hours
12 worked in the full pay periods of the prior 90 days of employment. As a result,
13 DEFENDANT underpaid sick pay wages to PLAINTIFFS and the other members of the
14 CALIFORNIA LABOR-SUB-CLASS.

15 117. Cal. Lab. Code § 246 specifically requires that, upon use of accrued sick
16 leave, vested sick pay wages are due and to be paid no later than the payday for the next
17 regular payroll period after accrued sick leave is used as paid sick time. Similarly, Cal. Lab.
18 Code § 201 provides that if an employer discharges an employee, wages earned and unpaid
19 at the time of discharge are due and payable immediately. Cal. Lab. Code § 202 provides
20 that an employee is entitled to receive all unpaid wages no later than 72 hours after an
21 employee quits his or her employment, unless the employee has given 72-hour notice of his
22 or her intention to quit, in which case the employee is entitled to his or her wages at the time
23 of quitting. The Labor Code penalizes untimely payments. For example, Cal. Lab. Code §
24 203 provides that if an employer willfully fails to pay wages owed in accordance with Cal.
25 Lab. Code §§ 201-202, then the wages of the employee shall continue as a penalty from the
26 due date, and at the same rate until paid, but the wages shall not continue for more than
27 thirty (30) days. Under Cal. Lab. Code §§ 203 and 218, employees may sue to recover
28 applicable penalties.

118. As alleged herein and as a matter of policy and practice, DEFENDANT routinely underpays sick pay wages and thus did not timely pay PLAINTIFFS and the other members of the CALIFORNIA LABOR-SUB-CLASS all owing and underpaid sick pay wages. As a result, DEFENDANT violates Cal. Lab. Code §§ 201-203, 233, and 246, among other Labor Code provisions. PLAINTIFFS are informed and believes that DEFENDANT was advised by skilled lawyers and knew, or should have known, of the mandates of the Labor Code as it relates to PLAINTIFFS' allegations, especially since the California Supreme Court has explained that "[c]ourts have recognized that 'wages' also include those benefits to which an employee is entitled as a part of his or her compensation, including money, room, board, clothing, vacation pay, *and sick pay*." *Murphy v. Kenneth Cole Prods., Inc.*, 40 Cal. 4th 1094, 1103 (2007)(emphasis added). Because DEFENDANT willfully fails to timely pay PLAINTIFFS and the other members of the CALIFORNIA LABOR-SUB-CLASS all sick pay wages due, DEFENDANT is subject to applicable penalties.

119. Such a pattern, practice, and uniform administration of corporate policy is unlawful and entitles PLAINTIFFS and the other members of the CALIFORNIA LABOR-SUB-CLASS to underpaid sick pay wages, including interest thereon, applicable penalties, attorney's fees, and costs of suit.

TENTH CAUSE OF ACTION

For Violation of the Private Attorneys General Act

[Cal. Lab. Code §§ 2698, *et seq.*]

(By PLAINTIFFS and Against All Defendants)

120. PLAINTIFFS reallege and incorporate by this reference, as though fully set forth herein, the prior paragraphs of this Complaint.

121. PAGA is a mechanism by which the State of California itself can enforce state labor laws through the employee suing under the PAGA who do so as the proxy or agent of the state's labor law enforcement agencies. An action to recover civil penalties under PAGA is fundamentally a law enforcement action designed to protect the public and not to

1 benefit private parties. The purpose of the PAGA is not to recover damages or restitution,
2 but to create a means of "deputizing" citizens as private attorneys general to enforce the
3 Labor Code. In enacting PAGA, the California Legislature specified that "it was ... in the
4 public interest to allow aggrieved employees, acting as private attorneys general to recover
5 civil penalties for Labor Code violations ..." Stats. 2003, ch. 906, § 1. Accordingly, PAGA
6 claims cannot be subject to arbitration.

