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10	SUPERIOR COURT OF T	HE STATE OF CALIFORNIA
11		COUNTY OF ALAMEDA
12	IVAND FOR THE C	EGISY0790
13	IVONNETH CRUZ, an individual, on	CASE NO.
14	behalf of herself, on behalf of all persons similarly situated, and as the	CLASS ACTION COMPLAINT FOR:
15	representative of the State of California,	1. UNFAIR COMPETITION IN
16	Plaintiff,	VIOLATION OF CAL. BUS. & PROF, CODE §§ 17200, et seq.; 2. FAILURE TO PAY MINIMUM
17	vs.	WAGES AND OVERTIME WAGES IN VIOLATION OF CAL. LAB. CODE §§
18	REDFIN CORPORATION, a Corporation; and DOES 1 through 50,	510, 1194 & 1198, et seq.; 3. FAILURE TO PROVIDE ACCURATE
19	inclusive,	ITEMIZED STATEMENTS IN VIOLATION OF CAL. LAB. CODE §
20	Defendants.	226; 4. FAILURE TO PROVIDE WAGES
21	T. J.	WHEN DUE IN VIOLATION OF CAL. LAB. CODE §§ 201, 202 AND 203;
22		5. FAILURE TO REIMBURSE EMPLOYEES FOR REQUIRED
23		EXPENSES IN VIOLATION OF CAL. LAB. CODE § 2802; and,
24		6. LABOR CODE PRIVATE ATTORNEY GENERAL ACT [LABOR
<ul><li>25</li><li>26</li></ul>		CODE § 2698 et seq.].
27	·	DEMAND FOR A JURY TRIAL
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COMPLAINT

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Plaintiff Ivonneth Cruz ("PLAINTIFF"), an individual, on behalf of herself and all other similarly situated current and former employees and on behalf of the State of California pursuant to the Private Attorney General Act of 2004, Cal. Lab.Code § 2698, et seq. ("PAGA"), alleges on information and belief, except her own acts and knowledge, the following:

## INTRODUCTION

1. Defendant Redfin Corporation ("REDFIN" or "DEFENDANT") in order to service customers hires workers to aid REDFIN in providing real estate brokerage services. The cost, as proscribed by law, of the personnel hired to work for REDFIN, includes not only the pay and overtime pay of these employees but the cost of the employer's share of tax payments to the federal and state governments for income taxes, social security taxes, medicare insurance, unemployment insurance and payments for workers' compensation insurance ("Business Related Expenses"). To avoid the payment of these legally proscribed Business Related Expenses to the fullest extent possible, REDFIN devised a scheme to place the responsibility for the payment of these costs and expenses of REDFIN on the shoulders of the PLAINTIFF and other Field Agents. As employer, REDFIN is legally responsible for the payment of all these Business Related Expenses. This lawsuit is brought on behalf of these Field Agents who worked for REDFIN in CALIFORNIA and were classified as independent contractors during the CALIFORNIA CLASS PERIOD, in order to collect the wages due them as employees of REDFIN, the cost of their training, the cost of the employer's share of payments to the federal and state governments for income taxes, social security taxes, medicare insurance, unemployment insurance and payments for workers' compensation insurance, plus penalties and interest.

### THE PARTIES

- 2. Defendant Redfin Corporation at all relevant times mentioned herein conducted and continues to conduct substantial and regular business in the State of California.
- REDFIN operates as an online real estate brokerage company in the United States. The company handles tours, pricing analysis, negotiations, inspections, and closings and features listings directly from broker databases, as well as for-sale-by-owner and foreclosure

properties on the Internet. REDFIN also provides real estate listings with tax records and analytics. The company was founded in 2002 and has locations in San Francisco and Irvine, California.

- 4. Plaintiff Ivonneth Cruz ("PLAINTIFF") worked for REDFIN as a Field Agent from February of 2010 to May of 2013 and was classified by REDFIN as an independent contractor at all times relevant mentioned herein.
- 5. California Labor Code Section 226.8 provides that "[i]t is unlawful for any person or employer to engage in . . . [w]illful misclassification of an individual as an independent contractor." The penalty for willful misclassification of employees is a "civil penalty of not less than five thousand dollars (\$5,000) and not more than fifteen thousand dollars (\$15,000) for each violation, in addition to any other penalties or fines permitted by law." It is further provided that, in the event that an employer is found to have engaged in "a pattern or practice of these violations," the penalties increase to "not less than ten thousand dollars (\$10,000) and not more than twenty-five thousand dollars (\$25,000) for each violation, in addition to any other penalties or fines permitted by law." Cal. Labor Code § 226.8.
- 6. Here, REDFIN has willfully misclassified PLAINTIFF and other FIELD AGENTS as described in Cal. Labor Code § 226.8, and further, that REDFIN has engaged in a "pattern or practice" of such violations as contemplated by the California Labor Code.
- 7. Upon hire, the position of a Field Agent was represented by REDFIN to the PLAINTIFF and the other Field Agents as an independent contractor position capable of paying a flat piece rate for particular jobs completed for REDFIN. PLAINTIFF and other Field Agents were paid a flat rate of \$100 to conduct home inspections on REDFIN's behalf and a flat rate of \$125 to perform an open house showing for REDFIN. Additionally, if the PLAINTIFF and other Field Agents showed up for an appointment that was cancelled, REDFIN would compensate PLAINTIFF and other Field Agents a flat rate of \$25. PLAINTIFF and other Field Agents were not compensated for any of their time spent working other then the flat piece rate for each specific job performed. The finite set of tasks required to be performed by the Field Agents was drive to homes in order to conduct home tours and home inspections, preparing for

and attending open house showings, attending various team meetings, and drafting "agent insights" detailing the description of homes for sale all in accordance with REDFIN's business practices and policies. As a result, these employees were therefore not paid for all working hours.

- 8. To perform their job duties, the PLAINTIFF and the other Field Agents performed work subject to the control of REDFIN in that REDFIN had the authority to exercise complete control over the work performed and the manner and means in which the work was performed. REDFIN provided the customers and REDFIN provided the instructions as to how to perform inspections and show the homes listed with REDFIN. California Labor Code § 3357 defines "employee" as "every person in the service of an employer under any appointment or contact of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully employed." In addition to the California Labor Code's presumption that workers are employees, the California Supreme Court has determined the most significant factor to be considered in distinguishing an independent contractor from an employee is whether the employer or principal has control or the right to control the work both as to the work performed and the manner and means in which the work is performed. REDFIN controlled both the work performed and the manner and means in which the PLAINTIFF and the other Field Agents performed their work in that:
- (a) PLAINTIFF and other Field Agents were not involved in a distinct business, but instead were provided with instructions as to how to perform their work and the manner and means in which the work was to be performed by means of REDFIN's manuals and written instructions;
- (b) PLAINTIFF and other Field Agents were continuously provided with training and supervision, and received training from REDFIN as to how and in what way to perform home inspections and draft Agent Insights in that no prior advanced skill or training other than training by REDFIN was required to obtain this job;
- (c) REDFIN set the requirements as to what final results were expected in regards to the services performed by the PLAINTIFF and other Field Agents and REDFIN implemented

methods for the PLAINTIFF and other Field Agents to follow in order to obtain REDFIN's desired results;

