Laura L. Ho (SBN 173179) 1 ENDORSED lho@gbdhlegal.com ALAMEDA COUNTY 2 Byron Goldstein (SBN 289306) brgoldstein@gbdhlegal.com 3 GOLDSTEIN, BORGEN, DARDARIAN & HO OCT 3 0 2014 300 Lakeside Drive, Suite 1000 Oakland, CA 94612 4 CLERK OF THE SUFERIOR COURT Tel: (510) 763-9800 By Louis Staley, Jr. 5 Fax: (510) 835-1417 6 David H. Browne (SBN 261345) david@brownelaborlaw.com 7 Devin Covle (SBN 267194) dcoyle@workerscounsel.com BROWNE LABOR LAW 8 475 Washington Blvd 9 Marina del Rey, CA 90292 Tel: (310) 421-4810 Fax: (310) 421-4833 10 Attorneys for Plaintiffs, Vilma Zenelaj and Greta Zenelaj 11 SUPERIOR COURT OF THE STATE OF CALIFORNIA 12 FOR THE COUNTY OF ALAMEDA . 13 14 Case No.: Case # 15 VILMA ZENELAJ AND GRETA ZENELAJ, RG14746429 individually and on behalf of others similarly 16 situated. CLASS ACTION COMPLAINT FOR DAMAGES 17 Plaintiffs, FAILURE TO PAY OVERTIME 18 **(1)** WAGES (CAL. LAB. CODE §§ 204, 19 HANDYBOOK, INC., also known as 510, 1194 and I.W.C. WAGE ORDERS NO. 5-2001, 15-2001); HANDYBOOK TECHNOLOGIES, INC., 20 CORPORATION (dba HANDY) AND DOES 1 **(2)** FAILURE TO PAY MINIMUM WAGE through 100, inclusive, (CAL. LAB. CODE §§ 1194, 1197, 21 1197.1 and I.W.C. WAGE ORDERS Defendants. NO. 5-2001, 15-2001); 22 FAILURE TO REIMBURSE REQUIRED BUSINESS EXPENSES 23 (CAL. LAB. CODE § 2802); 24 FAILURE TO PROVIDE MEAL PERIODS (CAL. LAB. CODE §§ 226.7, 25 512 and I.W.C. WAGE ORDER NO. 5-2001, 15-2001); 26 FAILURE TO PROVIDE REST PERIODS (CAL. LAB. CODE § 226.7 27 and I.W.C. WAGE ORDER NO. 5-2001, 28 15-2001);

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(6)	FAILURE TO FURNISH ACCURATE
` ,	ITEMIZED WAGE STATEMENTS
	(CAL. LAB. CODE § 226);

- (7) FAILURE TO PAY EARNED WAGES UPON DISCHARGE (CAL. LAB. CODE §§ 201-203);
- (8) FAILURE TO REMIT GRATUITIES (CAL. LAB. CODE § 351 and UCL, and Tortious Interference with Prospective Economic Advantage);
- (9) UNLAWFUL AND/OR UNFAIR BUSINESS PRACTICES (CAL. BUS. & PROF. CODE §§ 17200-17208 and CAL. LAB. CODE § 1199, 2699.5);
- (10) PAGA CLAIM FOR CIVIL PENALTIES (LABOR CODE § 2698 et seq.)

JURY TRIAL DEMANDED

Plaintiffs Vilma Zenelaj and Greta Zenelaj (collectively referred to as the "Plaintiffs"), on behalf of themselves and all other persons similarly situated, complain and allege as follows:

#### I. INTRODUCTION

- 1. Plaintiffs bring this class action on behalf of themselves and all of the Cleaning Professionals (collectively referred to as "Cleaners") employed by Defendants Handybook, Inc., and DOES 1-100 (collectively referred to "Handy" or "Defendants") in California (collectively referred as "Class Members") from the date four years prior to the filing of this Complaint through the date of trial in this action.
- 2. Handy violates California law by misclassifying Cleaners as independent contractors when they are, in fact, employees. Due to this unlawful misclassification of Cleaners, Handy has violated numerous provisions of the California Labor Code, including failure to compensate Class Members for all overtime hours worked despite the fact that Plaintiffs and Class Members regularly work overtime, failure to pay a minimum wage for all hours worked, failure to provide meal and rest periods, failure to pay all earned wages at the conclusion of employment, failure to adequately reimburse Class Members for business expenditures incurred and required by their jobs, failure to remit gratuities to Class Members, and failure to furnish timely statements accurately showing, among other things, the total hours Class Members worked during each pay period. Plaintiffs also allege that these acts, which violate the California Labor Code, constitute predicate unlawful and unfair business practices in violation of the California Unfair Competition Laws. Plaintiffs also claim civil penalties for the above acts, which violate the California Labor Code, under the Private Attorneys General Act ("PAGA"), Cal. Labor Code § 2698 et seq.
- 3. In this action, Plaintiffs, on behalf of themselves and all Class Members, seek unpaid overtime compensation, unpaid minimum wages, wages for missed meal and rest periods, reimbursement for required business expenses, unpaid gratuities, statutory penalties, restitution, declaratory and injunctive relief, attorneys' fees and costs, prejudgment interest, and other relief under California Industrial Welfare Commission (I.W.C.) Wage Order 5-2001, 8 Cal. Code of Reg. § 11050 ("Wage Order 5-2001"), California I.W.C. Wage Order 15-2001, 8 Cal. Code of Reg. § 11150 ("Wage Order 15-2001"), California Labor Code ("Labor Code") §§ 201, 202, 203, 204(a), 226, 226.7, 351,