7 122. PLAINTIFFS, and such persons that may be added from time to time who satisfy
8 the requirements and exhaust the administrative procedures under the Private Attorney General
9 Act, brings this Representative Action on behalf of the State of California with respect to
10 themselves and all of SHC Services, Inc.'s non-exempt clinician employees who worked
11 assignments for SHC Services, Inc. in California ("EXTERNAL AGGRIEVED
12 EMPLOYEES") from June 26, 2023 through April 6, 2025 (the "PAGA PERIOD").
13 PLAINTIFFS, and such persons that may be added from time to time who satisfy the
14 requirements and exhaust the administrative procedures under the Private Attorney General Act,
15 further bring this Representative Action on behalf of the State of California with respect to
16 themselves and all of SHC Services, Inc.'s exempt recruiter employees who worked in
17 California ("INTERNAL AGGRIEVED EMPLOYEES") from June 26, 2023 through April
18 6, 2025 (the "PAGA PERIOD"). EXTERNAL AGGRIEVED EMPLOYEES and INTERNAL
19 AGGRIEVED EMPLOYEES are collectively referred to as "AGGRIEVED EMPLOYEES".

20 123. On April 8, 2024, PLAINTIFF Jeremiah Costello gave written notice by
21 electronic mail to the Labor and Workforce Development Agency (the "Agency") and by
22 certified mail to the employer of the specific provisions of this code alleged to have been
23 violated as required by Labor Code § 2699.3. See **Exhibit #1**, attached hereto and incorporated
24 by this reference herein (*PAGA Notice only without draft complaint*). On June 26, 2024,
25 Plaintiffs Jeremiah Costello and Alicia Calvert gave amended notice by electronic mail to the
26 Agency by certified mail to the employer of the specific provisions of this code alleged to have
27 been violated as required by Labor Code § 2699.3. See **Exhibit #2**, attached hereto and
28 incorporated by this reference herein (*PAGA Notice only without draft complaint*). The

1 statutory waiting period for PLAINTIFFS to add these allegations to the Complaint has expired.
2 As a result, pursuant to Section 2699.3, PLAINTIFFS may now commence a representative
3 civil action under PAGA pursuant to Section 2699 as the proxy of the State of California with
4 respect to all AGGRIEVED EMPLOYEES as herein defined.

5 124. The policies, acts and practices heretofore described were and are an unlawful
6 business act or practice because DEFENDANT (a) failed to provide PLAINTIFF and the
7 AGGRIEVED EMPLOYEES accurate itemized wage statements, (b) failed to properly record
8 and provide legally required meal and rest periods, (c) failed to pay minimum wages, (d) failed
9 to pay overtime wages and sick pay wages, (e) failed to reimburse employees for required
10 expenses, (f) failed to provide wages when due, and (g) failed to provide suitable seating, all
11 in violation of the applicable Labor Code sections listed in Labor Code §§ 201, 202, 203, 204
12 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1,
13 1198, 2100 *et seq.*, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision
14 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide
15 Seating), and the applicable Wage Order(s), and thereby gives rise to civil penalties as a result
16 of such conduct.¹ PLAINTIFF hereby seeks recovery of only civil penalties as prescribed by
17 the Labor Code Private Attorney General Act of 2004 as the representative of the State of
18 California for the illegal conduct perpetrated on PLAINTIFF and the AGGRIEVED
19 EMPLOYEES.

20
21 **PRAYER FOR RELIEF**

22 WHEREFORE, PLAINTIFFS pray for judgment against each Defendant, jointly and
23 severally, as follows:

24 1. On behalf of the CALIFORNIA CLASS:

25
26
27 _____
28 ¹Plaintiff specifically excludes and/or does not allege any claims under California Labor
Code §558(a)(3).