- (d) The PLAINTIFF and other Field Agents had no opportunity for profit or loss because REDFIN only paid these employees based on the particular jobs they completed and REDFIN controlled the particular appointments the PLAINTIFF and other Field Agents could attend. Importantly, REDFIN did not allow PLAINTIFF and other Field Agents to market and sell their own real estate;
- (e) PLAINTIFF and other Field Agents performed real estate work which is part of REDFIN's principal business and is closely integrated with and essential to the employer's business of providing real estate services to their customers;
- (f) PLAINTIFF and other Field Agents performed the work themselves and did not hire others to perform their work for them;
- (g) PLAINTIFF and other Field Agents did not have the authority to make employment-related personnel decisions; and,
- (h) PLAINTIFF and other Field Agents performed their work in a particular order and sequence in accordance with REDFIN company policy.
- 9. As a result, stripped of all the legal fictions and artificial barriers to an honest classification of the relationship between the PLAINTIFF and all the other Field Agents on the one hand, and REDFIN on the other hand, the PLAINTIFF and all the other Field Agents are and were employees of REDFIN and not independent contractors of REDFIN and should therefore be properly classified as non-exempt, hourly employees.
- 10. PLAINTIFF brings this Class Action on behalf of herself and a California class, defined as all individuals who worked for DEFENDANT in California as Field Agents and who were classified as independent contractors (the "CALIFORNIA CLASS") at any time during the period beginning four (4) years prior to the filing of this Complaint and ending on the date as determined by the Court (the "CALIFORNIA CLASS PERIOD").
- 11. As a matter of company policy, practice and procedure, REDFIN has unlawfully, unfairly and/or deceptively classified every CALIFORNIA CLASS Member as "independent

contractors" in order to unlawfully avoid compliance with all applicable federal and state laws that require payment for all hours at work, business expenses, and the employer's share of payroll taxes and mandatory insurance. As a result of the scheme to defraud the federal and state governments and the CALIFORNIA CLASS Members, the PLAINTIFF and the CALIFORNIA CLASS Members were underpaid throughout their employment with REDFIN.

- 12. The true names and capacities, whether individual, corporate, associate or otherwise of the Defendants sued here as DOES 1 through 50, inclusive, are presently unknown to the PLAINTIFF who therefore sues these Defendants by such fictitious names pursuant to Cal. Civ. Proc. Code § 474. PLAINTIFF is informed and believes, and based thereon, alleges that each of the Defendants designated herein is legally responsible in some manner for the unlawful acts referred to herein. PLAINTIFF will seek leave of Court to amend this Complaint to reflect the true names and capacities of the Defendants when they have been ascertained and become known.
- 13. The agents, servants and/or employees of the Defendants and each of them acting on behalf of the Defendants acted within the course and scope of his, her or its authority as the agent, servant and/or employee of the Defendants, and personally participated in the conduct alleged herein on behalf of the Defendants with respect to the conduct alleged herein. Consequently, the acts of each Defendant are legally attributable to the other Defendants and all Defendants are jointly and severally liable to the PLAINTIFF and the other members of the CLASS, for the loss sustained as a proximate result of the conduct of the Defendants' agents, servants and/or employees.

### THE CONDUCT

- 14. The finite set of tasks required of the PLAINTIFF and the other CALIFORNIA CLASS Members as defined by DEFENDANT was executed by them through the performance of non-exempt labor.
- 15. Although the PLAINTIFF and the other CALIFORNIA CLASS Members performed non-exempt labor subject to REDFIN's complete control over the manner and means of performance, REDFIN instituted a blanket classification policy, practice and procedure by

16. DEFENDANT, as a matter of law, has the burden of proving that employees are properly classified and that DEFENDANT otherwise complies with applicable laws. DEFENDANT, as a matter of corporate policy, erroneously and unilaterally classified all the

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CALIFORNIA CLASS Members as independent contractors.

- 17. PLAINTIFF and all the CALIFORNIA CLASS Members are and were uniformly classified and treated by DEFENDANT as independent contractors at the time of hire and thereafter, DEFENDANT failed to take proper steps to determine whether the PLAINTIFF and the CLASS Members are properly classified under the applicable Industrial Welfare Commission Wage Order and Cal. Lab. Code §§ 510, et seq. as exempt form applicable labor laws. Since DEFENDANT affirmatively and willfully misclassified the PLAINTIFF and CALIFORNIA CLASS Members in compliance with California labor laws, DEFENDANT's practices violated and continue to violate California law. In addition, DEFENDANT acted deceptively by falsely and fraudulently classifying the PLAINTIFF and each CALIFORNIA CLASS Member as independent contractors when DEFENDANT knew or should have known that this classification was false and not based on known facts. DEFENDANT also acted deceptively by violating the California labor laws, and as a result of this policy and practice, DEFENDANT also violated the UCL. In doing so, DEFENDANT cheated the competition by paying the CALIFORNIA CLASS less than the amount competitors paid who complied with the law and cheated the CALIFORNIA CLASS by not paying them in accordance with California law.
- 18. DEFENDANT also failed to provide the PLAINTIFF and the other members of the CALIFORNIA CLASS with complete and accurate wage statements which failed to show, among other things, the correct number of hours worked, including, work performed in excess of eight (8) hours in a workday and forty (40) hours in any workweek. 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 number of hours worked at each hourly rate. As a result, DEFENDANT provided the PLAINTIFF and the other members of the CALIFORNIA CLASS with wage statements which violated Cal. Lab. Code § 226.
  - 19. By reason of this uniform conduct applicable to the PLAINTIFF and all the

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CALIFORNIA CLASS Members, DEFENDANT committed acts of unfair competition in violation of the California Unfair Competition law, Cal. Bus. & Prof. Code §§ 17200, et seq. (the "UCL"), by engaging in a company-wide policy, practice and procedure which failed to correctly classify the PLAINTIFF and the CALIFORNIA CLASS Members as employees. The proper classification of these employees is DEFENDANT's burden. As a result of DEFENDANT's intentional disregard of the obligation to meet this burden, DEFENDANT failed to pay all required minimum and overtime compensation for work performed by the PLAINTIFF and other CALIFORNIA CLASS Members and violated the California Labor Code and regulations promulgated thereunder as herein alleged.

