1 2 3 4 5 6	Steven M. Tindall (CA Bar No. 187862) Whitney Stark (CA Bar No. 234863) Jessica Riggin (CA Bar No. 281712) RUKIN HYLAND DORIA & TINDALL LLP 100 Pine Street, Suite 2150 San Francisco, CA 94111 Telephone: (415) 421-1800 Facsimile: (415) 421-1700 stindall@rhdtlaw.com wstark@rhdtlaw.com jriggin@rhdtlaw.com	ENDORSED Superior Court of California County of San Francisco MAY 0 9 2013 CLERK OF THE COURT BY: MICHAEL RAYRAY
7 8 9 10	Rosa Vigil-Gallenberg (CA Bar No. 251872) GALLENBERG PC 9701 Wilshire Blvd., Suite 1000 Beverly Hills, CA 90212 Telephone: (310) 295-1654 Facsimile: (310) 733-5654 rosa@gallenberglaw.com	Deputy Clerk
.11	Attorneys for Plaintiff	
12		
	<u> </u>	
13	1	HE STATE OF CALIFORNIA
13 14	1	HE STATE OF CALIFORNIA FRANCISCO COUNTY
14	IN AND FOR SAN F	
14 15	IN AND FOR SAN F BORIS JAMES DAVISON, individually, and on behalf of all others similarly	
14 15 16	IN AND FOR SAN F BORIS JAMES DAVISON, individually,	FRANCISCO COUNTY
14 15	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated,	FRANCISCO COUNTY CONSOLIDATED
14 15 16	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION
14 15 16 17	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10, inclusive,	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR:
14 15 16 17 18	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10,	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR: (1) BREACH OF CONTRACT;
14 15 16 17 18 19	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10, inclusive, Defendants. JORGE TRELLES, on behalf of himself	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR:
14 15 16 17 18 19 20	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10, inclusive, Defendants. JORGE TRELLES, on behalf of himself and all others similarly situated,	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) UNPAID MINIMUM WAGES;
14 15 16 17 18 19 20 21 22	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10, inclusive, Defendants. JORGE TRELLES, on behalf of himself	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) UNPAID MINIMUM WAGES; (3) WAITING TIME PENALTIES;
14 15 16 17 18 19 20 21 22 23	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10, inclusive, Defendants. JORGE TRELLES, on behalf of himself and all others similarly situated, Plaintiff, vs.	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) UNPAID MINIMUM WAGES; (3) WAITING TIME PENALTIES; (4) RECORD-KEEPING VIOLATIONS;
14 15 16 17 18 19 20 21 22 23 24	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10, inclusive, Defendants. JORGE TRELLES, on behalf of himself and all others similarly situated, Plaintiff, vs. STEPHENS INSTITUTE, a California Corporation, dba ACADEMY OF ART	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) UNPAID MINIMUM WAGES; (3) WAITING TIME PENALTIES; (4) RECORD-KEEPING VIOLATIONS; (5) UNREIMBURSED EXPENSES; and (6) UNLAWFUL BUSINESS
14 15 16 17 18 19 20 21 22 23 24 25	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10, inclusive, Defendants. JORGE TRELLES, on behalf of himself and all others similarly situated, Plaintiff, vs. STEPHENS INSTITUTE, a California Corporation, dba ACADEMY OF ART UNIVERSITY, and DOES 1-50, inclusive,	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) UNPAID MINIMUM WAGES; (3) WAITING TIME PENALTIES; (4) RECORD-KEEPING VIOLATIONS; (5) UNREIMBURSED EXPENSES; and (6) UNLAWFUL BUSINESS PRACTICES (7) LABOR CODE PRIVATE ATTORNEY GENERAL ACT PUBLIC ENFORCEMENT CLAIM
14 15 16 17 18 19 20 21 22 23 24	BORIS JAMES DAVISON, individually, and on behalf of all others similarly situated, Plaintiffs, v. ACADEMY OF ART UNIVERSITY FOUNDATION, and DOES 1 through 10, inclusive, Defendants. JORGE TRELLES, on behalf of himself and all others similarly situated, Plaintiff, vs. STEPHENS INSTITUTE, a California Corporation, dba ACADEMY OF ART	CONSOLIDATED CASE NO.: CGC-10-497727 CASE NO.: CGC-11-509952 FIRST AMENDED CLASS ACTION COMPLAINT FOR: (1) BREACH OF CONTRACT; (2) UNPAID MINIMUM WAGES; (3) WAITING TIME PENALTIES; (4) RECORD-KEEPING VIOLATIONS; (5) UNREIMBURSED EXPENSES; and (6) UNLAWFUL BUSINESS PRACTICES (7) LABOR CODE PRIVATE ATTORNEY GENERAL ACT

