

SUMMONS

(CITACION JUDICIAL)

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

ELECTRONICALLY FILED
Superior Court of California
County of Sacramento

04/03/2024

By: H. Larson Deputy

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):

PHH MORTGAGE CORPORATION, a New Jersey corporation, d/b/a LIBERTY REVERSE MORTGAGE; (Additional Parties Attachment is attached)

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):

MICHAELA LANERE, an individual, in her representative capacity on behalf of the State of California and fellow Aggrieved Employees,

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **¡AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es): Sacramento Superior Court

Gordon D. Schaber Courthouse - 720 9th Street, Sacramento, CA 95814

CASE NUMBER:

(Número del Caso):

24CV006254

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

Jean-Claude Lapuyade, Esq. T: (619) 599-8292 JCL Law Firm, APC - 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121

DATE: 04/03/2024
(Fecha)

Clerk, by /s/ H. Larson, Deputy
(Secretario) (Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

[SEAL]



NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☐ other (specify):
4. ☐ by personal delivery on (date):

SHORT TITLE:

Michaela LaNere V. PHH Mortgage Corporation, et al.

CASE NUMBER:

INSTRUCTIONS FOR USE

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

☐ Plaintiff ☒ Defendant ☐ Cross-Complainant ☐ Cross-Defendant

OCWEN FINANCIAL INSURANCE SERVICES, INC., a Delaware stock corporation; OCWEN USVI SERVICES, LLC a Virgin Islands limited liability company; LIBERTY HOME EQUITY SOLUTIONS a California limited liability company and DOES 1-50, Inclusive,

Page ____ of ____

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03/29/2024

By: H. Larson Deputy

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)

Monnett De La Torre (State Bar #272884)

Andrea Amaya Silva (State Bar #348080)

Kendall Garald (State Bar #351773)

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

Telephone: (619) 599-8292

Facsimile: (619) 599-8291

jlapuyade@jcl-lawfirm.com

mdelatorre@jcl-lawfirm.com

aamaya@jcl-lawfirm.com

kgarald@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)

5440 Morehouse Drive, Suite 3600

San Diego, CA 92121

Telephone: (619) 255-9047

Facsimile: (858) 404-9203

shani@zakaylaw.com

Attorneys for Plaintiff MICHAELA LANERE

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF SACRAMENTO

MICHAELA LANERE, an individual, in her
representative capacity on behalf of the State of
California and fellow Aggrieved Employees,

Plaintiff,

v.

PHH MORTGAGE CORPORATION, a New
Jersey corporation, d/b/a LIBERTY REVERSE
MORTGAGE; OCWEN FINANCIAL
INSURANCE SERVICES, INC., a Delaware
stock corporation; OCWEN USVI SERVICES,
LLC a Virgin Islands limited liability company;
LIBERTY HOME EQUITY SOLUTIONS a
California limited liability company and DOES
1-50, Inclusive,

Defendants.

Case No: **24CV006254**

REPRESENTATIVE ACTION
COMPLAINT FOR:

- 1) VIOLATIONS OF THE PRIVATE
ATTORNEYS GENERAL ACT [LABOR
CODE §§ 2698 ET SEQ

1 PLAINTIFF MICHAELA LANERE (“PLAINTIFF”), an individual, in her representative
2 capacity and on behalf of herself, the State of California, and fellow current and former
3 AGGRIEVED EMPLOYEES, defined *supra*, against PHH MORTGAGE CORPORATION, a New
4 Jersey corporation, d/b/a LIBERTY REVERSE MORTGAGE; OCWEN FINANCIAL
5 INSURANCE SERVICES, INC., a Delaware stock corporation; OCWEN USVI SERVICES, LLC,
6 a Virgin Islands limited liability company; and LIBERTY HOME EQUITY SOLUTIONS, a
7 California limited liability company (“DEFENDANT” and/or “DEFENDANTS”), alleges on
8 information and belief, except for her own acts and knowledge which are based on personal
9 knowledge, the following:

10 **INTRODUCTION**

11 1. PLAINTIFF brings this individual and representative action pursuant to the Private
12 Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* (“PAGA”) on behalf of the
13 LWDA and other current and former aggrieved employees of DEFENDANT for engaging in a
14 pattern and practice of wage and hour violations under the California Labor Code.

15 2. PLAINTIFF is informed and believes, and thereon alleges, that DEFENDANT
16 decreased their employment-related costs by systematically violating California wage and hour
17 laws.

18 3. DEFENDANT’S systematic pattern of wage and hour and IWC Wage Order
19 violations toward PLAINTIFF and other aggrieved employees in California include, *inter alia*:

- 20 a. Failure to provide compliant meal and rest periods;
- 21 b. Failure to allow employees to take duty-free meal and rest periods;
- 22 c. Failure to pay all minimum, sick pay, regular and overtime wages;
- 23 d. Failure to correctly calculate the regular rate of pay;
- 24 e. Failure to pay within seven (7) days of the close of payroll;
- 25 f. Failure to pay for all hours worked;
- 26 g. Failure to maintain true and accurate records;
- 27 h. Failure to reimburse for required business expenses;
- 28 i. Failure to provide accurate itemized wage statements; and

1 j. Failure to timely pay wages due during, and upon termination of employment.