20. Specifically as to PLAINTIFF, she worked for DEFENDANT in California as a Field Agent and was classified by DEFENDANT as an independent contractor from February of 2010 to May of 2013. Upon hire, the position of a Field Agent was represented by DEFENDANT to the PLAINTIFF as an independent contractor position capable of paying a flat rate for specific jobs completed. PLAINTIFF was not compensated for any of her time spent working other then the flat rate for completed jobs performed for DEFENDANT's benefit. Moreover, DEFENDANT's company policy restrained PLAINTIFF from being able to market and sell her own real estate while working for DEFENDANT. Plaintiff was required to engage in the finite set of tasks of driving to homes in order to conduct home tours and home inspections, preparing for and attending open house showings, attending various team meetings, and drafting "agent insights" detailing the description of homes for sale all in accordance with DEFENDANT's company policies. During the CALIFORNIA CLASS PERIOD, PLAINTIFF as a Field Agent, was classified by DEFENDANT as an independent contractor and thus did not receive pay for all hours worked, including overtime pay for hours worked in excess of eight (8) hours in a workday, more than forty (40) hours in a workweek, and/or more than twelve (12) hours in a workday. As a result of DEFENDANT's misclassification of PLAINTIFF as an independent contractor, PLAINTIFF was not compensated by DEFENDANT for her hours worked at the applicable minimum wage and overtime rates. DEFENDANT also required PLAINTIFF to pay for the upkeep and gas when using her personal vehicle while performing his job duties in

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violation of California Labor Code Section 2802. During the CALIFORNIA CLASS PERIOD, PLAINTIFF was also required to perform work as ordered by the DEFENDANT for more than five (5) hours during a shift without receiving a meal or rest break as evidenced by daily time reports for PLAINTIFF. PLAINTIFF therefore forfeited meal and rest breaks without additional compensation and in accordance with DEFENDANT's strict corporate policy and practice which did not provide for mandatory meal and rest breaks. To date, DEFENDANT has not fully paid PLAINTIFF all minimum and overtime wages still owed to her or any penalty wages owed to her under California Labor Code § 203.

### THE CALIFORNIA CLASS

- 21. PLAINTIFF brings the First Cause of Action for Unfair, Unlawful and Deceptive Business Practices pursuant to Cal. Bus. & Prof. Code §§ 17200, et seq. (the "UCL") as a Class Action, pursuant to Cal. Code of Civ. Proc. § 382, on behalf of a California class, defined as all individuals who worked for DEFENDANT in California as Field Agents and who were classified as independent contractors (the "CALIFORNIA CLASS") at any time during the period beginning four (4) years prior to the filing of this Complaint and ending on the date as determined by the Court (the "CALIFORNIA CLASS PERIOD").
- 22. To the extent equitable tolling operates to toll claims by the CALIFORNIA CLASS against DEFENDANT, the CALIFORNIA CLASS PERIOD should be adjusted accordingly.
- 23. All CALIFORNIA CLASS Members who performed and continue to perform this work for DEFENDANT during the CALIFORNIA CLASS PERIOD are similarly situated in that they are subject to DEFENDANT's uniform policy and systematic practice that required them to perform work without compensation as required by law.
- 24. DEFENDANT, as a matter of corporate, policy, practice and procedure, and in violation of the applicable California Labor Code, Industrial Welfare Commission ("IWC") Wage Order requirements, and the applicable provisions of California law, intentionally, knowingly and willfully engaged in a practice whereby DEFENDANT unfairly, unlawfully and deceptively instituted a practice to ensure that all individuals employed as independent contractors were not properly classified as non-exempt employees from the requirements of

California Labor Code §§ 510, et seq.

- 25. During the CALIFORNIA CLASS PERIOD, DEFENDANT uniformly violated the rights of the PLAINTIFF and the CALIFORNIA CLASS Members under California law, without limitation, in the following manners:
  - Violating the California Unfair Competition laws, Cal. Bus. & Prof. Code §§ 17200, et seq. the ("UCL"), in that DEFENDANT, while acting as employer, devised and implemented a scheme whereby the PLAINTIFF and the CALIFORNIA CLASS Members are forced to unlawfully, unfairly and deceptively shoulder the cost of DEFENDANT's wages for all unpaid work time, all unpaid overtime hours worked, business related expenses, and DEFENDANT's share of employment taxes, social security taxes, unemployment insurance and workers' compensation insurance;
  - (b) Violating the California Unfair Competition laws, Cal. Bus. & Prof. Code §§ 17200, et seq. the ("UCL"), by unlawfully, unfairly and/or deceptively having in place company policies, practices and procedures that uniformly misclassified the PLAINTIFF and the CALIFORNIA CLASS Members as independent contractors;
  - (c) Violating the California Unfair Competition laws, Cal. Bus. & Prof. Code §§ 17200, et seq. the ("UCL"), by unlawfully, unfairly and/or deceptively failing to have in place a company policy, practice and procedure that accurately determined the amount of working time spent by the PLAINTIFF and the CALIFORNIA CLASS Members performing non-exempt employee labor;
  - (d) Violating the California Unfair Competition laws, Cal. Bus. & Prof. Code §§ 17200, et seq. the ("UCL"), by failing to provide the PLAINTIFF and the other members of the CALIFORNIA CLASS with all legally required meal and rest breaks; and,
  - (e) Committing an act of unfair competition in violation of the California Unfair Competition Laws, Cal. Bus. & Prof. Code §§ 17200, et seq. the ("UCL"), by

COMPLAINT

 conduct; and,

- (i) Whether DEFENDANT's conduct was willful.
- 27. This Class Action meets the statutory prerequisites for the maintenance of a Class Action as set forth in Cal. Code of Civ. Proc. § 382, in that:
- (a) The persons who comprise the CALIFORNIA CLASS are so numerous that the joinder of all such persons is impracticable and the disposition of their claims as a class will benefit the parties and the Court;
- (b) Nearly all factual, legal, statutory, declaratory and injunctive relief issues that are raised in this Complaint are common to the CALIFORNIA CLASS and will apply uniformly to every CALIFORNIA CLASS Member;
- member of the CALIFORNIA CLASS. PLAINTIFF, like all the CALIFORNIA CLASS Members, was classified as an independent contractor upon hiring based on the defined corporate policies and practices and labors under DEFENDANT's systematic procedure that failed to properly classify the PLAINTIFF and the CALIFORNIA CLASS Members. PLAINTIFF sustained economic injury as a result of DEFENDANT's employment practices. PLAINTIFF and the CALIFORNIA CLASS Members were and are similarly or identically harmed by the same unlawful, unfair, deceptive and persuasive pattern of misconduct engaged in by DEFENDANT by deceptively telling all the CALIFORNIA CLASS Members that they were not entitled to minimum wages, wages for all hours worked, overtime wages, the employer's share of payment of payroll taxes and mandatory insurance, and reimbursement for business expenses based on the defined corporate policies and practices, and unfairly failed to pay these employees who were improperly classified as independent contractors; and,
- (d) The representative PLAINTIFF will fairly and adequately represent and protect the interest of the CALIFORNIA CLASS, and has retained counsel who is competent and experienced in Class Action litigation. There are no material conflicts between the claims of the representative PLAINTIFF and the CALIFORNIA CLASS Members that would make class certification inappropriate. Counsel for the CALIFORNIA CLASS will vigorously assert

the claims of all employees in the CALIFORNIA CLASS.