DEMAND FOR JURY TRIAL

Plaintiff Jorge Trelles ("Plaintiff"), individually and on behalf of all others similarly situated, by his attorneys Rukin Hyland Doria & Tindall LLP and Gallenberg PC, file this Class Action Complaint and Jury Demand and allege as follows:

NATURE OF THE CASE

- 1. This class action is brought on behalf of Plaintiff and the following Class: all persons who, at any time from April 6, 2007 until the present, worked in California for Stephens Institute, dba Academy of Art University (collectively, "AAU") as teachers or instructors and who were paid by the hour based on the number of in-class teaching hours they taught ("Class Members").
- 2. AAU is a for-profit school founded in 1929 in San Francisco, California.

 AAU is considered the largest private art and design school in the United States, with enrollment of approximately 17,000 students. AAU provides courses in 17 art and design subjects as well as English as a Second Language ("ESL") at various locations throughout San Francisco.
- 3. For at least the past four years, and continuing through the present, AAU has paid Class Members for their in-class teaching time but has failed to pay Class Members anything for the time Class Members are required to spend on a variety of work activities outside of class, including, but not limited to the following: preparing lesson plans for courses, arriving early to teach classes, staying after class to answer questions from students and clean up, communicating with students outside of class (by email, phone, or in person), updating lesson plans, preparing homework assignments and exams, reviewing and grading homework

assignments and exams, attending to administrative tasks, and traveling between teaching sites. In addition, teachers and instructors are also required to purchase, among other things, course materials for the courses they teach.

- 4. At all times herein relevant, California Industrial Welfare Commission (the "TWC") Wage Order No. 4-2001, California Code of Regulations Title 8, § 11040, has provided for payment of wages for all hours worked. The IWC defines *hours worked* as the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not the employee is required to do so.
- 5. AAU has failed to pay Plaintiff and Class Members for all hours worked in violation of California state law and in breach of Class Members' employment agreements.

 AAU has also failed to maintain and provide accurate records of all hours worked by Plaintiff and Class Members, in violation of California state law.
- 6. AAU has also violated California common and statutory law as described with more particularity below.

NATURE OF ACTION

- 7. This is a class action on behalf of Plaintiff and proposed Class Members, seeking unpaid compensation for all hours worked and interest thereon, waiting time penalties, penalties for record-keeping violations, penalties for violations of PAGA, reimbursement of expenses, and reasonable attorneys' fees and costs under common law, IWC Wage Order No. 4, California Labor Code §§ 201, 202, 203, 226, 2802, 1174, 1194, and 1197, and California CCP § 1021.5.
- 8. Under California Business and Professions Code ("Cal. Bus. & Prof. Code") §§ 17200 et seq., and pursuant to the class action procedures provided for in this statute, Plaintiff, on behalf of himself and the proposed Class, also seek restitution of all benefits AAU has received from their failure to pay compensation due for all hours worked and its failure to

maintain proper records of hours worked. Plaintiff also seeks to bring this case as a representative action for the recovery of penalties under California Labor Code Private Attorneys General Act of 2004 ("PAGA"), California Labor Code §2698, et seq. PAGA permits an "aggrieved employee" to bring a lawsuit on behalf of himself or herself and other current and former employees to address an employer's widespread violation of California Labor Code.

- 9. The "Class Period" is designated as the time from April 6, 2007 through the trial date, based upon the allegation that the violations of California's wage and hour laws and breaches of contract, as described more fully below, have been ongoing at least since April 6, 2007.
- 10. During the Class Period, AAU has had a consistent policy of permitting, encouraging, and/or requiring Plaintiff and proposed Class Members to engage in the following activities (among others), without compensating them for the time they spent performing these activities as required by California state wage and hours laws and common law: (1) creating and updating lesson plans for courses and preparing to teach courses; (2) creating, reviewing, and grading homework assignments and exams; (3) arriving early to classes to set up and to answer questions from students; (4) staying after class to answer questions from students and clean up; (5) communicating with students outside of class; (6) attending to administrative tasks; and (7) traveling between teaching sites.
- 11. During the Class Period, AAU has also had a consistent policy of failing to pay in a prompt and timely manner all compensation owing to Plaintiff Jorge Trelles and other proposed Class Members whose employment with AAU has terminated.