2 4. PLAINTIFF brings this individual and representative action against
3 DEFENDANT on behalf of the LWDA and all other aggrieved employees of DEFENDANT in
4 California seeking all civil penalties and unpaid wages permitted pursuant to California Labor
5 Code § 2699, *et seq.*

6 5. PLAINTIFF reserves the right to name additional representatives throughout the
7 State of California.

8 **THE PARTIES**

9 6. Defendant PHH MORTGAGE CORPORATION, d/b/a LIBERTY REVERSE
10 MORTGAGE (“DEFENDANT”) is a New Jersey corporation that at all relevant times mentioned
11 herein conducted and continues to conduct substantial and regular business throughout California.
12 OCWEN FINANCIAL INSURANCE SERVICES, INC (“DEFENDANT”) is a Delaware stock
13 corporation that at all relevant times mentioned herein conducted and continues to conduct
14 substantial and regular business throughout California. OCWEN USVI SERVICES, LLC
15 (“DEFENDANT”) is a Virgin Islands limited liability company that at all relevant times
16 mentioned herein conducted and continues to conduct substantial and regular business throughout
17 California. LIBERTY HOME EQUITY SOLUTIONS (“DEFENDANT”) is a California stock
18 corporation that at all relevant times mentioned herein conducted and continues to conduct
19 substantial and regular business throughout California.

20 7. DEFENDANT PHH MORTGAGE CORPORATION, d/b/a LIBERTY
21 REVERSE MORTGAGE, Defendant OCWEN FINANCIAL INSURANCE SERVICES, INC.,
22 and Defendant OCWEN USVI SERVICES, LLC., were the joint employers of PLAINTIFF as
23 evidenced by the documents issued to PLAINTIFF and by the company PLAINTIFF performed
24 work for respectively and are therefore jointly responsible as employers for the conduct alleged
25 herein as “DEFENDANTS” and/or “DEFENDANT.”

26 8. DEFENDANT is a mortgage corporation in the state of California, including the
27 county of Sacramento, where PLAINTIFF worked.

28 ///

1 9. PLAINTIFF was employed by DEFENDANT in California from January of 2022
2 to November of 2023 as a non-exempt employee, paid on an hourly basis, and entitled to the
3 legally required meal and rest periods and payment of minimum and overtime wages due for all
4 time worked.

5 10. PLAINTIFF, and such persons that may be added from time to time who satisfy
6 the requirements and exhaust the administrative procedures under the Private Attorney General
7 Act, bring this Representative Action on behalf of the State of California with respect to herself
8 and all individuals who are or previously were employed by Defendant in California and classified
9 as non-exempt employees (“AGGRIEVED EMPLOYEES”) during the time period of January
10 23, 2023, and the present (“PAGA Period”).

11 11. PLAINTIFF is an “AGGRIEVED EMPLOYEE” within the meaning of Labor
12 Code § 2699(c) because she was employed by DEFENDANT and suffered one or more of the
13 alleged Labor Code violations committed by DEFENDANT.

14 12. PLAINTIFF and all other AGGRIEVED EMPLOYEES are, and at all relevant
15 times were, employees of DEFENDANT, within the meanings set forth in the California Labor
16 Code and the applicable Industrial Welfare Commission Wage Order.

17 13. Each of the fictitiously named defendants participated in the acts alleged in this
18 Complaint. The true names and capacities of the Defendants named as DOES 1 THROUGH 50,
19 inclusive, are presently unknown to PLAINTIFF. PLAINTIFF will amend this Complaint, setting
20 forth the true names and capacities of these fictitiously named Defendants when their true names
21 are ascertained. PLAINTIFF is informed and believes, and on that basis alleges, that each of the
22 fictitious Defendants have participated in the acts alleged in this Complaint.

23 14. DEFENDANTS, including DOES 1 THROUGH 50 (hereinafter collectively
24 “DEFENDANTS”), were PLAINTIFF’S employers or persons acting on behalf of PLAINTIFF’S
25 employer, within the meaning of California Labor Code § 558, who violated or caused to be
26 violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating
27 hours and days of work in any order of the Industrial Welfare Commission and, as such, are
28

1 subject to civil penalties for each underpaid employee, as set forth in Labor Code § 558, at all
2 relevant times.

3 15. DEFENDANTS were PLAINTIFF'S employer or persons acting on behalf of
4 PLAINTIFF'S employer either individually or as an officer, agent, or employee of another person,
5 within the meaning of California Labor Code § 1197.1, who paid or caused to be paid to any
6 employee a wage less than the minimum fixed by California state law, and as such, are subject to
7 civil penalties for each underpaid employee.

8 **JURISDICTION AND VENUE**

9 16. This Court has jurisdiction over this Action pursuant to California Code of Civil
10 Procedure, Section 410.10 and California Business & Professions Code, Section 17203. This
11 Court has jurisdiction over AGGRIEVED EMPLOYEES' claims for civil penalties under the
12 Private Attorney General Act of 2004, California Labor Code §2698, *et seq.*

13 17. Venue is proper in this Court pursuant to California Code of Civil Procedure,
14 Sections 395 and 395.5, because DEFENDANTS (i) currently maintain and at all relevant times
15 maintained offices and facilities in this County and/or conducted substantial business in this
16 County, and (ii) committed the wrongful conduct herein alleged in this County against
17 AGGRIEVED EMPLOYEES.