510, 512, 1174(d), 1194, 1197, 1197.1, 1198, 1199, 2699.5, 2802, California Code of Civil Procedure ("CCP") § 1021.5, California Business and Professions Code §§ 17200 et seq. ("UCL"), and California common law.

- 4. The "Class Period" is designated as the time from four years prior to the filing of this Complaint through the trial of this action based upon the allegation that the violations of the Labor Code and UCL, as described more fully below, have been ongoing since at least four years prior to the date of the instant Complaint in this action and are continuing. On information and belief, since Handy has operated in California for less than four years, the Class Period covers the entire period during which Handy, including Exec, which was a California-based company that Handy acquired in 2014, has operated in California.
- During the Class Period, Handy has had a consistent policy and/or practice of:

  (1) misclassifying Cleaners as independent contractors instead of properly classifying them as employees; (2) permitting, encouraging, and/or requiring Cleaners to work in excess of eight hours per day and/or in excess of forty hours per week without paying them overtime compensation as required by California state wage and hour laws; (3) failing to pay Cleaners a minimum wage for all hours worked; (4) failing to provide Cleaners with adequate off-duty meal periods of at least one half hour for every five hours worked; (5) failing to provide Cleaners with adequate off-duty rest periods of at least ten minutes for every four hours or major fraction thereof worked; (6) willfully failing to pay compensation owed (including unpaid overtime and meal and rest period compensation) in a prompt and timely manner to Plaintiffs and other Class Members whose employment with Handy terminated; (7) requiring Plaintiffs and Class Members to incur business-related expenses as Cleaners, but failing to fully reimburse them for these costs; (8) knowingly and intentionally failing to furnish timely itemized statements accurately showing the total hours worked by or hourly rate paid to Plaintiffs and Class Members; and (9) failure to remit gratuities to Plaintiffs and Class Members.
- 6. Handy has misclassified all of its Cleaners as independent contractors when they are, in fact, employees in violation of Wage Order 5-2001 §§ 2(E), 2(F), 2(H) and 3; Wage Order 15-2001 §§ 2(E), 2(F), 2(G), and 3; and, California common law.

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- 7. Handy has treated all of its Cleaners as exempt from the California overtime pay requirements and has refused to pay Class Members overtime pay for overtime work, notwithstanding the fact that all such Cleaners are non-exempt employees and entitled to overtime pay under California's wage and hour laws, including Labor Code §§ 510 and 1194 and Wage Order No. 5-2001, 15-2001.
- 8. During the class period, Handy has failed to maintain a policy that compensates Handy Cleaners an amount equal to or greater than the minimum wage for all hours worked, as required by California Labor Code §§ 1194, 1197, 1197.1 and Industrial Welfare Commission Wage Orders 5-2001 and 15-2001. All hours must be paid at the statutory or agreed rate and no part of this rate may be used as a credit against a minimum wage obligation. For example, Handy does not compensate the Cleaners for time spent driving between jobs. Handy only paid its Cleaners for time spent at each job site. As a result of violations of California Labor Code §§ 1194, 1197, 1197.1 and Industrial Welfare Commission Wage Orders 5-2001 and 15-2001 for failure to pay minimum wage, Handy is liable for civil penalties pursuant to California Labor Code §§ 558, 1197.1, and 2698 et seq.
- 9. During the Class Period, Handy has failed to provide Cleaners with an uninterrupted, off-duty thirty (30) minute meal break for each five (5) hours a day worked as required by Labor Code §§ 226.7 and 512 and Wage Order No. 5-2001, 15-2001.
- 10. During the Class Period, Handy has failed to provide Cleaners with an uninterrupted paid ten (10) minute rest break for each four (4) hours or major fraction thereof worked per day as required by Labor Code § 226.7 and No. 5-2001, 15-2001.
- 11. During the Class Period, Handy has willfully failed and refused to timely pay wages to former Cleaners at the conclusion of their employment, in violation of Labor Code §§ 201-203.
- 12. During the Class Period, Handy has required its Cleaners to incur reasonable and necessary business expenses in the course of completing their job duties, but has refused to completely reimburse Cleaners for these work costs, in violation of Labor Code § 2802.
- 13. During the Class Period, Handy knowingly and intentionally has not furnished each of its Cleaners with timely itemized wage statements accurately showing, among other things, total hours worked or applicable hourly rate paid, as required by Labor Code § 226. Each Cleaner is owed fifty