- 1 A) That the Court certify the First Cause of Action asserted by the CALIFORNIA
2 CLASS as a class action pursuant to Cal. Code of Civ. Proc. § 382;
3 B) An order temporarily, preliminarily and permanently enjoining and restraining
4 DEFENDANT from engaging in similar unlawful conduct as set forth herein;
5 C) An order requiring DEFENDANT to pay all wages and all sums unlawfully
6 withheld from compensation due to PLAINTIFFS and the other members of the
7 CALIFORNIA CLASS; and,
8 D) Restitutionary disgorgement of DEFENDANT's ill-gotten gains into a fluid fund
9 for restitution of the sums incidental to DEFENDANT's violations due to
10 PLAINTIFFS and to the other members of the CALIFORNIA CLASS.

11 2. On behalf of the CALIFORNIA LABOR SUB-CLASS:

- 12 A) That the Court certify the Second, Third, Fourth, Fifth, Sixth, Seventh, Eighth
13 and Ninth Causes of Action asserted by the CALIFORNIA LABOR SUB-
14 CLASS as a class action pursuant to Cal. Code of Civ. Proc. § 382;
15 B) Compensatory damages, according to proof at trial, including compensatory
16 damages for minimum and overtime compensation due PLAINTIFFS and the
17 other members of the CALIFORNIA LABOR SUB-CLASS, during the
18 applicable CALIFORNIA LABOR SUB-CLASS PERIOD plus interest thereon
19 at the statutory rate;
20 C) The greater of all actual damages or fifty dollars (\$50) for the initial pay period
21 in which a violation occurs and one hundred dollars (\$100) per each member of
22 the CALIFORNIA LABOR SUB-CLASS for each violation in a subsequent pay
23 period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and
24 an award of costs for violation of Cal. Lab. Code § 226;
25 D) Meal and rest period compensation pursuant to Cal. Lab. Code §§ 226.7, 512 and
26 the applicable IWC Wage Order;
27 E) For liquidated damages pursuant to California Labor Code Sections 1194.2 and
28 1197;

- 1 F) The amount of the expenses PLAINTIFFS and each member of the
2 CALIFORNIA LABOR SUBCLASS incurred in the course of their job duties,
3 plus interest, and costs of suit.; and,
- 4 G) The wages of all terminated employees in the CALIFORNIA LABOR
5 SUB-CLASS as a penalty from the due date thereof at the same rate until paid or
6 until an action therefore is commenced, in accordance with Cal. Lab. Code § 203.
- 7 3. On behalf of the State of California and with respect to all AGGRIEVED
8 EMPLOYEES:
- 9 A) Recovery of civil penalties as prescribed by the Labor Code Private
10 Attorneys General Act of 2004; and,
- 11 B) An award of attorneys' fees and cost of suit, as allowable under the
12 law, including, but not limited to, pursuant to Labor Code §2699.
- 13 4. On all claims:
- 14 A) An award of interest, including prejudgment interest at the legal rate;
15 B) Such other and further relief as the Court deems just and equitable; and,
16 C) An award of penalties, attorneys' fees and cost of suit, as allowable under the
17 law, including, but not limited to, pursuant to Labor Code §221, §226, §1194,
18 and/or §2802.

19
20 Dated: May 27, 2025 BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP
21
22

23 By: /s/ Nicholas J. De Blouw
24 Norman B. Blumenthal
Nicholas J. De Blouw

25 **CENTURION TRIAL ATTORNEYS, APC**
26 Ryan Stygar (State Bar #332764)
8880 Rio San Diego Dr., Suite 800
27 San Diego, CA 92108

28 *Attorneys for Plaintiffs*

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DEMAND FOR A JURY TRIAL

PLAINTIFFS demand a jury trial on issues triable to a jury.