18 **THE CONDUCT**

19 18. In violation of the applicable sections of the California Labor Code and the
20 requirements of the Industrial Welfare Commission ("IWC") Wage Order, DEFENDANT as a
21 matter of company policy, practice, and procedure, intentionally, knowingly, and systematically
22 failed to provide legally compliant meal and rest periods, failed to accurately compensate
23 PLAINTIFF and AGGRIEVED EMPLOYEES for missed meal and rest periods, failed to pay
24 PLAINTIFF and AGGRIEVED EMPLOYEES for all time worked, failed to compensate
25 PLAINTIFF and AGGRIEVED EMPLOYEES for off-the-clock work, failed to pay PLAINTIFF
26 and AGGRIEVED EMPLOYEES overtime at the correct regular rate of pay, failed to compensate
27 PLAINTIFF and AGGRIEVED EMPLOYEES meal rest premiums at the regular rate, failed to
28 reimburse PLAINTIFF and other AGGRIEVED EMPLOYEES for business expenses, and failed

1 to issue to PLAINTIFF and AGGRIEVED EMPLOYEES with accurate itemized wage statements
2 showing, among other things, all applicable hourly rates in effect during the pay periods and the
3 corresponding amount of time worked at each hourly rate, the total hours worked and the name
4 of the legal entity that was the employer. DEFENDANT's uniform policies and practices are
5 intended to purposefully avoid the accurate and full payment for all time worked as required by
6 California law which allows DEFENDANT to illegally profit and gain an unfair advantage over
7 competitors who comply with the law. To the extent equitable tolling operates to toll claims by
8 the AGGRIEVED EMPLOYEES against DEFENDANT, the PAGA PERIOD should be adjusted
9 accordingly.

10 **A. Meal Period Violations**

11 19. Pursuant to the Industrial Welfare Commission Wage Orders, DEFENDANT was
12 required to pay PLAINTIFF and AGGRIEVED EMPLOYEES for all their time worked, meaning
13 the time during which an employee is subject to the control of an employer, including all the time
14 the employee is suffered or permitted to work. From time to time during the PAGA PERIOD,
15 DEFENDANT required PLAINTIFF and AGGRIEVED EMPLOYEES to work without paying
16 them for all the time they were under DEFENDANT's control. Specifically, DEFENDANT
17 required PLAINTIFF to work while clocked out during what was supposed to be PLAINTIFF'S
18 off-duty meal break. Indeed, there were many days where PLAINTIFF did not even receive a
19 partial lunch. As a result, the PLAINTIFF and other AGGRIEVED EMPLOYEES forfeited
20 minimum wage and overtime compensation by regularly working without their time being
21 accurately recorded and without compensation at the applicable minimum wage and overtime
22 rates. DEFENDANT's uniform policy and practice not to pay PLAINTIFF and other
23 AGGRIEVED EMPLOYEES for all time worked is evidenced by DEFENDANT's business
24 records.

25 20. From time to time during the PAGA PERIOD, as a result of their rigorous work
26 schedules and DEFENDANT's inadequate staffing practices, PLAINTIFF and other
27 AGGRIEVED EMPLOYEES are from time to time unable to take thirty (30) minute off duty
28 meal breaks and were not fully relieved of duty for their meal periods. PLAINTIFF and other

1 AGGRIEVED EMPLOYEES are required to perform work as ordered by DEFENDANT for more
2 than five (5) hours during some shifts without receiving a meal break. Further, DEFENDANT
3 fails to provide PLAINTIFF and AGGRIEVED EMPLOYEES with a second off-duty meal
4 period for some workdays in which these employees are required by DEFENDANT to work ten
5 (10) hours of work. The nature of the work performed by PLAINTIFF and other AGGRIEVED
6 EMPLOYEES does not qualify for the limited and narrowly construed “on-duty” meal period
7 exception. When they were provided with meal periods, PLAINTIFF and other AGGRIEVED
8 EMPLOYEES were, from time to time, required to remain on duty and on call. DEFENDANT’s
9 failure to provide PLAINTIFF and the AGGRIEVED EMPLOYEES Members with legally
10 required meal breaks is evidenced by DEFENDANT’s business records. PLAINTIFF and
11 AGGRIEVED EMPLOYEES therefore forfeit meal breaks without additional compensation and
12 in accordance with DEFENDANT’s strict corporate policy and practice.