dollars (\$50) for the initial pay period in which Handy failed to provide a statement showing total hours worked and one hundred dollars (\$100) for each subsequent pay period, up to a total of four thousand dollars (\$4000).

- 14. During the Class Period, Handy has informed customers that gratuity is included in the price of service, but it has not remitted gratuities to Cleaners, in violation of Labor Code §351, enforceable pursuant to Cal. Bus. & Prof. Code § 17200 et. seq. Handy is also liable for tortious interference with Cleaners' prospective economic advantages based on its failure to remit gratuities, or, in the alternative, for Handy's false claims that tip is included in the price.
- 15. Accordingly, Handy has violated the UCL, with the violations of the California wage and hour laws described above. In addition, Plaintiffs have claims for civil penalties under PAGA.

#### II. JURISDICTION

- 16. This Court has jurisdiction over Plaintiffs' and Class Members' claims for unpaid overtime wages under Labor Code § 1194.
- 17. This Court has jurisdiction over Plaintiffs' and Class Members' claims for unpaid minimum wage under Labor Code §§ 510, 1194 and I.W.C. Wage Orders No. 5-2001, 15-2001.
- 18. This Court has jurisdiction over Plaintiffs' and Class Members' claims for failure to provide meal periods under Labor Code § 226.7 and I.W.C. Wage Orders No. 5-2001, 15-2001.
- 19. This Court has jurisdiction over Plaintiffs' and Class Members' claims for failure to provide rest periods under Labor Code § 226.7 and I.W.C. Wage Orders No. 5-2001, 15-2001.
- 20. This Court has jurisdiction over Plaintiffs' and Class Members' claims for penalties for failure to pay wages of discharged employees under Labor Code § 203.
- 21. This Court has jurisdiction over Plaintiffs' and Class Members' claims for failure to reimburse necessarily and reasonably incurred business expenses under Labor Code § 2802.
- 22. This Court has jurisdiction over Plaintiffs' and Class Members' claims for failure to furnish timely and accurate wage statements under Labor Code § 226.
- 23. This Court has jurisdiction over Plaintiffs' and Class Members' claims for failure to remit gratuities under Labor Code § 351, enforceable pursuant to Cal. Bus. & Prof. Code § 17200 *et. seq.*, and under tortious interference with prospective economic advantage.

- 24. This Court has jurisdiction over Plaintiffs' claims for injunctive relief and restitution of unpaid wages and other ill-gotten benefits arising from Defendants' unlawful and/or unfair business practices under Business and Professions Code §§ 17203 and 17204 and Labor Code §1199, 2699.5.
- 25. This Court has jurisdiction over Plaintiffs' claims for civil penalties under the Private Attorneys General Act ("PAGA"), Cal. Labor Code § 2698 et seq.

#### III. VENUE

26. Venue is proper because Handy's principal place of business is in New York, is incorporated under the laws of Delaware, does business in Alameda County, and has not registered a California place of business with the California Secretary of State. As such, venue is proper in any county of California.

#### IV. PARTIES

#### **Plaintiffs**

27. Plaintiffs Vilma Zenelaj ("Vilma") and Greta Zenelaj ("Greta") are sisters who currently reside in Brentwood, California, which is located in Los Angeles County, California. Vilma was employed as a "Handy Professional" between approximately April 16, 2014 and June 19, 2014. Greta was employed as a "Handy Professional" between approximately April 16, 2014 and July 2, 2014. While employed as Cleaners, Plaintiffs worked in Los Angeles County, where they procured cleaning jobs through Handy's mobile phone application ("app") platform. Handy unilaterally terminated Vilma's indefinite employment relationship with the company on or about June 19, 2014. Handy unilaterally terminated Greta's indefinite employment relationship with the company on or about July 2, 2014.