JURISDICTION AND VENUE

12. This Court has jurisdiction over all causes of action asserted herein pursuant to the California Constitution, Article VI, §10, which grants the Superior Court original jurisdiction in all cases except those given to other trial courts. Plaintiff seeks damages in this

case in an amount exceeding the jurisdictional minimum of this Court. The Court also has jurisdiction over certain causes of action pursuant to Business & Professions Code §§ 17203 and 17204, which provide for exclusive jurisdiction for enforcement of this statute in any court of competent jurisdiction.

13. Venue in the Superior Court of San Francisco is proper under Business & Professions Code § 17203 and California Code of Civil Procedure § 395.5 because part of AAU's allegedly unlawful conduct occurred in this City and County, AAU conducts substantial business in this City and County, a substantial part of the transactions at issue took place in this City and County, and AAU's liability arose in part (if not entirely) in this County.

PARTIES

- 14. Plaintiff Jorge Trelles is an individual who resides in San Francisco, California and who was employed by AAU in San Francisco California as an instructor or teacher. Mr. Trelles taught three courses for AAU between 2005 and April 2007: advanced editing, motion picture language, and advanced special effects. Mr. Trelles has also taught courses at AAU from 2011 to the present.
- 15. Defendant Stephens Institute, dba Academy of Art University, is a California corporation headquartered in San Francisco, California. On information and belief, Plaintiff alleges that the practices and policies that are complained of by way of this Complaint were common at AAU throughout the proposed Class Period. AAU is, and at all relevant times was, an employer subject to California state wage and hour laws.
- 16. The defendants identified as Does 1 through 50, inclusive, are and were, at all relevant times mentioned in this Complaint, officers, directors, partners, and/or managing agents of some or each of the remaining defendants. Plaintiff is informed and believes and, on that basis, alleges that at all times herein mentioned, Defendant AAU and Does 1 through 50, inclusive, employed, and/or exercised control over the wages, hours, expense reimbursements,

and/or working conditions of the Plaintiff and Class Members in California including San Francisco County.

- 17. Plaintiff is unaware of the true names and capacities of those defendants sued herein as Does 1-50, inclusive and, therefore, sue these Defendants by such fictitious names. Plaintiff will seek leave of court to amend this Complaint when such names are ascertained. Plaintiff is informed and believes and, on that basis alleges that each of the fictitiously-named Defendants was responsible in some manner for, consented, ratified, and/or authorized the conduct herein alleged and that the Plaintiff and Class Members damages, as herein alleged, were proximately caused thereby.
- 18. Plaintiff is informed and believes and, on that basis, alleges that at all relevant times herein, each of the Defendants was the agent and/or employee of each of the remaining Defendants, and, in doing the acts herein alleged, was acting within the course and scope of such agency and/or employment.

CLASS ACTION ALLEGATIONS

19. Plaintiff brings this action individually and as a class action on behalf of a Class defined as follows:

All persons who, at any time during the period April 6, 2007 to the present, worked for Stephens Institute dba Academy of Art University as an instructor or teacher in the State of California and was paid on an hourly basis for in-class teaching time.

This action is brought, and may properly be maintained, as a class action pursuant to California Code of Civil Procedure § 382 because there is a well-defined community of interest in the litigation, and the proposed class is easily ascertainable. This action presents questions of common interest and satisfies the numerosity, commonality, typicality, adequacy, predominance, and superiority requirements of this provision.

Numerosity and Ascertainability:

- 20. The Class is so numerous that the individual joinder of all of its members is impracticable. While the exact number and identities of Class Members are unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff is informed and believe that the Class includes at least 75 persons.
- 21. A class action is the only available method for the fair and efficient adjudication of this controversy. The members of the Class are so numerous that joinder of all members is impractical, if not impossible, insofar as the Plaintiff is informed and believe and, on that basis, allege that the total number of Class Members is at least 75 individuals. The identity of Class Members can be determined easily upon analysis of, *inter alia*, employee and payroll records maintained by AAU.