13 **B. Rest Period Violations**

14 21. From time to time during the PAGA PERIOD, PLAINTIFF and other
15 AGGRIEVED EMPLOYEES were also required to work in excess of four (4) hours without being
16 provided ten (10) minute rest periods as a result of their rigorous work requirements and
17 DEFENDANT’s inadequate staffing. Further, for the same reasons, these employees were denied
18 their first rest periods of at least ten (10) minutes for some shifts worked of at least two (2) to four
19 (4) hours from time to time, a first and second rest period of at least ten (10) minutes for some
20 shifts worked of between six (6) and eight (8) hours from time to time, and a first, second and
21 third rest period of at least ten (10) minutes for some shifts worked of ten (10) hours or more from
22 time to time. When they were provided with rest breaks, PLAINTIFF and other AGGRIEVED
23 EMPLOYEES were, from time to time, required to remain on premises, on duty and/or on call
24 and/or on the premises. PLAINTIFF and other AGGRIEVED EMPLOYEES were also not
25 provided with one-hour wages *in lieu* thereof. As a result of their rigorous work schedules and
26 DEFENDANT’s inadequate staffing, PLAINTIFF and other AGGRIEVED EMPLOYEES were
27 from time to time denied their proper rest periods by DEFENDANT and DEFENDANT’s
28 managers.

1 **C. Unreimbursed Business Expenses**

2 22. DEFENDANT as a matter of corporate policy, practice, and procedure,
3 intentionally, knowingly, and systematically failed to reimburse and indemnify the PLAINTIFF
4 and the other AGGRIEVED EMPLOYEES for required business expenses incurred by the
5 PLAINTIFF and other AGGRIEVED EMPLOYEES in direct consequence of discharging their
6 duties on behalf of DEFENDANT. Under California Labor Code Section 2802, employers are
7 required to indemnify employees for all expenses incurred in the course and scope of their
8 employment. Cal. Lab. Code § 2802 expressly states that "an employer shall indemnify his or her
9 employee for all necessary expenditures or losses incurred by the employee in direct consequence
10 of the discharge of his or her duties, or of his or her obedience to the directions of the employer,
11 even though unlawful, unless the employee, at the time of obeying the directions, believed them
12 to be unlawful."

13 23. In the course of their employment, DEFENDANT required PLAINTIFF and other
14 AGGRIEVED EMPLOYEES to incur personal expenses for the use of their personal cell phones
15 in furtherance of their job duties. Specifically, PLAINTIFF and other AGGRIEVED
16 EMPLOYEES were required to use their own cell phones in order to perform work related tasks.
17 However, DEFENDANT unlawfully failed to reimburse PLAINTIFF and other AGGRIEVED
18 EMPLOYEES for the personal expenses incurred for the use of their personal cell phones. As a
19 result, in the course of their employment with DEFENDANT, the PLAINTIFF and other
20 AGGRIEVED EMPLOYEES incurred unreimbursed business expenses that included, but were
21 not limited to, costs related to the use of their personal cell phones purchase of their owl tools, all
22 on behalf of and for the benefit of DEFENDANT.

23 **D. Wage Statement Violations**

24 24. California Labor Code Section 226 required an employer to furnish its employees
25 and accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours
26 worked, (3) the number of piece-rate units earned and any applicable piece-rate, (4) all deductions,
27 (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the
28 name of the employee and only the last four digits of the employee's social security number or an

1 employee identification number other than a social security number, (8) the name and address of
2 the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay
3 period and the corresponding number of hours worked at each hourly rate by the employee.

4 25. From time to time during the PAGA PERIOD, when PLAINTIFF and other
5 AGGRIEVED EMPLOYEES missed meal and rest breaks, or were paid inaccurately for missed
6 meal and rest period premiums, or were not paid for all hours worked, DEFENDANT also failed
7 to provide PLAINTIFF and other AGGRIEVED EMPLOYEES with complete and accurate wage
8 statements which failed to show, among other things, all deductions, the total hours worked and
9 all applicable hourly rates in effect during the pay period, and the corresponding amount of time
10 worked at each hourly rate, correct rates of pay for penalty payments or missed meal and rest
11 periods.

12 26. In addition to the foregoing, DEFENDANT, from time to time, failed to provide
13 PLAINTIFF and the AGGRIEVED EMPLOYEES Members with wage statements that comply
14 with Cal. Lab. Code § 226.

15 27. As a result, DEFENDANT issued PLAINTIFF and AGGRIEVED EMPLOYEES
16 with wage statements that violate Cal. Lab. Code § 226. Further, DEFENDANT's violations are
17 knowing and intentional, were not isolated due to an unintentional payroll error due to clerical or
18 inadvertent mistake.

19 **E. Off-the-Clock Work Resulting in Minimum Wage and Overtime Violations**

20 28. During the PAGA PERIOD, from time-to-time DEFENDANT failed and
21 continues to fail to accurately pay PLAINTIFF and AGGRIEVED EMPLOYEES for all hours
22 worked.

23 29. During the PAGA PERIOD, from time-to-time DEFENDANT required
24 PLAINTIFF and AGGRIEVED EMPLOYEES to perform pre-shift or post-shift work. This
25 resulted in PLAINTIFF and AGGRIEVED EMPLOYEES to have to work while off-the-clock.

26 30. DEFENDANT directed and directly benefited from the undercompensated off-the-
27 clock work performed by PLAINTIFF and the other AGGRIEVED EMPLOYEES.

28 ///

1 31. DEFENDANT controlled the work schedules, duties, and protocols, applications,
2 assignments, and employment conditions of PLAINTIFF and AGGRIEVED EMPLOYEES.