#### Defendant

28. Plaintiffs allege that Defendant Handy is a privately held company providing Cleaners, including cleaners and handymen, to clean homes, offices and rental apartments. Handy's headquarters is in New York, New York, and Handy is incorporated in Delaware. Handy is registered as a foreign business corporation in New York under the name Handybook, Inc. Handy is incorporated in Delaware

under the name Handybook Technologies, Inc. Handybook, Inc. and Handybook Technologies, Inc. do business as "Handy."

- 29. Handy began operating in Boston, Massachusetts and New York, New York in 2012. Upon information and belief, Handy currently operates in at least twenty-six cities. Plaintiffs are informed and believe, and based thereon allege, that in California, Handy operates in the East Bay of the San Francisco Bay Area, San Francisco, the South Bay of the San Francisco Bay Area, San Jose, Orange County, Sacramento, Los Angeles, and San Diego.
- 30. Handy acquired Exec, which was a company based in San Francisco that offered home cleaning services, in January 2014. Exec entered the home cleaning business at some time between February and May 2012. At the time that Handy acquired Exec, under information and belief, Plaintiffs became employees of Handy. Upon information and belief, Handy has assumed responsibility for all preexisting liabilities of Exec, including Plaintiffs' claims in this action.
- 31. The true names and capacities, whether individual, corporate, associate, or otherwise of Defendant sued herein as DOES 1 through 100, inclusive, are currently unknown to Plaintiffs, who therefore sue Defendant by fictitious names under Code of Civil Procedure § 474. Plaintiffs are informed and believe, and based thereon allege, that each of the Defendants designated herein as a DOE is legally responsible in some manner for the unlawful acts referred to herein. Plaintiffs will seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendants designated hereinafter as DOES when such identities become known.
- 32. Plaintiffs are informed and believe, and based thereon allege, that Defendants acted in all respects pertinent to this action as the agents of the other DOE defendants, carried out a joint scheme, business plan or policy in all respects pertinent hereto, and the acts of each Defendant are legally attributable to the other Defendants.
- 33. Plaintiffs are informed and believe, and based thereon alleges, that Handy employs over forty Cleaners in the state of California.

#### V. FACTUAL BACKGROUND

34. Plaintiffs are informed and believe, and based thereon allege, that Handy has operated, and at all times during the Class Period has conducted business, as an employer of home and office

Cleaners in the state of California. Simply put, Handy directs Cleaners to private homes, offices, and rental apartments to provide home and office cleanings.

- 35. Plaintiffs are informed and believe, and based thereon allege, that there is an application process to become a Cleaner. The application process includes a background check and an in-person interview. Applicants are informed that a requirement to be a Cleaner for Handy is availability for at least five cleanings jobs per week. Cleaners must also complete a cleaning under the observation of an evaluator from Handy.
- 36. Plaintiffs are informed and believe, and based thereon allege, that Handy uses a mobile phone application ("Handy's app") and its website, www.Handy.com, to schedule home and office cleaning jobs. People who seek to have their home, office, or rental apartment cleaned ("Customers") enter their zip code, the number of rooms in their house or office, and the cleaning start time. Handy recommends a total cleaning time to the Customer, the Customer chooses the total cleaning time, and then Handy quotes a price to the Customer. Handy tells Customers that tax and tip are included in the price of the cleaning job. If the Customer accepts the price quote, Handy charges the Customer's credit card for the service.
- 37. The Cleaners book cleaning jobs through the Handy app. The Handy app lists some of the available jobs, the city of the home or office (but not the full address), total cleaning time, and pay. The Cleaner does not receive the specific address until the job is accepted. Once the cleaning job is accepted, the Cleaners are required to complete the cleaning. Three days after the cleaning job, Handy pays the Cleaner unless there is a complaint from the Customer.
- 38. Plaintiffs are informed and believe, and based thereon allege, that Cleaners are paid between fifteen and twenty-two dollars per hour for the time they spend in either a home or office cleaning. Handy tells Cleaners that in order to receive an increased hourly rate they need to receive high customer ratings and do a sufficient volume of jobs. Handy designates the highest paying jobs—last minute jobs—to those Cleaners who work the most number of jobs.
- 39. Plaintiffs are informed and believe, and based thereon allege, that Handy does not remit tips to Cleaners despite informing customers that tax and tip are included when the Customer purchases the cleaning.

40. Plaintiffs are informed and believe, and based thereon allege, that Handy bars Cleaners from accepting jobs from Customers unless the Customer purchases the cleaning only from Handy.

## A. Employment Relationship Between Handy and Cleaners and Handy's Uniform Misclassification of Cleaners as Independent Contractors.