Commonality:

- 22. Common questions of fact and law exist as to all members of the Class that predominate over any questions affecting only individual Class Members. These common legal and factual questions, which do not vary from Class Member to Class Member and which may be determined without reference to the individual circumstances of any Class Member, include but are not limited to the following:
- a. whether AAU, in violation of Cal. Code Regs., Title 8 § 11040, and California common law, failed to pay Plaintiff and Class Members for all of the work AAU required them to perform, thus breaching the implied contract with their employees to pay them for all hours worked;
- b. whether AAU failed to pay Plaintiff and Class Members minimum wage for all of the work AAU required them to perform, pursuant to IWC Wage Order No. 4, and Cal. Labor Code §§ 1194 and 1197;
- c. whether AAU, in violation of Cal. Labor Code §§ 201-203, failed to timely pay Plaintiff and Class Members all wages due upon termination or resignation;

- d. whether Plaintiff and other terminated Class Members are entitled to "waiting time" penalties pursuant to Cal. Labor Code § 203;
- e. whether AAU, in violation of Cal. Labor Code §§ 226 and 1174, systematically failed to keep and provide accurate records of all of the hours worked by Plaintiff and Class Members and their applicable hourly rates;
- f. whether AAU, in violation of Labor Code § 2802, failed to indemnify Plaintiff and Class Members for necessary expenditures incurred by them in direct consequence of the discharge of their duties;
- g. whether Plaintiff and members of the Class are entitled to restitution under Cal. Bus. & Prof. Code §§ 17200 et seq.;
- h. whether Plaintiff and members of the Class are entitled to recover penalties under PAGA; and
- i. what amounts Plaintiff and Class Members are entitled to receive in interest on unpaid compensation due and owing to them.

Typicality:

23. Plaintiff's claims are typical of the claims of the Class. Plaintiff and all Class Members sustained injuries and damages arising out of and caused by AAU's common course of conduct in violation of law as alleged herein.

Adequacy of Representation:

24. Plaintiff is an adequate representative of the Class in that Plaintiff has the same interests in the litigation of this case as the Class Members; Plaintiff is committed to vigorous prosecution of this case and has retained competent counsel experienced in class action and wage and hour litigation of this nature. Plaintiff is not subject to any individual defenses unique from those conceivably applicable to the Class as a whole and anticipates no management difficulties in this litigation.

9 10

11 12

13

14 15

16 17

18

19

20 21

22 23

24 25

26

27

28

Predominance:

25. AAU has engaged in a common course of wage and hour violations toward Plaintiff and Class Members. The common issues arising from AAU's conduct that affect Plaintiff and Class Members predominate over any individual issues. Adjudication of these common issues in a single action has important and desirable advantages of judicial economy.

Superiority of Class Action:

- A class action is superior to other available methods for the fair and 26. efficient adjudication of this controversy because individual litigation of the claims of all Class Members is impracticable. Even if every Class Member could afford individual litigation, the court system could not. It would be unduly burdensome to the courts in which individual litigation of numerous cases would proceed. Individualized litigation would also present the potential for varying, inconsistent, or contradictory judgments and would magnify the delay and expense to all parties and to the court system resulting from multiple trials of the same complex factual issues. Moreover, individual actions by Class Members may establish inconsistent standards of conduct for AAU. By contrast, the conduct of this action as a class action, with respect to some or all of the issues presented herein, presents fewer management difficulties, conserves the resources of the parties and the court system, and protects the rights of each Class Member.
- 27. AAU has acted or refused to act in respects generally applicable to the Class, thereby making appropriate relief with regard to the members of the Class as a whole, as requested herein.

FIRST CAUSE OF ACTION

(Breach of Contract for Failure to Pay Compensation for all Hours Worked) (brought by Plaintiff on behalf of all Class Members)

28. Plaintiff incorporates in this cause of action every allegation contained in the previous paragraphs, as though fully set forth herein.