3 32. DEFENDANT was able to track the amount of time PLAINTIFF and
4 AGGRIEVED EMPLOYEES spent working; however, DEFENDANT failed to document, track,
5 or pay PLAINTIFF and AGGRIEVED EMPLOYEES all wages earned and owed for all the work
6 they performed.

7 33. PLAINTIFF and AGGRIEVED EMPLOYEES were non-exempt employees,
8 subject to the requirements of the California Labor Code.

9 34. DEFENDANT's policies and practices deprived PLAINTIFF and the other
10 AGGRIEVED EMPLOYEES of all minimum regular, overtime, and double time wages owed for
11 the off-the-clock work activities. Because PLAINTIFF and AGGRIEVED EMPLOYEES
12 typically worked over forty (40) hours in a workweek, and more than eight (8) hours per day,
13 DEFENDANT's policies and practices also deprived them of overtime pay.

14 35. DEFENDANT knew or should have known that PLAINTIFF and AGGRIEVED
15 EMPLOYEES' off-the-clock work was compensable under the law.

16 36. As a result, PLAINTIFF and AGGRIEVED EMPLOYEES forfeited wages due to
17 them for all hours worked at DEFENDANT's direction, control, and benefit for the time spent
18 working while off-the-clock. DEFENDANT's uniform policy and practice to not pay PLAINTIFF
19 and AGGRIEVED EMPLOYEES wages for all hours worked in accordance with applicable law
20 is evidenced by DEFENDANT's business records.

21 **F. Regular Rate Violation – Overtime, Double Time, Meal and Rest Period Premiums,**
22 **and Redeemed Sick Pay**

23 37. From time to time during the PAGA PERIOD, DEFENDANT failed and continues
24 to fail to accurately calculate and pay PLAINTIFF and the other AGGRIEVED EMPLOYEES
25 for their overtime and double time hours worked, meal and rest period premiums, and redeemed
26 sick pay. As a result, PLAINTIFF and the other AGGRIEVED EMPLOYEES forfeited wages
27 due to them for working overtime without compensation at the correct overtime and double time
28 rates, meal and rest period premiums, and redeemed sick pay rates. DEFENDANT's uniform

1 policy and practice not to pay the AGGRIEVED EMPLOYEES Members at the correct rate for
2 all overtime and double time worked, meal and rest period premiums, and redeemed sick pay in
3 accordance with applicable law is evidenced by DEFENDANT's business records.

4 38. State law provides that employees must be paid overtime at one-and-one-half times
5 their "regular rate of pay." PLAINTIFF and other AGGRIEVED EMPLOYEES were
6 compensated at an hourly rate plus incentive pay that was tied to specific elements of an
7 employee's performance.

8 39. The second component of PLAINTIFF'S and other AGGRIEVED EMPLOYEES'
9 compensation was DEFENDANTS' non-discretionary incentive program that paid PLAINTIFF
10 and other AGGRIEVED EMPLOYEES' incentive wages based on their performance for
11 DEFENDANTS. The non-discretionary bonus program provided all employees paid on an hourly
12 basis with bonus compensation when the employees met the various performance goals set by
13 DEFENDANTS.

14 40. From-time-to-time, when calculating the regular rate of pay, in those pay periods
15 where PLAINTIFF and other AGGRIEVED EMPLOYEES worked overtime, double time, paid
16 meal and rest period premium payments, and/or redeemed sick pay, and earned non-discretionary
17 bonus, DEFENDANTS failed to accurately include the non-discretionary bonus compensation as
18 part of the employees' "regular rate of pay" and/or calculated all hours worked rather than just all
19 non-overtime hours worked. Management and supervisors described the incentive/bonus program
20 to potential and new employees as part of the compensation package. As a matter of law, the
21 incentive compensation received by PLAINTIFF and other AGGRIEVED EMPLOYEES must be
22 included in the "regular rate of pay." The failure to do so has resulted in a systematic underpayment
23 of overtime and double time compensation, meal and rest period premiums, and redeemed sick pay
24 to PLAINTIFF and other AGGRIEVED EMPLOYEES by DEFENDANTS. Specifically,
25 California Labor Code Section 246 mandates that paid sick time for non-employees shall be
26 calculated in the same manner as the regular rate of pay for the workweek in which the non-exempt
27 employee uses paid sick time, whether or not the employee actually works overtime in that
28 workweek. DEFENDANTS' conduct, as articulated herein, by failing to include the incentive

1 compensation as part of the “regular rate of pay” for purposes of sick pay compensation was in
2 violation of Cal. Lab. Code § 246 the underpayment of which is recoverable under Cal. Labor Code
3 Sections 201, 202, 203 and/or 204.

4 41. In violation of the applicable sections of the California Labor Code and the
5 requirements of the Industrial Welfare Commission ("IWC") Wage Order, DEFENDANT as a
6 matter of company policy, practice, and procedure, intentionally and knowingly failed to
7 compensate PLAINTIFF and AGGRIEVED EMPLOYEES at the correct rate of pay for all
8 overtime and double time worked, meal and rest period premiums, and sick pay. This uniform
9 policy and practice of DEFENDANT is intended to purposefully avoid the payment of the correct
10 overtime and double time compensation, meal and rest period premiums, and sick pay as required
11 by California law which allowed DEFENDANT to illegally profit and gain an unfair advantage
12 over competitors who complied with the law. To the extent equitable tolling operates to toll
13 claims by the AGGRIEVED EMPLOYEES members against DEFENDANT, the PAGA
14 PERIOD should be adjusted accordingly.