- 41. Plaintiffs are informed and believe, and based thereon allege, that Handy exercises extensive control over the manner and means by which Cleaners perform their jobs. Examples of this control include, but are not limited to, Handy's ability to terminate Cleaners at will, Handy's prohibition against cleaners hiring other people to assist in the cleaning jobs, Handy's control over the location (except for the name of the city) of the cleaning job, and Handy's control of the amount charged to the customer.
- 42. Plaintiffs are informed and believe, and based thereon allege, that Handy's provision of training and instructions on how its Cleaners should complete their tasks (*i.e.* Handy gives cleaners an extensive Handy-labeled checklist for Cleaners to present to customers and instructs Cleaners what to clean and in what order), mandates which supplies to bring to each cleaning, monitoring and tracking of performance, and counseling of underperforming Cleaners to meet Handy's expectations.
- 43. Plaintiffs are informed and believe, and based thereon allege, that Handy controls the distribution of daily assignments to Cleaners, including disclosing to the Cleaner the specific address of the assignment only after the Cleaner agrees to accept the general city and time of day that the assignment will occur. Cleaners lack control over the specific homes they can clean because Handy does not disclose to the Cleaners information (other than the name of the City) about the home before the Cleaners are committed to a particular cleaning job. As a result, when deciding which assignments to accept, Cleaners cannot determine whether there are safety concerns in that home, factor in how dirty the home or office is, and whether the client is likely to become a repeat customer.
- 44. In addition, Cleaners do not have discretion to pick and choose their cleaning tasks or create their plan of action at the customer's home or office. Rather, Cleaners must adhere to Handy's cleaning checklist.
- 45. Cleaners are required to follow numerous company guidelines, procedures, and/or protocols in completing their job, which include, among others, (1) how to dress, including a mandate

to wear clothing containing a Handy insignia, (2) what to specifically communicate to the Customer in the event the Cleaner arrives early, (3) when to knock/ring the doorbell, (4) how to announce the Cleaner's arrival, including identifying that the Cleaner is with Handy (even if no one responds to the doorbell/knock), (5) whether the Cleaner should ask whether he should take off his shoes (Handy directs Cleaners to always ask), (6) whether the Cleaner must shake the Customer's hands when they arrive at the home or office (always), (7) how to tailor communications with customers, (8) how to interact with the customer once the Cleaner has shaken hands with the Customer but before the cleaning has begun, (9) how to use the bathroom, (10) whether or not Cleaners can accept personal phone calls while on the job (never), (11) whether Cleaners can hire or otherwise bring anyone to help them complete the job (never), and (12) under what circumstances a Cleaner can, and cannot, listen to music while performing her job duties.

- 46. Plaintiffs are informed and believe, and based thereon allege, that Handy has the exclusive control over the price and length of time for each cleaning job. Cleaner compensation amounts and terms are not negotiable. Handy designates the highest paying jobs last minute jobs to those Cleaners who work the most number of jobs. The Cleaners can neither negotiate the price nor the length of cleaning. When the length of cleaning is decided, the Cleaners have no input. Also, Handy prevents the Cleaners from negotiating the length of the cleaning time with the Customers.
- 47. Because the Cleaners can neither negotiate cleaning time nor have input into the length of cleaning, Handy controls the quality of the cleaning job. For example, the more time that a Cleaner has to complete a cleaning job, the more likely the quality of the cleaning job will increase.
- 48. Plaintiffs are informed and believe, and based thereon allege, that Cleaners are an integral part of Handy's business of providing cleaning services, among other services, to its customers.
- 49. Plaintiffs are informed and believe, and based thereon allege, that the Cleaners are required to use certain cleaning supplies, which have higher costs than other cleaning supplies.
- 50. Plaintiffs are informed and believe, and based thereon allege, that the skills required of Cleaners in rendering services to Handy are such that those services can be, and generally are, performed by employees, rather than by specially skilled independent workers.

51. As a result of the control exercised by Handy over the work performed by Plaintiff and the other Cleaners, an employer-employee relationship exists and has existed at all times material to this action between Handy and each Class Member.