- 29. Pursuant to California Labor Code § 218, Plaintiff may bring a civil action for unpaid wages due directly against the employer in Plaintiff's name without first filing a claim with the Department of Labor Standards Enforcement.
- 30. As alleged in ¶ 10 above, throughout the Class Period, Plaintiff and Class Members have been required to spend substantial time preparing for their lectures or classes as well as creating, reviewing, and grading homework assignments and exams without compensation for those hours worked. In addition, Plaintiff and Class Members have arrived at early to class to prepare for class and to answer questions by students but are not paid for this time. Plaintiff and Class Members also spend time outside of class conversing or emailing with students about their class assignments. Moreover, AAU does not compensate Plaintiff and Class Members for their time spent answering questions from students after class, although AAU requires or permits them to do so.
- 31. In addition, AAU has required Class Members to travel between different work sites or between work sites without paying them for this time, in violation of California law. See Morillion v. Royal Packing Co. (2000) 22 Cal. 4th 575, 579 n.2.
- 32. At all times herein relevant, IWC Wage Order No. 4-2001, California Code of Regulations Title 8 § 11040, has applied and continues to apply to Plaintiff and the Class Members' employment with AAU. IWC Wage Order No. 4-2001 states that "every employer shall pay to each employee wages . . . for all hours worked." Cal. Code Regs., Tit. 8, § 11040(4)(A).
- 33. "Hours worked" is defined at California Code of Regulations Title 8, § 11040(2)(L) as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Under this definition of "hours worked," the hours spent by Plaintiff and Class Members in preparation of their classes, creating and grading exams and homework assignments,

arriving early to class, staying after class to answer questions, answering questions from students outside of class, as well as the compulsory travel between various work sites are "hours worked" and must be compensated.

- 34. By the conduct alleged above, AAU breached an implied agreement with Plaintiff and Class Members to pay them their agreed-upon contract rate for all hours worked as understood and required under California state law. AAU's failure to perform their part of the contract by failing to pay Class Members for all of their hours worked is unjustified and unexcused and constitutes a breach of contract.
- 35. As a direct and proximate result of AAU's unlawful conduct, as set forth herein, Plaintiff and the Class Members have sustained damages, including the loss of earnings paid at the agreed-upon rate for hours worked on behalf of AAU, in an amount to be established at trial, plus prejudgment interest pursuant to statute.

SECOND CAUSE OF ACTION (Unpaid Minimum Wages under California Law) (brought by Plaintiff on behalf of all Class Members)

- 36. Plaintiff incorporates in this cause of action every allegation contained in the previous paragraphs, as though fully set forth herein.
- 37. California Labor Code § 1197 states that payment of less than the minimum wage fixed by California's Industrial Welfare Commission is unlawful.
- 38. AAU has refused to pay Plaintiff and members of the Class any compensation for the time they spent preparing their classes, creating and grading exams and homework assignments, arriving early to class and staying after class to answer students' questions, or other activities described in Paragraph 10, above. As such, Plaintiff and members of the Class receive less than the minimum wage for all hours worked for AAU. See Armenta v. Osmose, Inc. (Cal. App. 2d Dist. 2005) 135 Cal. App. 4th 314 (employer violated minimum wage statute even if average of paid and unpaid hours exceeded the minimum wage). Plaintiff

and the Class, therefore, are entitled under California law to be paid for all hours during which they were subject to the control of AAU, including all time they were suffered or permitted to work for AAU.

39. As a direct and proximate result of AAU's unlawful conduct, as set forth herein, Plaintiff and the Class have sustained damages, including compensatory damages pursuant to Labor Code § 1194(a), prejudgment interest, liquidated damages pursuant to Labor Code § 1194.2, and reasonable attorneys' fees and costs of suit pursuant to Labor Code § 1194(a), in an amount to be established at trial.

THIRD CAUSE OF ACTION (Waiting Time Penalties Under California Law) (brought by Plaintiff on behalf of himself and Class Members who are no longer employed by Defendants)

- 40. Plaintiff incorporates in this cause of action every allegation contained in the previous paragraphs, as though fully set forth herein.
- 41. California Labor Code § 201 requires AAU to pay their discharged employees all wages due immediately upon discharge.
- 42. California Labor Code § 202 requires that if an employee quits his or her employment, "his or her wages shall become due and payable not later 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 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 shall be entitled to receive payment by mail if he or she so requests and designates a mailing address.
- 43. California Labor Code § 203 provides that if an employer willfully fails to timely pay any wages that are due to an employee who quits or is discharged, the employer must, as a penalty, continue to pay the employee's wages until the back wages are paid in full or an action is commenced. The penalty cannot exceed 30 days of wages.

- 44. Plaintiff and other Class Members who have been discharged or who have quit are entitled to all unpaid compensation, pursuant to California Labor Code § 203, but, to date, have not received such compensation, as alleged above. Plaintiff did not work for AAU from 2007 until 2011, but at no time received payments for all of the time he spent working for AAU outside of the time he spent in class teaching prior to and during 2007.
- 45. As a consequence of AAU's willful conduct in not paying compensation for all hours worked, Plaintiff and members of the Class who are no longer working for AAU are entitled to up to 30 days wages as a penalty under California Labor Code § 203, together with interest thereon.