15 **G. Sick Pay Violations**

16 42. Cal. Labor Code Section 246 (a)(1) mandates that “An employee who, on or after
17 July 1, 2015, works in California for the same employer for 30 or more days within a year from
18 the commencement of employment is entitled to paid sick days as specified in this section.”
19 Further, Cal. Labor Code Sections 246(b)-(d) provide for the sick day accrual requirements. From
20 time to time, DEFENDANT failed to have a policy or practice in place that provided PLAINTIFF
21 and AGGRIEVED EMPLOYEES with sick days and/or paid sick leave.

22 43. California Labor Code Section 246(i) requires an employer to furnish its
23 employees with written wage statements setting forth the amount of paid sick leave available.
24 From time to time, DEFENDANT violated Cal. Lab. Code § 246 by failing to furnish PLAINTIFF
25 and AGGRIEVED EMPLOYEES with wage statements setting forth the amount of paid sick
26 leave available.

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1 **H. Violations for Untimely Payment of Wages**

2 44. Pursuant to California Labor Code section 204, PLAINTIFF and the
3 AGGRIEVED EMPLOYEES members were entitled to timely payment of wages during their
4 employment. PLAINTIFF and the AGGRIEVED EMPLOYEES members, from time to time, did
5 not receive payment of all wages, including, but not limited to, overtime wages, minimum wages,
6 meal period premium wages, and rest period premium wages within permissible time period.

7 45. Pursuant to Cal. Lab. Code § 201, “If an employer discharges an employee, the
8 wages earned and unpaid at the time of discharge are due and payable immediately.” Pursuant to
9 Cal. Lab. Code § 202, if an employee quits his or her employment, “his or her wages shall become
10 due and payable not later than 72 hours thereafter, unless the employee has given 72 hours
11 previous notice of his or her intention to quit, in which case the employee is entitled to his or her
12 wages at the time of quitting.” PLAINTIFF and the AGGRIEVED EMPLOYEES were, from time
13 to time, not timely provided the wages earned and unpaid at the time of their discharge and/or at
14 the time of quitting, in violation of Cal. Lab. Code §§ 201 and 202.

15 46. As such, PLAINTIFF demands up to thirty days of pay as penalty for not timely
16 paying all wages due at time of termination for all AGGRIEVED EMPLOYEES whose
17 employment ended during the PAGA PERIOD.

18 **I. Unlawful Deductions**

19 47. DEFENDANTS, from time-to-time unlawfully deducted wages from PLAINTIFF
20 and AGGRIEVED EMPLOYEES’ pay without explanations and without authorization to do so
21 or notice to PLAINTIFF and the AGGRIEVED EMPLOYEES Members. As a result,
22 DEFENDANTS violated Labor Code § 221.

23 **J. Unlawful Rounding Practices**

24 48. During the AGGRIEVED EMPLOYEES PERIOD, DEFENDANTS did not have
25 in place an immutable timekeeping system to accurately record and pay PLAINTIFF and other
26 AGGRIEVED EMPLOYEES for the actual time these employees worked each day, including
27 overtime hours. Specifically, DEFENDANTS had in place an unlawful rounding policy and
28 practice that resulted in PLAINTIFF and AGGRIEVED EMPLOYEES being undercompensated

1 for all of their time worked. As a result, DEFENDANTS were able to and did in fact unlawfully,
2 and unilaterally round the time recorded in DEFENDANT'S timekeeping system for PLAINTIFF
3 and AGGRIEVED EMPLOYEES in order to avoid paying these employees for all their time
4 worked, including the applicable overtime compensation for overtime worked. As a result,
5 PLAINTIFF and other AGGRIEVED EMPLOYEES, from time to time, forfeited compensation
6 for their time worked by working without their time being accurately recorded and without
7 compensation at the applicable overtime rates.

8 49. Further, the mutability of DEFENDANT'S timekeeping system and unlawful
9 rounding policy and practice resulted in PLAINTIFF and AGGRIEVED EMPLOYEES' time
10 being inaccurately recorded. As a result, from time to time, DEFENDANT'S unlawful rounding
11 policy and practice caused PLAINTIFF and AGGRIEVED EMPLOYEES to perform work as
12 ordered by DEFENDANTS for more than five (5) hours during a shift without receiving an off-
13 duty meal break.

14 **K. Timekeeping Manipulation**

15 50. During the PAGA PERIOD, DEFENDANTS, from time-to-time, did not have an
16 immutable timekeeping system to accurately record and pay PLAINTIFF and AGGRIEVED
17 EMPLOYEES for the actual time PLAINTIFF and AGGRIEVED EMPLOYEES worked each
18 day, including regular time, overtime hours, sick pay, meal and rest breaks. As a result,
19 DEFENDANT was able to and did in fact, unlawfully, and unilaterally alter the time recorded in
20 DEFENDANT'S timekeeping system for PLAINTIFF and AGGRIEVED EMPLOYEES in order
21 to avoid paying these employees for all hours worked, applicable overtime compensation,
22 applicable sick pay, missed meal breaks and missed rest break.