Dated: May 27, 2025 BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

By: /s/ Nicholas J. De Blouw
Norman B. Blumenthal
Nicholas J. De Blouw

CENTURION TRIAL ATTORNEYS, APC
Ryan Stygar (State Bar #332764)
8880 Rio San Diego Dr., Suite 800
San Diego, CA 92108

Attorneys for Plaintiffs

EXHIBIT 1

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

2255 CALLE CLARA

LA JOLLA, CALIFORNIA 92037

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Phone: (858) 551-1223

Fax: (858) 551-1232

WRITERS E-MAIL:

Nick@bamlawca.com

WRITERS EXT:

1004

April 8, 2024

CA3249

VIA ONLINE FILING TO LWDA AND CERTIFIED MAIL TO DEFENDANT

Labor and Workforce Development Agency
Online Filing

SHC Services, Inc.
Certified Mail #9589071052700408543601
CSC - LAWYERS INCORPORATING
SERVICE
BECKY DEGEORGE
2710 GATEWAY OAKS DRIVE, Suite
150N
SACRAMENTO, CA 95833

Re: Notice Of Violations Of California Labor Code Sections §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246 *et seq.*, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2100 *et seq.*, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), and Violation of Applicable Industrial Welfare Commission Wage Order(s), brought Pursuant To California Labor Code Section 2699.5.

Dear Sir/Madam:

“Aggrieved Employees” refers to all individuals who are or previously were employed by SHC Services, Inc. in California, including any employees staffed with SHC Services, Inc. by a third party, and classified as non-exempt employees during the time period of April 8, 2023 until a date as determined by the Court. Our offices represent Plaintiff Jeremiah Costello (“Plaintiff”) and other Aggrieved Employees in a lawsuit against SHC Services, Inc. (“Defendant”). Plaintiff was employed by Defendant in California from December of 2022 to April of 2024. Plaintiff was at all times classified by Defendant as a non-exempt employee, paid on an hourly basis, and entitled to the legally required meal and rest periods and payment of minimum and overtime wages due for all time worked. Defendant, however, unlawfully failed to record and pay Plaintiff and other Aggrieved Employees for, including but not limited to, all of their time worked, including minimum and overtime wages and sick pay wages at the correct rate, for all of their missed meal and rest breaks at the correct regular rates, and for all of their time spent working off the clock. Moreover, when Defendants required Plaintiff and Aggrieved Employees to report for work, but “furnished less than half said employee’s usual or scheduled day’s work,” Defendant violated Cal. Code Regs., tit. 8 § 11040, subd. 5(A) by failing to pay Plaintiff and Aggrieved Employees for at least two (2) hours’ worth of work at their regular rate of pay. In addition, when Defendant required Plaintiff and Aggrieved Employees to respond to and engage in additional work, this resulted in a second reporting for work in a single workday,

and Defendant failed to pay these employees reporting time pay as required by Cal. Code Regs., tit. 8, § 11040, subd. 5(B). Further, Defendant failed to advise Plaintiff and the other Aggrieved Employees of their right to take separately and hourly paid duty-free ten (10) minute rest periods. *See Vaquero v. Stoneledge Furniture, LLC*, 9 Cal. App. 5th 98, 110 (2017). Additionally, pursuant to Labor Code § 204 *et seq.*, Defendant failed to timely provide Plaintiff and other Aggrieved Employees with their wages. Plaintiff further contends that Defendant failed to provide accurate wage statements to her, and other Aggrieved Employees, in violation of California Labor Code section 226(a). Specifically, PLAINTIFF and the AGGRIEVED EMPLOYEES were paid on an hourly basis. As such, the wage statements should reflect all applicable hourly rates during the pay period and the total hours worked, and the applicable pay period in which the wages were earned pursuant to California Labor Code Section 226(a). The wage statements Defendants provided to PLAINTIFF and the AGGRIEVED EMPLOYEES failed to identify such information. More specifically, the wage statements failed to identify the accurate total hours worked each pay period in violation of Cal. Lab. Code Section 226(a)(2). Additionally, Plaintiff contends that Defendants failed to comply with Industrial Wage Order 7(A)(3) in that Defendants failed to keep time records showing when Plaintiff began and ended each shift and meal period. Plaintiff and other Aggrieved Employees performed tasks that reasonably permit sitting, and a seat would not interfere with their performance of any of their tasks that may require them to stand. Defendants failed to provide Plaintiff and other Aggrieved Employees with suitable seats. Said conduct, in addition to the foregoing, as well as the conduct alleged in the incorporated Complaint, violates Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of the applicable Industrial Welfare Commission Wage Order(s), and is therefore actionable under California Labor Code section 2699.3.