#### B. Handy's Uniform Misclassification of Cleaners as "Independent Contractors."

- 52. Plaintiff is informed and believes, and based thereon alleges, that Handy uniformly misclassifies all of its Cleaners as independent contractors when they are, in fact, employees.
- 53. Plaintiff is informed and believes, and based thereon alleges, that Handy has a "Rules & Polices" document that is given to all of the Cleaners.
- 54. Plaintiff is informed and believes, and based thereon alleges, that the Rules & Policies were drafted exclusively by Handy and/or its legal counsel.
  - 55. The Rules & Polices provide, among other things, that:
    - a. Handy retains the right to unilaterally terminate the Cleaners at any time;
    - b. The Cleaners must bring all required cleaning supplies to every single job.
- 56. Plaintiff is informed and believes, and based thereon alleges, that Handy has an "Important Reminders" document that is given to all of the Cleaners.
- 57. Plaintiff is informed and believes, and based thereon alleges, that the Important Reminders document was drafted exclusively by Handy and/or its legal counsel.
  - 58. The Important Reminders provide, among other things, that:
- a. Cleaners are required to do certain tasks, including taking out the trash, folding laundry, and completing the "Handybook Checklist," which has Handybook's name on the top of it, and leave this checklist for the Customer.
  - b. Handy requires Cleaners to bring specific supplies to every cleaning job;
- 59. Plaintiff is informed and believes, and based thereon alleges, that Handy has a "Home Cleaning Routine" document that is given to all of the Cleaners.
- 60. Plaintiff is informed and believes, and based thereon alleges, that the Home Cleaning Routine was drafted exclusively by Handy and/or its legal counsel.
  - 61. The Home Cleaning Routine provides, among other things, that:
    - a. The Cleaners must wear either a Handybook polo or apron;

- b. That Cleaners must wear pants and the pants must be "appropriate;"
- c. When the Cleaner arrives at the cleaning job, the Cleaner must state that their name followed by "from Handybook;"
  - d. The Cleaners must "Thank [the customer] for using Handybook!"
- e. Cleaners are prohibited from making any personal phone calls during the cleaning job;
  - f. Cleaners are prohibited from bringing any other person to the cleaning job.
- g. Cleaners are permitted to listen to music only with headphones and only when the Customer states that the Cleaner can listen to music with headphones;
  - 62. Handy has a Terms of Use that it states applies to all of the Cleaners.
- 63. Plaintiff is informed and believes, and based thereon alleges, that the Terms of Use was drafted exclusively by Handy and/or its legal counsel.
- 64. Plaintiff is informed and believes, and based thereon alleges, that the Terms of Use purports to classify the Cleaners as independent contractors to conceal the true employment relationship between Handy and its Cleaners.
- 65. The Terms of Use provides, among other things, that: Handy retains the right to unilaterally terminate the Cleaners at any time and with or without cause.
- 66. Plaintiff is informed and believes, and based thereon alleges, that the Terms of Use is and at all times mentioned herein has been a contract of adhesion, drafted by Handy, and used by Handy. Plaintiff is informed and believes, and on that basis alleges, that no Cleaner has negotiated with Handy over the terms or conditions contained in the Terms of Use, and that Handy offers its Cleaners no meaningful choice of terms.
- 67. Plaintiff is informed and believes, and based thereon alleges, that Handy has a "Home Cleaning Routine" document that is given to all of the Cleaners.
- 68. Plaintiff is informed and believes, and based thereon alleges, that the Home Cleaning Routine was drafted exclusively by Handy and/or its legal counsel.
  - 69. The Home Cleaning Routine provides, among other things, that:

- a. The Cleaners must complete certain tasks in each of four different parts of the house, such as the bathrooms, and there is a total of twenty-eight required tasks;
- b. The Cleaners must start the cleaning job with laundry, the dishwasher, the kitchen, and the bathroom;
- 70. Plaintiff is informed and believes, and based thereon alleges, that, during the Class Period, Handy illegally misclassified its Cleaners as independent contracts when they were, in fact employees as defined by Wage Order 5-2001 §§ 2(E), 2(F), 2(H) and 3; Wage Order 15-2001 §§ 2(E), 2(F), 2(G), and 3; and, California common law.

#### C. Facts Related to Cleaners' Other Claims.

- 71. Plaintiffs are informed and believe, and based thereon allege, that Cleaners regularly work beyond eight hours in a day or forty hours in a week in order to complete their cleanings, including driving from one cleaning to another.
- 72. Plaintiffs are informed and believe, and based thereon allege, that Handy's Cleaners spend part of their work time cleaning homes and offices.
- 73. In addition, Cleaners spend time completing work tasks required by Handy that include, but are not limited to preparing in advance for customer assignments, communicating with customers via text and phone calls, communicating with Handy supervisors via email, text and phone calls, and submitting completed assignment information to Handy.
  - 74. Cleaners also spend time traveling between the homes and offices that they clean.
  - 75. Cleaners must attend an orientation.
- 76. Plaintiffs are informed and believe, and based thereon allege, that Handy compensates Cleaners between fifteen and twenty-two dollars an hour for the time they spend either in the home or office cleaning. Handy does not pay Cleaners any other form of compensation beyond this hourly rate for time spent cleaning in the home or office. Cleaners regularly work over eight hours per day and over forty hours per week including time spent at the home or office cleaning, time spent driving to and from each cleaning, and time spent completing other work tasks required by Handy including logging onto the platform and making phone calls, texts, and sending emails before and after cleanings.