23 51. As a result, PLAINTIFF and AGGRIEVED EMPLOYEES, from time-to-time,
24 forfeited time worked by working without their time being accurately recorded and without
25 compensation at the applicable pay rates.

26 52. The mutability of the timekeeping system also allowed DEFENDANTS to alter
27 employee time records by recording fictitious thirty (30) minute meal breaks in DEFENDANT'S
28 timekeeping system so as to create the appearance that PLAINTIFF and AGGRIEVED

1 EMPLOYEES clocked out for thirty (30) minute meal break when in fact the employees were not
2 at all times provided an off-duty meal break. This practice is a direct result of DEFENDANT's
3 uniform policy and practice of denying employees uninterrupted thirty (30) minute off-duty meal
4 breaks each day or otherwise compensate them for missed meal breaks.

5 53. As a result, PLAINTIFF and AGGRIEVED EMPLOYEES forfeited wages due
6 them for all hours worked at DEFENDANT'S direction, control and benefit for the time the
7 timekeeping system was inoperable. DEFENDANT'S uniform policy and practice to not pay
8 PLAINTIFF and AGGRIEVED EMPLOYEES wages for all hours worked in accordance with
9 applicable law is evidenced by DEFENDANT'S business records.

10 54. Specifically, as to PLAINTIFF, PLAINTIFF was from time to time unable to take
11 off duty meal and rest breaks and were not fully relieved of duty for his rest and meal periods.
12 PLAINTIFF was required to perform work as ordered by DEFENDANT for more than five (5)
13 hours during a shift without receiving an off-duty meal break. Further, DEFENDANT failed to
14 provide PLAINTIFF with a second off-duty meal period each workday in which they were
15 required by DEFENDANT to work ten (10) hours of work. When DEFENDANT provided
16 PLAINTIFF with a rest break, they required PLAINTIFF to remain on premises, on-duty and
17 on-call for the rest break. DEFENDANT policy caused PLAINTIFF to remain on-call and on-
18 duty during what was supposed to be his off-duty meal periods. PLAINTIFF therefore forfeited
19 meal and rest breaks without additional compensation and in accordance with DEFENDANT'S
20 strict corporate policy and practice. Moreover, DEFENDANT also provided PLAINTIFF with
21 paystubs that failed to comply with Cal. Lab. Code § 226. Further, DEFENDANT also failed to
22 reimburse PLAINTIFF for required business expenses related to the use of her personal cell
23 phone, on behalf of and in furtherance of his employment with DEFENDANT. To date,
24 DEFENDANT has not fully paid PLAINTIFF the minimum, overtime and double time
25 compensation still owed to them or any penalty wages owed to them under Cal. Lab. Code § 203.
26 The amount in controversy for PLAINTIFF individually does not exceed the sum or value of
27 \$75,000.

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1 **FIRST CAUSE OF ACTION**

2 **VIOLATION OF THE PRIVATE ATTORNEYS GENERAL ACT**

3 **(Cal. Lab. Code §§2698 et seq.)**

4 **(Alleged by PLAINTIFF against all DEFENDANTS)**

5 55. PLAINTIFF realleges and incorporates by this reference, as though fully set forth
6 herein, the prior paragraphs of this Complaint.

7 56. PAGA is a mechanism by which the State of California itself can enforce state
8 labor laws through the employee suing under the PAGA who do so as the proxy or agent of the
9 state's labor law enforcement agencies. An action to recover civil penalties under PAGA is
10 fundamentally a law enforcement action designed to protect the public and not to benefit private
11 parties. The purpose of the PAGA is not to recover damages or restitution, but to create a means
12 of "deputizing" citizens as private attorneys general to enforce the Labor Code. In enacting
13 PAGA, the California Legislature specified that "it was ... in the public interest to allow
14 aggrieved employees, acting as private attorneys general to recover civil penalties for Labor
15 Code violations ..." Stats. 2003, ch. 906, § 1. Accordingly, PAGA claims cannot be subject to
16 arbitration.

17 57. PLAINTIFF, and such persons that may be added from time to time who satisfy
18 the requirements and exhaust the administrative procedures under the Private Attorney General
19 Act, bring this Representative Action on behalf of the State of California with respect to herself
20 and all individuals who are or previously were employed by Defendant in California and
21 classified as non-exempt employees ("AGGRIEVED EMPLOYEES") during the time period of
22 January 23, 2023, and the present ("PAGA Period").

23 58. At all relevant times, for the reasons described herein, and others, PLAINTIFF and
24 the AGGRIEVED EMPLOYEES were aggrieved employees of DEFENDANTS within the
25 meaning of Labor Code Section 2699(c).

26 59. Labor Code Sections 2699(a) and (g) authorize an AGGRIEVED EMPLOYEE,
27 like PLAINTIFF, on behalf of herself and other current or former employees, to bring a civil
28

1 action to recover civil penalties pursuant to the procedures specified in Labor Code Section
2 2699.3

3 60. PLAINTIFF complied with the procedures for bringing suit specified in Labor
4 Code Section 2699.3. By certified letter, return receipt requested, dated January 23, 2024,
5 PLAINTIFF gave written notice to the Labor and Workforce Development Agency (“LWDA”)
6 and to DEFENDANTS of the specific provisions of the Labor Code alleged to have been
7 violated, including the facts and theories to support the alleged violations. See **Exhibit #1**.