- 28. In addition to meeting the statutory prerequisites to a Class Action, this Action is properly maintained as a Class Action pursuant to Cal. Code of Civ. Proc. § 382, in that:
- (a) Without class certification and determination of declaratory, injunctive, statutory and other legal questions within the class format, prosecution of separate actions by individual members of the CALIFORNIA CLASS will create the risk of:
- (i) Inconsistent or varying adjudications with respect to individual members of the CALIFORNIA CLASS which would establish incompatible standards of conduct for the parties opposing the CALIFORNIA CLASS; and/or,
- (ii) Adjudication with respect to individual members of the CALIFORNIA CLASS which would as a practical matter be dispositive of the interests of the other members not party to the adjudication or substantially impair or impeded their ability to protect their interests.
- (b) The parties opposing the CALIFORNIA LASS have acted on grounds generally applicable to the CALIFORNIA CLASS making appropriate class-wide relief with respect to the CALIFORNIA CLASS as a whole in that DEFENDANT uniformly classified and treated the CALIFORNIA CLASS Members as independent contractors and, thereafter, uniformly failed to take proper steps to determine whether the CALIFORNIA CLASS Members were properly classified as independent contractors, and thereby denied these employees wages and payments for business expenses, training expenses and the employer's share of payroll taxes and mandatory insurance as required by law.
- (i) With respect to the First Cause of Action, the final relief on behalf of the CALIFORNIA CLASS sought does not related exclusively to restitution because through this claim the PLAINTIFF seeks declaratory relief holding that DEFENDANT's policies and practices constitute unfair competition, along with incidental equitable relief as may be necessary to remedy the conduct declared to constitute unfair competition.
- (c) Common questions of law and fact exist as to members of the CALIFORNIA CLASS with respect to the practices and violations of California and federal law as listed above,

and predominate over any question affecting only individual members, and a Class Action is superior to other available methods for the fair and efficient adjudication of the controversy, including consideration of:

- (i) The interest of the CALIFORNIA CLASS Members in individually controlling the prosecution or defense of separate actions;
- (ii) The extent and nature of any litigation concerning the controversy already commenced by or against members of the CALIFORNIA CLASS;
- (iii) In the context of wage litigation because as a practical matter a substantial number of individual CALIFORNIA CLASS members will avoid asserting their legal rights out of fear of retaliation by DEFENDANT, which may adversely affect an individual's job with DEFENDANT or with a subsequent employer, the Class Action is the only means to assert their claims through a representative;
- (iv) The desirability or undesirability of concentration the litigation of the claims in the particular forum;
- (v) The difficulties likely to be encountered in the management of a Class Action; and,
- (vi) The basis of DEFENDANT's policies and practices uniformly applied to all the CALIFORNIA CLASS Members.
- 29. The Court should permit this Action to be maintained as a Class Action pursuant to Cal. Code of Civ. Proc. § 382 because:
- (a) The questions of law and fact common to the CALIFORNIA CLASS predominate over any question affecting only individual members;
- (b) A Class Action is superior to any other available method for the fair and efficient adjudication of the claims of the members of the CALIFORNIA CLASS;
- (c) The CALIFORNIA CLASS Members are so numerous that it is impractical to bring all CALIFORNIA CLASS Members before the Court;
- (d) PLAINTIFF, and the CALIFORNIA CLASS Members, will not be able to obtain effective and economic legal redress unless the action is maintained as a Class Action;

- (e) There is a community of interest in obtaining appropriate legal and equitable relief for the acts of unfair competition, statutory violations and other improprieties, and in obtaining adequate compensation for the damages and injuries which DEFENDANT's actions have inflicted upon the CALIFORNIA CLASS;
- (f) There is a community of interest in ensuring that the combined assets and available insurance of DEFENDANT are sufficient to adequately compensate the CALIFORNIA CLASS Members for any injuries sustained;
- (g) DEFENDANT has acted or has refused to act on grounds generally applicable to the CALIFORNIA CLASS, thereby making final class-wide relief appropriate with respect to the CLASS as a whole;
- (h) The members of the CALIFORNIA CLASS are readily ascertainable from the business records of DEFENDANT. The CALIFORNIA CLASS consists of all DEFENDANT's Field Agents in California classified as independent contractors during the CALIFORNIA CLASS PERIOD and subjected to DEFENDANT's policies, practices and procedures as herein alleged; and,
- (i) Class treatment provides manageable judicial treatment calculated to bring an efficient and rapid conclusion to all litigation of all wage and hour related claims arising out of DEFENDANT's conduct as to the CALIFORNIA CLASS Members.
- 30. DEFENDANT maintains records from which the Court can ascertain and identify by name and job title, each of DEFENDANT's employees who have been systematically, intentionally and uniformly subjected to DEFENDANT's corporate policies, practices and procedures as herein alleged. PLAINTIFF will seek leave to amend the complaint to include any additional job titles of similarly situated employees when they have been identified.

## THE CALIFORNIA LABOR SUB-CLASS

31. PLAINTIFF further brings the Second, Third, Fourth and Fifth Causes of Action on behalf of a California sub-class, defined as all members of the CALIFORNIA CLASS who are or previously were employed by DEFENDANT in California as Field Agents and who were classified as Independent Contractors (the "CALIFORNIA LABOR SUB-CLASS") at any time

during the period three (3) years prior to the filing of the Complaint and ending on the date as determined by the Court (the "CALIFORNIA LABOR SUB-CLASS PERIOD") pursuant to Cal. Code of Civ. Proc. § 382.

- 32. DEFENDANT, as a matter of corporate policy, practice and procedure, and in violation of the applicable California Labor Code ("Labor Code"), and Industrial Welfare Commission ("TWC") Wage Order requirements intentionally, knowingly, and wilfully, on the basis of job title alone and without regard to the actual overall requirements of the job, systematically classified PLAINTIFF and the other members of the CALIFORNIA LABOR SUB-CLASS as independent contractors in order to avoid the payment of minimum and overtime wages, and in order to avoid the obligations under the applicable California Labor Code provisions. 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.
- 33. DEFENDANT maintains records from which the Court can ascertain and identify by job title each of DEFENDANT's employees who as CALIFORNIA LABOR SUB-CLASS Members have been systematically, intentionally and uniformly misclassified as independent contractors as a matter of DEFENDANT's corporate policy, practices and procedures. PLAINTIFF will seek leave to amend the complaint to include these additional job titles when they have been identified.
- 34. The CALIFORNIA LABOR SUB-CLASS is so numerous that joinder of all CALIFORNIA LABOR SUB-CLASS Members is impracticable.
- 35. DEFENDANT, as a matter of corporate policy, practice and procedure, erroneously classified all Field Agents as independent contractors making these employees exempt from California labor laws. All Field Agents, including the PLAINTIFF, performed the same finite set of tasks and were paid by DEFENDANT according to uniform and systematic company procedures, which, as alleged herein above, failed to correctly pay minimum and overtime compensation. This business practice was uniformly applied to each and every member of the CALIFORNIA LABOR SUB-CLASS, and therefore, the propriety of this

conduct can be adjudicated on a class-wide basis.