A true and correct copy of the Complaint by Plaintiff against Defendant, which (i) identifies the alleged violations, (ii) details the facts and theories which support the alleged violations, (iii) details the specific work performed by Plaintiff, (iii) sets forth the people/entities, dates, classifications, violations, events, and actions which are at issue to the extent known to Plaintiff, and (iv) sets forth the illegal practices used by Defendant, is attached hereto. This information provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency's reference. Plaintiff therefore incorporates the allegations of the attached Complaint into this letter as if fully set forth herein. If the agency needs any further information, please do not hesitate to ask.

This notice is provided to enable Plaintiff to proceed with the Complaint against Defendant as authorized by California Labor Code section 2699, *et seq.* The lawsuit consists of other Aggrieved Employees. As counsel, our intention is to vigorously prosecute the claims as alleged in the Complaint, and to procure civil penalties as provided by the Private Attorney General Statute of 2004 on behalf of Plaintiff and all Aggrieved Employees. Your earliest response to this notice is appreciated. If you have any questions of concerns, please do not hesitate to contact me at the above number and address.

Respectfully,

/s/ Nicholas J. De Blouw
Nicholas J. De Blouw, Esq.

EXHIBIT 2

BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP

**2255 CALLE CLARA
LA JOLLA, CALIFORNIA 92037**

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**WRITERS EXT:
1004**

June 26, 2024
CA3249

VIA ONLINE FILING TO LWDA AND CERTIFIED MAIL TO DEFENDANT

Labor and Workforce Development Agency
Online Filing

SHC Services, Inc.
Certified Mail #9589071052702163358124
CSC - LAWYERS INCORPORATING
SERVICE
BECKY DEGEORGE
2710 GATEWAY OAKS DRIVE, Suite
150N
SACRAMENTO, CA 95833

Amended Notice For Case No. LWDA-CM-1021045-24

Re: Amended Notice Of Violations Of California Labor Code
Sections §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7,
227.3, 246 *et seq.*, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198,
2802, California Code of Regulations, Title 8, Section 11040,
Subdivision 5(A)-(B), California Code of Regulations, Title 8,
Section 1 1070(14) (Failure to Provide Seating), and Violation of
Applicable Industrial Welfare Commission Wage Order(s), brought
Pursuant To California Labor Code Section 2699.5.

Dear Counsel:

Our office originally sent a PAGA Notice on April 8, 2024 which gave notice to the LWDA and Defendant to enable Plaintiff to proceed with the Complaint against Defendant as authorized by California Labor Code section 2699, *et seq.*

This Amended Notice is intended to add an additional Plaintiff, Alicia Calvert.

“Aggrieved Employees” refers to all individuals who are or previously were employed by SHC Services, Inc. in California, including any employees staffed with SHC Services, Inc. a third party, and classified as non-exempt employees during the time period of April 8, 2023 until a date as determined by the Court. Our offices represent Plaintiffs Jeremiah Costello and Alicia Calvert (“Plaintiffs”) and other Aggrieved Employees in a lawsuit against SHC Services, Inc. (“Defendant”). Plaintiff Costello was employed by Defendant in California from December of 2022 to April of 2024. Plaintiff Calvert was employed by Defendant in California from