8 61. As of the date of this complaint, more than sixty-five (65) days after serving the
9 LWDA with notice of DEFENDANT’S violations, the LWDA has not provided any notice by
10 certified mail of its intent to investigate the DEFENDANT’S alleged violations as mandated by
11 Labor Code Section 2699.3(a)(2)(A). Accordingly, pursuant to Labor Code Section
12 2699.3(a)(2)A, PLAINTIFF may commence and is authorized to pursue this cause of action.

13 62. Pursuant to Labor Code Sections 2699(a) and (f), PLAINTIFF and the
14 AGGRIEVED EMPLOYEES are entitled to civil penalties for DEFENDANTS’ violations of
15 Labor Code Section 201, 201.3, 202, 203, 204, 210, 218.5, 218.6, 221, 226, 226.2, 226.3, 226.7,
16 227.3, 246, 510, 512, 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1197.14, 1198, 1198.5, 1199,
17 2802 and 2804 in the following amounts:

18 a. For violation of Labor Code Sections 201, 202, 203, and 204, one hundred
19 dollars (\$100) for each AGGRIEVED EMPLOYEE per pay period for the
20 initial violation and two hundred dollars (\$200) for AGGRIEVED
21 EMPLOYEE per pay period for each subsequent violation [penalty per Labor
22 Code Section 2699(f)(2)];

23 b. For violations of Labor Code Section 226(a), a civil penalty in the amount
24 of two hundred fifty dollars (\$250) for each AGGRIEVED EMPLOYEE for
25 any initial violation and one thousand dollars for each subsequent violation
26 [penalty per Labor Code Section 226.3];

27 c. For violations of Labor Code Sections 204, a civil penalty in the amount of
28 one hundred dollars (\$100) for each AGGRIEVED EMPLOYEE for any initial

violation and two hundred dollars (\$200) for AGGRIEVED EMPLOYEE for each subsequent violation [penalty per Labor Code Section 210];

d. For violations of Labor Code Sections 226.7, 510 and 512, a civil penalty in the amount of fifty dollars (\$50) for each underpaid AGGRIEVED EMPLOYEE for the initial violation and hundred dollars (\$100) for each underpaid AGGRIEVED EMPLOYEE for each subsequent violation [penalty per Labor Code Section 558];

e. For violations of Labor Code Section 2269(a), a civil penalty in the amount of two hundred fifty dollars (\$250) per AGGRIEVED EMPLOYEE per violation in an initial citation and one thousand dollars (\$1,000) per AGGRIEVED EMPLOYEE for each subsequent violation [penalty per Labor Code Section 226.3];

f. For violations of Labor Code Section 1174(d), a civil penalty in the amount of five hundred (\$500) dollars for per AGGRIEVED EMPLOYEE [penalty per Labor Code Section 1174.5].

g. For violations of Labor Code Sections 1194, 1194.2, 1197, 1198 and 1199, a civil penalty in the amount of one hundred dollars (\$100) per AGGRIEVED EMPLOYEE per pay period for the initial violation and two hundred dollars fifty (\$250) per AGGRIEVED EMPLOYEE per pay period for each subsequent violation [penalty per Labor Code Section].

63. For all provisions of the Labor Code for which civil penalty is not specifically provided, Labor Code § 2699(f) imposes upon Defendant a penalty of one hundred dollars (\$100) for each AGGRIEVED EMPLOYEE per pay period for the initial violation and two hundred dollars (\$200) for each AGGRIEVED EMPLOYEE per pay period for each subsequent violation. PLAINTIFF and the AGGRIEVED EMPLOYEES are entitled to an award of reasonable attorney's fees and costs in connection with their claims for civil penalties pursuant to Labor Code Section 2699(g)(1).

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64. To the extent that any of the conduct and violations alleged herein did not affect PLAINTIFF during the PAGA PERIOD, PLAINTIFF seeks penalties for those violations that affected other AGGRIEVED EMPLOYEES. (*Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, 519; See also *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal. App. 5th 745, 751 [“PAGA allows an “aggrieved employee”—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer.”], Emphasis added, reh'g denied (June 13, 2018).).

PRAYER FOR RELIEF

WHEREFORE, PLAINTIFF prays for judgment against DEFENDANTS as follows:

1. For reasonable attorney’s fees and costs of suit to the extent permitted by law, including pursuant to Labor Code § 2699, *et seq.*;
2. For civil penalties to the extent permitted by law pursuant to the Labor Code under the Private Attorneys General Act; and
3. For such other relief as the Court deems just and proper.

Dated: March 29, 2024

ZAKAY LAW GROUP, APLC
JCL LAW FIRM, APC

By: 

Shani O. Zakay, Esq.
Monnett De La Torre, Esq.
Jean-Claude Lapuyade, Esq.
Andrea Amaya, Esq.
Kendall Garald, Esq.

Attorneys for Plaintiff