- 36. DEFENDANT violated the rights of the CALIFORNIA LABOR SUB-CLASS under California law by:
  - (a) Violating Cal. Lab. Code §§ 510, et seq., by misclassifying and thereby failing to pay PLAINTIFF and the members of the CALIFORNIA LABOR SUB-CLASS the correct overtime pay for a workday longer than eight (8) hours, a workweek longer than forty (40) hours, for which DEFENDANT is liable pursuant to Cal. Lab. Code § 1194;
  - (b) Violating Cal. Lab. Code § 226 by failing to provide PLAINTIFF and the members of the CALIFORNIA LABOR SUB-CLASS who were improperly classified as independent contractors with an accurate itemized statement in writing showing the gross wages earned, the net wages earned, all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee;
  - (c) Violating Cal. Lab. Code §§ 201, 202 and/or 203, which provides that when an employee is discharged or quits from employment, the employer must pay the employee all wages due without abatement, by failing to tender full payment and/or restitution of wages owed or in the manner required by California law to the members of the CALIFORNIA LABOR SUB-CLASS who have terminated their employment; and,
  - (d) Violating Cal. Lab. Code § 2802, by failing to reimburse the PLAINTIFF and the CALIFORNIA LABOR SUBCLASS members for required expenses incurred in the discharge of their job duties.
- 37. This Class Action meets the statutory prerequisites for the maintenance of a Class Action as set forth in Cal. Code of Civ. Proc. § 382, in that:
  - (a) The persons who comprise the CALIFORNIA LABOR SUB-CLASS are so numerous that the joinder of all CALIFORNIA LABOR SUB-CLASS Members is impracticable and the disposition of their claims as a class will

benefit the parties and the Court;

- (b) Nearly all factual, legal, statutory, declaratory and injunctive relief issues that are raised in this Complaint are common to the CALIFORNIA LABOR SUB-CLASS and will apply uniformly to every member of the CALIFORNIA LABOR SUB-CLASS;
- (c) The claims of the representative PLAINTIFF are typical of the claims of each member of the CALIFORNIA LABOR SUB-CLASS. PLAINTIFF, like all other members of the CALIFORNIA LABOR SUB-CLASS was improperly classified as an independent contractor and was thus denied minimum and overtime pay as a result of DEFENDANT's systematic classification practices. PLAINTIFF and all other members of the CALIFORNIA LABOR SUB-CLASS sustained economic injuries arising from DEFENDANT's violations of the laws of California; and,
- (d) The representative PLAINTIFF will fairly and adequately represent and protect the interest of the CALIFORNIA LABOR SUB-CLASS, and has retained counsel who are competent and experienced in Class Action litigation. There are no material conflicts between the claims of the representative PLAINTIFF and the members of the CALIFORNIA LABOR SUB-CLASS that would make class certification inappropriate. Counsel for the CALIFORNIA LABOR SUB-CLASS will vigorously assert the claims of all CALIFORNIA LABOR SUB-CLASS Members.
- 38. In addition to meeting the statutory prerequisites to a Class Action, this action is properly maintained as a Class Action pursuant to Cal. Code of Civ. Proc. § 382, in that:
  - (a) Without class certification and determination of declaratory, injunctive, statutory and other legal questions within the class format, prosecution of separate actions by individual members of the CALIFORNIA LABOR SUB-CLASS will create the risk of:
    - 1) Inconsistent or varying adjudications with respect to individual

- members of the CALIFORNIA LABOR SUB-CLASS which would establish incompatible standards of conduct for the parties opposing the CALIFORNIA LABOR SUB-CLASS; or,
- 2) Adjudication with respect to individual members of the CALIFORNIA LABOR SUB-CLASS which would as a practical matter be dispositive of interests of the other members not party to the adjudication or substantially impair or impede their ability to protect their interests.
- (b) The parties opposing the CALIFORNIA LABOR SUB-CLASS have acted or refused to act on grounds generally applicable to the CALIFORNIA LABOR SUB-CLASS, making appropriate class-wide relief with respect to the CALIFORNIA LABOR SUB-CLASS as a whole in that the DEFENDANT uniformly classified and treated the members of the CALIFORNIA LABOR SUB-CLASS as independent contractors and, thereafter, uniformly failed to take proper steps to determine whether the CALIFORNIA LABOR SUB-CLASS Members were properly classified as independent contractors, and thereby denied these employees the protections afforded to them under the California Labor Code;
- (c) Common questions of law and fact predominate as to the members of the CALIFORNIA LABOR SUB-CLASS, with respect to the practices and violations of California law as listed above, and predominate over any question affecting only individual CALIFORNIA LABOR SUB-CLASS Members, and a Class Action is superior to other available methods for the fair and efficient adjudication of the controversy, including consideration of:
  - The interests of the members of the CALIFORNIA LABOR SUB-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 LABOR SUB-

COMPLAINT

Members	who	are	or	previously	were	employed	by	DEFENDA	NT	in
California	as Fi	eld A	ger	nts and clas	sified	as independ	lent	contractors	duri	ng
the CALII	FORN	IA L	ΑB	OR SUB-C	LASS	PERIOD;	and	,		

(i) Class treatment provides manageable judicial treatment calculated to bring a efficient and rapid conclusion to all litigation of all wage and hour related claims arising out of the conduct of DEFENDANT.

### **JURISDICTION AND VENUE**

- 40. This Court has jurisdiction over this Action pursuant to California Code of Civil Procedure, Section 410.10 and California Business & Professions Code, Section 17203. This Action is brought as a Class Action on behalf PLAINTIFF and on behalf of similarly situated employees of DEFENDANT pursuant to Cal. Code of Civ. Proc. Section 382.
- 41. Venue is proper in this Court pursuant to Cal. Code of Civ. Proc. Sections 395 and 395.5, because the PLAINTIFF worked in this County for DEFENDANT and DEFENDANT (i) currently maintains and at all relevant times maintained its principal offices and facilities in this County and/or conducts substantial business in this County, and (ii) committed the wrongful conduct herein alleged in this County against members of the CALIFORNIA CLASS and CALIFORNIA LABOR SUB-CLASS.

#### FIRST CAUSE OF ACTION

For Unlawful, Unfair and Deceptive Business Practices

[Cal. Bus. & Prof. Code §§ 17200, et seq.]

## (By PLAINTIFF and the CLASS and Against All Defendants)

- 42. PLAINTIFF and the CALIFORNIA CLASS Members reallege and incorporate by this reference, as though fully set forth herein, paragraphs 1 through 41 of this Complaint.
- 43. DEFENDANT is a "person" as that term is defined under Cal. Bus. & Prof. Code § 17021.
- 44. Section 17200 of the California Business & Professions Code defines unfair competition as any unlawful, unfair or fraudulent business act or practice. Section 17200 applies to violations of labor laws in the employment context. Section 17203 authorizes

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injunctive, declaratory and/or other equitable relief with respect to unfair competition as follows:

Any person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent jurisdiction. The court may take such orders or judgments, including the appointment of a receiver, as 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.

California Business & Professions Code § 17203.