March 11, 2024 to April 1, 2024. Plaintiffs were at all times classified by Defendant as a non-exempt employee, paid on an hourly basis, and entitled to the legally required meal and rest periods and payment of minimum and overtime wages due for all time worked. Defendant, however, unlawfully failed to record and pay Plaintiffs and other Aggrieved Employees for, including but not limited to, all of their time worked, including minimum and overtime wages and sick pay wages at the correct rate, for all of their missed meal and rest breaks at the correct regular rates, and for all of their time spent working off the clock. Moreover, when Defendant required Plaintiffs and Aggrieved Employees to report for work, but “furnished less than half said employee’s usual or scheduled day’s work,” Defendant violated Cal. Code Regs., tit. 8 § 11040, subd. 5(A) by failing to pay Plaintiff and Aggrieved Employees for at least two (2) hours’ worth of work at their regular rate of pay. In addition, when Defendant required Plaintiffs and Aggrieved Employees to respond to and engage in additional work, this resulted in a second reporting for work in a single workday, and Defendant failed to pay these employees reporting time pay as required by Cal. Code Regs., tit. 8, § 11040, subd. 5(B). Further, Defendant failed to advise Plaintiffs and the other Aggrieved Employees of their right to take separately and hourly paid duty-free ten (10) minute rest periods. *See Vaquero v. Stoneledge Furniture, LLC*, 9 Cal. App. 5th 98, 110 (2017). Additionally, pursuant to Labor Code § 204 *et seq.*, Defendant failed to timely provide Plaintiffs and other Aggrieved Employees with their wages. Plaintiffs further contend that Defendant failed to provide accurate wage statements to her, and other Aggrieved Employees, in violation of California Labor Code section 226(a). Specifically, PLAINTIFFS and the AGGRIEVED EMPLOYEES were paid on an hourly basis. As such, the wage statements should reflect all applicable hourly rates during the pay period and the total hours worked, and the applicable pay period in which the wages were earned pursuant to California Labor Code Section 226(a). The wage statements Defendant provided to PLAINTIFFS and the AGGRIEVED EMPLOYEES failed to identify such information. More specifically, the wage statements failed to identify the accurate total hours worked each pay period in violation of Cal. Lab. Code Section 226(a)(2). Additionally, Plaintiffs contend that Defendant failed to comply with Industrial Wage Order 7(A)(3) in that Defendant failed to keep time records showing when Plaintiffs began and ended each shift and meal period. Plaintiffs and other Aggrieved Employees perform tasks that reasonably permit sitting, and a seat would not interfere with their performance of any of their tasks that may require them to stand. Defendant failed to provide Plaintiffs and other Aggrieved Employees with suitable seats. Said conduct, in addition to the foregoing, as well as the conduct alleged in the incorporated Complaint, violates Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of the applicable Industrial Welfare Commission Wage Order(s), and is therefore actionable under California Labor Code section 2699.3.

A true and correct copy of the Complaint by Plaintiffs against Defendant, which (i) identifies the alleged violations, (ii) details the facts and theories which support the alleged violations, (iii) details the specific work performed by Plaintiffs, (iii) sets forth the people/entities, dates, classifications, violations, events, and actions which are at issue to the extent known to Plaintiffs, and (iv) sets forth the illegal practices used by Defendant, is attached hereto. This information provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency’s reference. Plaintiffs therefore incorporate the allegations of the attached Complaint into this letter as if fully set forth herein. If the agency needs any further information, please do not hesitate to ask.

This notice is provided to enable Plaintiffs to proceed with the Complaint against Defendant as authorized by California Labor Code section 2699, *et seq.* The lawsuit consists of

other Aggrieved Employees. As counsel, our intention is to vigorously prosecute the claims as alleged in the Complaint, and to procure civil penalties as provided by the Private Attorney General Statue of 2004 on behalf of Plaintiffs and all Aggrieved Employees.

Your earliest response to this notice is appreciated. If you have any questions of concerns, please do not hesitate to contact me at the above number and address.

Respectfully,

/s/ Nicholas J. De Blouw

Nicholas J. De Blouw, Esq.