- Orders No. 5-2001, 15-2001. Throughout the Class Period, section 3 of the Wage Orders, along with Labor Code § 510, required employers to pay employees one-and-one-half times their normal hourly rate for hours worked in excess of eight per day and in excess of forty per week, and at twice the normal hourly rate for hours worked in excess of twelve per day and eight on the seventh day worked in a work week. However, Plaintiffs are informed and believe, and based thereon allege, that Handy has had a policy and/or practice of failing to compensate Cleaners for all overtime hours worked.
- 78. Plaintiffs are informed and believe, and based thereon allege, that Handy does not maintain a policy that compensates Handy Cleaners an amount equal to or greater than the minimum wage for all hours worked, as required by California Labor Code §§ 1194, 1197, 1197.1 and Industrial Welfare Commission Wage Orders 5-2001 and 15-2001. For example, Handy does not compensate its Cleaners for time spent driving between jobs. Handy only pays its Cleaners for time spent at each job site. As a result of violations of California Labor Code §§ 1194, 1197, 1197.1 and Industrial Welfare Commission Wage Orders 5-2001 and 15-2001 for failure to pay minimum wage, Handy is liable for civil penalties pursuant to California Labor Code §§ 558, 1197.1, and 2698 et seq.
- 79. Plaintiffs are informed and believe, and based thereon allege, that Handy does not provide Cleaners with a thirty minute, duty-free meal break. Handy has no policy of providing Cleaners with a thirty minute, duty-free meal break within the first five work hours in a work day or a second 30-minute, duty-free meal break after ten hours worked in a worked day. Due to the volume of scheduled work assignments and the associated travel time, Cleaners regularly either skip their lunches altogether, continue to work while eating their lunches, or take their lunches only after they have worked more than five or ten hours in that workday.
- 80. Plaintiffs are informed and believe, and based thereon allege, that Handy does not provide Cleaners with two ten minute, duty-free paid rest breaks during each workday. Handy has no policy of providing Cleaners with a ten minute, duty-free rest break for every four hours or major fraction thereof worked during a workday. Due to the volume of scheduled work assignments and the associated travel time, Cleaners regularly do not receive their statutorily required rest breaks.

- Plaintiffs are informed and believe, and based thereon allege, that Handy does not properly compensate Handy Cleaners for hours worked in excess of eight in a day and forty in a week, as well as for missed meal periods. Accordingly, Handy violated California Labor Code § 204(a), which requires that employers pay "all wages [. . .] twice during each calendar month on days designated in advance by the employer as the regular paydays" (emphasis added). As a result, Handy is liable for civil penalties pursuant to California Labor Code § 2698 et seq.
- 82. During the Class Period, Handy has failed to keep payroll records showing total hours worked and wages paid to employees. Under California Labor Code § 1174(d), employers must keep "payroll records showing the hours worked daily by and the wages paid to . . . employees [. . .]." Because Handy did not keep accurate time records reflecting hours worked for Handy Cleaners, it is liable for civil penalties pursuant to California Labor Code § 2698 et seq. To the extent that Handy's failure to keep accurate payroll records was willful, it is liable for civil penalties under California Labor Code § 1174.5.
- 83. Plaintiffs are informed and believe, and based thereon allege, that Handy does not fully reimburse Cleaners for all reasonable and necessary business expenditures they incurred while completing their job duties as required by Labor Code 2802. Cleaners regularly incur reasonable and necessary business expenditures in the course of completing their duties, which include, but are not limited to, wear and tear on personal vehicles used to transport them between cleaning jobs, fuel for those same personal vehicles, parking personal car insurance coverage, purchasing a cellular phone, monthly cellular phone voice and data plans, and cleaning supplies. Cleaners necessarily and reasonably incurred these expenditures, but Handy refused to fully reimburse Cleaners for these business costs.
- 84. Plaintiffs are informed and believe, and based thereon allege, that Handy does not keep payroll records showing total hours worked and wages paid to employees. Because Handy did not keep accurate time records reflecting hours worked for Handy Cleaners, it is liable for civil penalties pursuant to California Labor Code § 2698 et seq. To the extent that Handy's failure to keep accurate payroll records was willful, it is liable for civil penalties under California Labor Code § 1174.5.