- 45. By the conduct alleged herein, DEFENDANT has engaged and continues to engage in a business practice which violates California law, including but not limited to the applicable Industrial Wage Orders, the California Labor Code including Sections 204, 226.7, 510, 512, 1194, 1197, 1198 & 2802, and California Code of Regulations § 11090, for which this Court should issue declaratory, injunctive, and other equitable relief, pursuant to Cal. Bus. & Prof § 17203, as may be necessary to prevent and remedy the conduct held to constitute unfair competition, including restitution of wages wrongfully withheld, business expenses wrongfully withheld and for the payment of the employer's share of income taxes, social security taxes, unemployment insurance and workers' compensation insurance.
- 46. By the conduct alleged herein DEFENDANT has obtained valuable property, money, and services from the PLAINTIFF, and the other members of the CALIFORNIA CLASS, and has deprived them of valuable rights and benefits guaranteed by law, all to their detriment and to the benefit of DEFENDANT so as to allow DEFENDANT to unfairly compete. Declaratory and injunctive relief is necessary to prevent and remedy this unfair competition, and pecuniary compensation alone would not afford adequate and complete relief.
- 47. All the acts described herein as violations of, among other things, the California Labor Code, California Code of Regulations and the Industrial Welfare Commission Wage Orders, were unlawful, were in violation of public policy, were immoral, unethical, oppressive, and unscrupulous, and were likely to deceive employees, and thereby constitute deceptive, unfair and unlawful business practices in violation of Cal. Bus. and Prof. Code §§ 17200, et seq.
  - 48. By the conduct alleged herein, DEFENDANT's practices were deceptive and

fraudulent in that DEFENDANT's uniform policy and practice was to represent to the CALIFORNIA CLASS Members that they were not entitled to minimum wages, overtime wages, business expense reimbursement, payment for payroll taxes or mandatory insurance and other benefits as required by California law, when in fact these representations were false and likely to deceive and for which this Court should issue injunctive and equitable relief, pursuant to Cal. Bus. & Prof. Code § 17203, including restitution of wages wrongfully withheld.

- 49. By the conduct alleged herein, DEFENDANT's practices were also unlawful, unfair and deceptive in that DEFENDANT's employment practices caused the PLAINTIFF and the other members of the CALIFORNIA CLASS to be underpaid during their employment with DEFENDANT.
- 50. PLAINTIFF and the other members of the CALIFORNIA CLASS are entitled to, and do, seek such relief as may be necessary to restore to them the money and property which DEFENDANT has acquired, or of which the PLAINTIFF and the other members of the CALIFORNIA CLASS have been deprived, by means of the above described unlawful and unfair business practices, including earned but unpaid wages for all overtime hours worked.
- 51. PLAINTIFF and the other members of the CALIFORNIA CLASS are further entitled to, and do, seek a declaration that the described business practices were unlawful, unfair and deceptive, and that injunctive relief should be issued restraining DEFENDANT from engaging in any unlawful and unfair business practices in the future.
- 52. By the conduct alleged herein, DEFENDANT's practices were also unlawful, unfair and deceptive in that DEFENDANT's uniform policies, practices and procedures failed to provide all legally required meal breaks to the PLAINTIFF and the other members of the CALIFORNIA CLASS as required by Cal. Lab. Code §§ 226.7 and 512.
- 53. Therefore, the PLAINTIFF demands on behalf of herself and on behalf of each CALIFORNIA CLASS member, minimum wages, overtime wages, business expenses, payment for the employer's share of payroll taxes and mandatory insurance, and one (1) hour of pay for each workday in which an off-duty meal period was not timely provided for each five (5) hours of work, and/or one (1) hour of pay for each workday in which a second off-duty meal period

was not timely provided for each ten (10) hours of work.

- 54. PLAINTIFF further demands on behalf of herself and each member of the CALIFORNIA LABOR SUB-CLASS, one (1) hour of pay for each workday in which a rest period was timely provided as required by law.
- 55. By and through the unlawful and unfair business practices described herein, DEFENDANT has obtained valuable property, money and services from the PLAINTIFF and the other members of the CALIFORNIA CLASS, including earned wages for all hours worked, including overtime hours and has deprived them of valuable rights and benefits guaranteed by law and contract, all to the detriment of these employees and to the benefit of DEFENDANT so as to allow DEFENDANT to unfairly compete against competitors who comply with the law.
- 56. All the acts described herein as violations of, among other things, the Industrial Welfare Commission Wage Orders, the California Code of Regulations, and the California Labor Code, are unlawful and in violation of public policy, are immoral, unethical, oppressive and unscrupulous, are deceptive, and thereby constitute unlawful, unfair and deceptive business practices in violation of Cal. Bus. & Prof. Code §§ 17200 et seq.
- 57. PLAINTIFF and the other members of the CALIFORNIA CLASS are entitled to, and do, seek such relief as may be necessary to restore to them the money and property which DEFENDANT has acquired, or of which the PLAINTIFF and the other members of the CALIFORNIA CLASS have been deprived, by means of the above described unlawful and unfair business practices, including earned but unpaid wages for all hours worked.
- 58. PLAINTIFF and the other members of the CALIFORNIA CLASS are further entitled to, and do, seek a declaration that the described business practices are unlawful, unfair and deceptive, and that injunctive relief should be issued restraining DEFENDANT from engaging in any unlawful and unfair business practices in the future.
- 59. PLAINTIFF and the other members of the CALIFORNIA CLASS have no plain, speedy and/or adequate remedy at law that will end the unlawful and unfair business practices of DEFENDANT. Further, the practices herein alleged presently continue to occur unabated. As a result of the unlawful and unfair business practices described herein, the PLAINTIFF and

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the other members of the CALIFORNIA CLASS have suffered and will continue to suffer irreparable legal and economic harm unless DEFENDANT is restrained from continuing to engage in these unlawful and unfair business practices.

## SECOND CAUSE OF ACTION

## For Failure To Minimum And Overtime Wages

[Cal. Lab. Code §§ 510, 1194, & 1198]

## (By PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS and Against All **Defendants**)

- 60. PLAINTIFF and the CALIFORNIA CLASS Members reallege and incorporate by this reference, as though fully set forth herein, paragraphs 1 through 59 of this Complaint.
- 61. During the CALIFORNIA LABOR SUB-CLASS PERIOD, DEFENDANT failed to pay the PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS Members, minimum wages, wages for all hours worked and overtime wages for the hours they worked in excess of the maximum hours permissible by law as required by Cal. Lab. Code §§ 510, 1197 & 1198, even though PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS Members were regularly required to work, and did in fact work, uncompensated hours, hours compensated at less than minimum wage and overtime hours that DEFENDANT never recorded as evidenced by DEFENDANT's business records and witnessed by DEFENDANT's employees.
- 62. By virtue of DEFENDANT's unlawful failure to pay compensation to the PLAINTIFF and the CALIFORNIA CLASS Members for all hours worked, including overtime hours worked by these employees, the PLAINTIFF and CALIFORNIA CLASS Members have suffered, and will continue to suffer, an economic in amounts which are presently unknown to them and which can be ascertained according to proof at trial.
- 63. DEFENDANT knew or should have known that the PLAINTIFF and the CALIFORNIA CLASS Members were misclassified as independent contractors and DEFENDANT's systematically elected, either through intentional malfeasance or gross nonfeasance, not to pay them for their labor as a matter of uniform corporate policy, practice and procedure.