FOURTH CAUSE OF ACTION (Record-Keeping Violations under California Law) (brought by Plaintiff on behalf of all Class Members)

- 46. Plaintiff incorporates in this cause of action every allegation contained in the previous paragraphs, as though fully set forth herein.
- 47. On information and belief, Plaintiff alleges that AAU maintains and has maintained no records of most—if not all—of the hours worked by Plaintiff and Class Members outside of their in-class teaching hours.
- 48. AAU knowingly and intentionally failed to maintain and provide timely, accurate, itemized wage statements by failing, *inter alia*, to identify all hours worked by Plaintiff and the Class in accordance with Labor Code § 226(a) and the IWC Wage Orders.
- 49. At all times relevant herein, AAU has willfully failed to maintain records of all hours worked and applicable hourly rates as required under Labor Code § 1174(d).
- 50. Plaintiff and members of the Class are entitled to and seek penalties under Labor Code §§ 226.3 and 1174.5 and attorneys' fees under Labor Code §§ 226(e).

FIFTH CAUSE OF ACTION (Claim for Unreimbursed Expenses) (brought by Plaintiff on behalf of all Class Members)

- 13 -

- 51. Plaintiff incorporates in this cause of action every allegation contained in the previous paragraphs, as though fully set forth herein.
- 52. Throughout the class period, Plaintiff and Class Members have incurred necessary expenditures in direct consequence of the discharge of their duties, including expenditures for textbooks and other class materials. In addition, Class Members have incurred necessary expenditures in traveling between teaching locations.
- 53. California Labor Code § 2802 provides 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"
- 54. As a direct and proximate result of AAU's unlawful conduct, as set forth herein, Plaintiff and the Class have sustained damages in the amount of their unreimbursed expenses, plus interest accrued from the date of the expenditure, in an amount to be established at trial.
- 55. Pursuant to California Labor Code 2802, Plaintiff and Class Members are also entitled to reasonable attorneys' fees and costs.

SIXTH CAUSE OF ACTION

(Unlawful Business Practices under California's Unfair Competition Act) (brought by Plaintiff on behalf of all Class Members)

- 56. Plaintiff incorporates in this cause of action every allegation contained in the previous paragraphs, as though fully set forth herein.
- 57. Plaintiff further brings this cause of action on behalf of the Class and the general public, seeking statutory relief to stop the misconduct of AAU, as complained herein, and to compel restitution and disgorgement of all profits obtained by AAU through the unfair and unlawful business practices described herein.
- 58. The conduct of AAU, as alleged herein, constitutes unlawful practices as set forth in California Business & Professions Code §§ 17200, et seq. Specifically, AAU

conducts business activities while failing to comply with California wage and hour laws and the California common and statutory law as described herein.

- 59. Section 17200 of the California Business & Professions Code prohibits unfair competition by prohibiting unlawful, unfair, or fraudulent business practices or acts.
- 60. AAU's failure to adopt policies in accordance with and/or adhere to these laws, all of which are binding upon and burdensome to AAU's competitors, engenders an unfair competitive advantage for Defendants, thereby constituting an unfair business practice, as set forth in California Business & Professions Code §§ 17200, et seq.
- 61. AAU's conduct as herein alleged has damaged Plaintiff and members of the Class by wrongfully denying them earned wages and reimbursement for expenses and therefore was substantially injurious to Plaintiff and the Class.
- 62. Under the circumstances alleged, it would be inequitable and result in a miscarriage of justice for AAU to continue to retain the property of Plaintiff and the members of the Class, entitling Plaintiff and the Class to restitution of the unfair benefits obtained and disgorgement of AAU's ill-gotten gains.
- 63. As a result of AAU's unlawful and unfair business practices, Plaintiff and members of the Class are entitled to and seek restitution and disgorgement, and other appropriate relief available under Cal. Bus. & Prof. Code §§ 17200 et. seq.