- 64. PLAINTIFF and the CALIFORNIA CLASS Members therefore request recovery of all compensation according to proof, interest, costs, as well as the assessment of any statutory penalties against DEFENDANT in a sum as provided by the California Labor Code and/or other statutes. To the extent overtime compensation is determined to be owed to the CALIFORNIA CLASS Members who have terminated their employment, these employees would also be entitled to waiting time penalties under Cal. Lab. Code § 203, which penalties are sought herein. Further, the PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS Members are entitled to seek and recover statutory costs.
- 65. In performing the acts and practices herein alleged in violation of California labor laws, and refusing to compensate the members of the CALIFORNIA LABOR SUB-CLASS for all hours worked and provide them with the requisite overtime compensation, DEFENDANT acted and continues to act intentionally, oppressively, and maliciously toward the PLAINTIFF and the other members of the CALIFORNIA LABOR SUB-CLASS with a conscious of and utter disregard for their legal rights, or the consequences to them, and with the despicable intent of depriving them of their property and legal rights, and otherwise causing them injury in order to increase corporate profits at the expense of these employees.

#### THIRD CAUSE OF ACTION

## For Failure to Provide Accurate Itemized Statements

[Cal. Lab. Code § 226]

## (By PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS and Against All Defendants)

- 66. PLAINTIFF, and the other members of the CALIFORNIA LABOR SUB-CLASS, reallege and incorporate by this reference, as though fully set forth herein, paragraphs 1 through 65 of this Complaint.
- 67. Cal. Labor Code § 226 provides that an employer must furnish employees with an "accurate itemized statement in writing showing:
  - (1) gross wages earned,
  - (2) total hours worked by the employee, except for any employee whose compensation is

solely based on a salary and who is exempt from payment of overtime under subd	ivision (a
of Section 515 or any applicable order of the Industrial Welfare Commission,	

- (3) the number of piecerate 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."
- 68. At all times relevant herein, DEFENDANT violated Labor Code § 226, in that DEFENDANT failed and continues to fail to properly and accurately itemize the number of hours worked by PLAINTIFF, and the other members of the CALIFORNIA LABOR SUBCLASS at the effective minimum and overtime rates of pay.
- 69. DEFENDANT knowingly and intentionally failed to comply with Labor Code § 226, causing damages to PLAINTIFF, and the other members of the CALIFORNIA LABOR SUB-CLASS. These damages include, but are not limited to, costs expended calculating the true hours worked and the amount of employment taxes which were not properly paid to state and federal tax authorities. These damages are difficult to estimate. Therefore, PLAINTIFF, and the other members of the CALIFORNIA LABOR SUB-CLASS elect to recover liquidated damages of \$50.00 for the initial pay period in which the violation occurred, and \$100.00 for each violation in subsequent pay period pursuant to Labor Code § 226, in an amount according to proof at the time of trial (but in no event more than \$4,000.00 for PLAINTIFF and each

1	respective	e member of the CALIFORNIA LABOR SUB-CLASS herein).
2		FOURTH CAUSE OF ACTION
3		For Failure to Pay Wages When Due
4		[Cal. Lab. Code §§ 201, 202 and 203]
5	( <b>By</b> ]	PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS and Against All
6		Defendants)
7	70.	PLAINTIFF, and the other members of the CALIFORNIA LABOR SUB-
8	CLASS,	reallege and incorporate by reference, as though fully set forth herein, paragraphs 1
9	through 6	69 of this Complaint.
10	71.	Cal. Lab. Code § 200 states that:
11		As used in this article:
12		(a) "Wages" includes all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, Commission basis, or other method of calculation.
13 14		(b) "Labor" includes labor, work, or service whether rendered or performed under contract, subcontract, partnership, station plan, or other agreement if the labor to be paid for is performed personally by the person demanding
15	:	payment.
16	72.	Cal. Lab. Code § 201 states, in relevant part, that "If an employer discharges an
17	employed	e, the wages earned and unpaid at the time of discharge are due and payable
18	immedia	tely."
19	73.	Cal. Lab. Code § 202 states, in relevant part, that:
20		If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later
21		than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled
22		to his or her wages at the time of quitting. Notwithstanding any other provision of law, an employee who quits without providing a 72-hour notice
23		shall be entitled to receive payment by mail if he or she so requests and designates a mailing address. The date of the mailing shall constitute the date
24		of payment for purposes of the requirement to provide payment within 72 hours of the notice of quitting.
25	74.	There was no definite term in PLAINTIFF's or any other CALIFORNIA LABOR
26	SUB-CL	ASS Members' employment contract.
27	75.	Cal. Lab. Code § 203 states:
28		If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.5, 202, and 205.5, any wages of an 30

COMPLAINT

employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.

- 76. The employment of PLAINTIFF and many other CALIFORNIA LABOR SUB-CLASS Members has terminated, yet as to those individuals whose employment terminated, DEFENDANT did not timely tender payment of all wages owed as required by law.
- 77. Therefore, as provided by Cal Lab. Code § 203, on behalf of herself and the members of the CALIFORNIA LABOR SUB-CLASS whose employment terminated, PLAINTIFF demands thirty days of pay as penalty for not paying all wages due at time of termination for all individuals in the CALIFORNIA LABOR SUB-CLASS who terminated employment during the CALIFORNIA LABOR SUB-CLASS PERIOD plus interest and statutory costs as allowed.

### FIFTH CAUSE OF ACTION

## For Failure to Reimburse Employees for Required Expenses [Cal. Lab. Code § 2802]

# (By PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS and Against All Defendants)

- 78. PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS members reallege and incorporate by this reference, as though fully set forth herein, paragraphs 1 through 77 of this Complaint.
  - 79. Cal. Lab. Code § 2802 provides, in relevant part, that:

    An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the 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.
- 80. At all relevant times herein, DEFENDANT violated Cal. Lab. Code § 2802, by failing to indemnify and reimburse the PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS members for required expenses incurred in the discharge of their job duties for DEFENDANT's benefit. Specifically, DEFENDANT failed to reimburse the PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS members for expenses which included, but were not

limited to, maintaining and repairing their personal vehicles PLAINTIFF and other CALIFORNIA LABOR SUB-CLASS Members utilized when driving to their locations assigned by DEFENDANT, all on behalf of and for the benefit of DEFENDANT. DEFENDANT's uniform policy, practice and procedure was to not reimburse the PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS members for vehicle expenses within the course and scope of their employment. These expenses were necessary to complete their principal job duties. DEFENDANT is estopped by DEFENDANT's conduct to assert any waiver of this expectation. Although these expenses were necessary expenses incurred by the PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS members, DEFENDANT failed to indemnify and reimburse the PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS members for these expenses as an employer is required to do under the laws and regulations of California.

- 81. PLAINTIFF and the CALIFORNIA LABOR SUB-CLASS members were forced by the expectation of DEFENDANT and DEFENDANT's written policy to contribute to the DEFENDANT's business expenses, which expenses must be refunded by DEFENDANT to each member of the CALIFORNIA LABOR SUB-CLASS.
- 82. PLAINTIFF therefore demands reimbursement for expenditures or losses incurred by her and the CALIFORNIA LABOR SUB-CLASS members in the discharge of their job duties for DEFENDANT, or their obedience to the directions of DEFENDANT, with interest at the statutory rate and costs under Cal. Lab. Code § 2802.

### **SIXTH CAUSE OF ACTION**

# For Violation of the Private Attorneys General Act [Cal. Lab. Code §§ 2698, et seq.]

## (By PLAINTIFF and Against All Defendants)

- 83. PLAINTIFF incorporates by reference the allegations set forth in paragraphs 1-82, supra, as though fully set forth at this point.
- 84. 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

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

- 85. PLAINTIFF brings this Representative Action on behalf of the State of California with respect to herself and all other individuals who worked for DEFENDANT in California as Field Agents and who were classified as independent contractors (the "AGGRIEVED EMPLOYEES").
- 86. On November 5, 2013, PLAINTIFF gave written notice by certified mail to the Labor and Workforce Development Agency (the "Agency") and the employer of the specific provisions of this code alleged to have been violated as required by Labor Code § 2699.3. See Exhibit #1, attached hereto and incorporated by this reference herein. The statutory waiting period for PLAINTIFF to add these allegations to the Complaint has expired. As a result, pursuant to Section 2699.3, PLAINTIFF may now commence a representative civil action under PAGA pursuant to Section 2699 as the proxy of the State of California with respect to all AGGRIEVED EMPLOYEES as herein defined.
- business act or practice because Defendant's (a) failure to properly record and pay PLAINTIFF and the other AGGRIEVED EMPLOYEES minimum and overtime wages, (b) failure to provide accurate itemized wage statements, (c) failure to timely pay wages, and (d) failure to reimburse PLAINTIFF and the other AGGRIEVED EMPLOYEES for required expenses violates the applicable Labor Code sections listed in Labor Code §2699.5, including but not limited to Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1197, 1198, 2802 and the applicable Industrial Wage Order(s), and thereby gives rise to

The policies, acts and practices heretofore described were and are an unlawful

statutory penalties as a result of such conduct. PLAINTIFF hereby seeks recovery of civil

- D) The greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per each member of the CALIFORNIA LABOR SUB-CLASS for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and an award of costs for violation of Cal. Lab. Code § 226; and,
- E) The amount of the expenses PLAINTIFF and each member of the CALIFORNIA LABOR SUB-CLASS incurred in the course of their job duties, plus interest, and costs of suit.
- 3. On behalf of the State of California and with respect to all AGGRIEVED EMPLOYEES:
  - A) Recovery of civil penalties as prescribed by the Labor Code Private Attorneys General Act of 2004.
- 4. On all claims:
  - A) An award of interest, including prejudgment interest at the legal rate;
  - B) Such other and further relief as the Court deems just and equitable; and,
  - C) An award of penalties and cost of suit, as allowable under the law. Neither this prayer nor any other allegation or prayer in this Complaint is to be construed as a request, under any circumstance, that would result in a request for attorneys' fees or costs available under Cal. Lab. Code § 218.5.

Dated: December 20, 2013 BLUMENTHAL, NORDREHAUG & BHOWMIK

Norman B. Blumenthal Attorneys for Plaintiff

## **DEMAND FOR JURY TRIAL**

Norman B. Blumenthal Attorneys for Plaintiff

PLAINTIFF demands a jury trial on issues triable to a jury.

Dated: December 20, 2013 BLUMENTHAL, NORDREHAUG & BHOWMIK

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FACSIMILE (858) 551-1232

### **BLUMENTHAL, NORDREHAUG & BHOWMIK**

TELEPHONES (858) 551-1223

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

GENERAL E-MAIL: bam@bamlawlj.com
Web Site: www.bamlawca.com

WRITERS E-MAIL:

<u>DeBlouw@bamlawca.com</u>

WRITERS EXT:

November 5, 2013 CA845

### VIA CERTIFIED MAIL

Labor and Workforce Development Agency Certified Mail #70131710000237457615 800 Capitol Mall, Suite 5000, MIC-55 Sacramento, CA 95814 Redfin Corporation Certified Mail #70131710000237457608 National Registered Agents, Inc. 818 W. Seventh Street Los Angeles, CA 90017

Re: Notice Of Violations Of California Labor Code Sections §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1197, 1198, Applicable Industrial Welfare Commission Wage Order(s), and Pursuant To California Labor Code Section 2699.5.

#### Dear Sir/Madam:

Our offices represent Plaintiff Ivonneth Cruz (the "Plaintiff"), and other aggrieved employees in a class action against Redfin Corporation ("Defendant"). Plaintiff was employed in California as a Field Agent worker from February of 2010 to May of 2013 and was classified by Defendant as an independent contractor, however the job duties performed by Plaintiff and other aggrieved employees did not entitle Defendant to claim any exemption from minium wage and overtime compensation for Plaintiff or any of the other workers employed in a Field Agent position who were classified as independent contractors. As a result, Plaintiff and other aggrieved employees worked substantial amounts of hours for which they were unlawfully not paid the correct minimum wage and overtime compensation. Further, Plaintiff and other aggrieved employees were not reimbursed for required business expenses in the discharge of their job duties for Defendant. As a consequence of the aforementioned violations, the Plaintiff further contends that Defendant failed to provide accurate wage statements to her, and other aggrieved employees, in violation of California Labor Code § 226(a). Said conduct, in addition to the foregoing, violates Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512, 1194, 1197, 1198, Violation of the applicable Industrial Welfare Commission Wage Order(s), and is therefore actionable under California Labor Code § 2699.3.

A true and correct copy of the Complaint, 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 the Plaintiff to proceed with the Complaint against Defendant as authorized by California Labor Code § 2695, et seq. The class action lawsuit consists of a class of other aggrieved employees. As class counsel, our intention is to vigorously prosecute the class wide claims as alleged in the Complaint, and to procure civil penalties as provided by the Private Attorney General Statue of 2004 on behalf of Plaintiff and all aggrieved California employees and Class Members.

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.

Sincerely,

/s/Nicholas J. De Blouw

Nicholas J. De Blouw, Esq.

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	SENDER: COMPLETE THIS SECTION  Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Frint your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the malipiece, and the card to specific space permits.	A. Signature  A. Signature  D. Is delivery different four term 17. April 19. In No. 19.	very
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	2 Autole Number: 7013 1710 DI		5-02-M-16

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/1	orporation Registered Agents, In	D. is delivery address different from item 1? These if YES, enter delivery address below:
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