SEVENTH CAUSE OF ACTION (Labor Code Private Attorney General Act Claim, Labor Code §§2699 et. seq.) (Brought By Plaintiff On Behalf Of All Class Members)

- 64. Plaintiff incorporates in this cause of action every allegation contained in the previous paragraphs, as though fully set forth herein.
- 65. California Labor Code §§ 2698-2699.5, the Labor Code Private Attorneys General Act of 2004 ("PAGA"), establishes that any provision of the California Labor Code which provides for a civil penalty to be assessed and collected by the Labor and Workforce

Development Agency ("LWDA"), or any of its departments, divisions, commissions, boards agencies or employees for violations of the California Labor Code, may be recovered through a collective action brought by an aggrieved employee on behalf of himself or herself, and other current or former employees. Under PAGA, an aggrieved employee (or former employee) need not satisfy class action requirements in order to bring a collective action on behalf of all other aggrieved current or former employees; instead, a PAGA collective action is essentially a public enforcement action on behalf of the general public. Such an action "functions as a substitute for an action brought by the government itself." (*Arias v. Superior Court of San Joaquin County* (2009) 46 Cal. 4th 969, 986.)

- 66. Whenever the LWDA, or any of its departments, divisions, commissions, boards, agencies, or employees has discretion to assess a civil penalty, a court in a civil action is authorized to exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.
- 67. Plaintiff is an aggrieved employee as defined in Labor Code § 2699(a).

 Plaintiff brings this case on behalf of himself and other current or former employees affected by the labor law violations alleged in this Complaint. One or more of the alleged violations was committed against them.
- 68. Plaintiff hereby seeks to collect civil penalties for the above-described Labor Code violations, including the penalties provided for payment of a wage less than the minimum, authorized under Cal. Labor Code § 1197.1, the penalties provided for failure to provide accurate itemized wage statements, authorized under Cal. Labor Code § 226.3, and the penalties provided for failure to indemnify employees for necessary business expenses, authorized under Cal. Labor Code § 2802.
- 69. Plaintiff has satisfied all the prerequisites set out in California Labor Code Section 2699.3 required for maintaining a civil suit to recover the afore-mentioned penalties.

Plaintiff by and through counsel, provided written notice on February 12, 2013 by certified mail to the California Labor and Workforce Development Agency and to Defendant's counsel stating the provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violation. The time limit for the LWDA to respond has passed. As such, Plaintiff has exhausted his administrative remedies.

70. Defendant is liable for civil penalties in amounts to be established at trial, payable as provided in Labor Code Section 2699(i) to Plaintiff and to all other aggrieved employees and to the Labor and Workforce Development Agency as provided in said subsection, and for an award of attorneys' fees and costs incurred in securing these penalties, pursuant to Section 2699(g)(1).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated, seeks the following relief:

- a. An Order declaring that this action is properly maintainable as a Class Action under California Code of Civil Procedure § 382, certifying the proposed Class herein and appointing Plaintiff and the undersigned counsel of record to represent the Class;
- b. That AAU is found to have violated the provisions of the California Labor Code, as to the Plaintiff and the proposed Class by failing to pay Plaintiff and the Class for all hours worked;
- c. That AAU is found to have breached its implied contracts with Plaintiff and the Class by failing to pay them at the agreed-upon contract rate for all of their hours worked:
- d. That AAU is found to have violated California Labor Code §§ 1194 and 1197 for failure to pay the minimum wage compensation due to Plaintiff and the Class Members;
- e. That AAU is found to have violated the record-keeping provisions of California Labor Code §§ 1174(d) and 226 as to Plaintiff and the Class Members;
- f. That the court adjudge and decree that Defendant AAU violated California

and Class Members for expenses incurred in direct consequence of the discharge of their duties during their employment with AAU. That AAU is found to have violated California's Business and Provisions Code § 17200 as to Plaintiff and the Class by failing to pay Plaintiff and members of the Class for all hours worked and failing to keep timely, An award to Plaintiff and Class Members of damages for the amount of unpaid compensation, including interest thereon, liquidated damages, unreimbursed expenses, including interest thereon, and penalties subject to That AAU be ordered and enjoined to pay restitution to Plaintiff and the Class due to AAU's unlawful activities, pursuant to California's Business That Plaintiff and the California Class Members collect civil penalties That Plaintiff and the Class be awarded reasonable attorneys' fees and costs pursuant to California Labor Code §§ 226(e), 1194(a), and 2802, An award of such other and further relief as this Court may deem WHEREFORE, Plaintiff demands a trial by jury on all issues so triable as a matter of RUKIN HYLAND DORIA & TINDALL LLP Attorneys for the Proposed Class