- 85. Plaintiffs are informed and believe, and based thereon allege, that Handy intentionally and knowingly does not furnish Cleaners with timely and accurate wage statements that show: (1) all applicable hourly rates in effect during each respective pay period and the corresponding number of hours worked by each respective individual; (2) number of hours worked; (3) gross wages earned; (4) net wages earned; (5) all deductions; (6) inclusive dates of the period for which the employee is paid; (7) the employee identification or social security number; (8) and the address of the legal entity that is the employer. Plaintiffs and Class Members have suffered actual harm and damages from Handy's failure to provide these accurate itemized wage statements because they remained ignorant of their actual hours worked, overtime worked, and their applicable hourly rate. Thus, the Cleaners were unable to assert their statutory protections to Handy's various Labor code violations at the time the violations occurred.
- 86. Plaintiffs are informed and believe, and based thereon allege, that, during the Class Period, Defendants failed to fully compensate Plaintiffs and Class Members for overtime hours worked as required by Labor Code § 512 and I.W.C. Wage Orders No. 5-2001, 15-2001.
- 87. During the Class Period, Plaintiffs are informed and believe, and based thereon allege, that Handy has failed to pay all compensation due and owing to Plaintiffs and all former Cleaners upon separation, as required by Labor Code §§ 201 and 202. Plaintiffs further allege that this failure to pay all compensation due was willfully done by Handy.
- 88. During the Class Period, Plaintiffs are informed and believe, and based thereon allege, that Handy has knowingly and intentionally failed to furnish Plaintiffs and Class Members with timely, itemized wage statements accurately showing, among other required things, total hours worked or hourly rate paid, as required by Labor Code § 226(a).
- 89. During the Class Period, Plaintiffs are informed and believe, and based thereon allege, that Handy has knowingly and intentionally failed to remit gratuities to Plaintiffs as required by Labor Code §351, enforceable pursuant to Cal. Bus. & Prof. Code § 17200 et. seq.
- 90. During the Class Period, Plaintiffs are informed and believe, and based thereon allege, that Handy has tortiously interfered with Cleaners' prospective economic advantage. Tipping is customary in the cleaning business, and Handy does not remit tips to the Cleaners. Cleaners have

existing economic relationships with Customers because Customers can and do hire cleaners who previously cleaned their home or office. Handy knew of these relationships because Handy choose to create this ability for Customers to request the same Cleaner. Handy intentionally interfered with the Cleaners' tips by falsely telling Customers that tip was included in the amount that was paid to Handy. This caused Customers to forego tipping the Cleaners. Handy's actions were unlawful under Cal. Labor Code § 351 and UCL § 17200, et seq.

91. During the Class Period, Plaintiffs are informed and believe, and based thereon allege, that Handy violated the Unfair Competition Law, California Business and Professions Code § 17200 et seq. and California Labor Code § 1199, 2699.5, by the predicate violations of the California wage and hour laws described above.

#### VI. CLASS ACTION ALLEGATIONS

92. This action is maintainable as a representative action pursuant to California Code of Civil Procedure § 382 as to violations of Wage Order 5-2001, Wage Order 15-2001, Labor Codes and UCL for misclassification of employees as independent contractors, unpaid overtime wages, minimum wage, meal and rest break violations, waiting time penalties, failure to furnish timely, itemized wage statements, failure to remit gratuities, and attorneys' fees and costs. Plaintiffs are representatives of other Cleaners and are acting on behalf of their interests. The similarly situated employees are known to Handy and are readily identifiable and locatable through Handy's own employment records. The Class that Plaintiffs seek to represent is defined as follows:

All persons who worked as Cleaners for Handy in California at any time from four years prior to the date of filing of this action through the date of trial.

- 93. The individuals included within the alleged Class are so numerous that joinder of each of them would be impracticable, and the disposition of their claims in a class action, rather than in numerous individual actions, will benefit the parties, the Court, and the interests of justice.
- 94. Among the proposed Class there is a well-defined community of interest in the questions of law and/or fact involved, affecting the Class Members. These common questions include, but are not limited to:

- o. Whether Handy's failure to remit gratuities to Class Members violates Labor Code § 351;
- p. Whether Handy's failure to remit gratuities to Class Members tortuously interferes with a prospective economic advantage; and
- q. Whether Handy's various violations of the Labor Code serve as predicate violations of the UCL.
- 95. Common questions of law and/or fact predominate over questions that affect only individual Class Members. Plaintiffs' claims are typical of those belonging to the members of the Class they seek to represent, and Plaintiffs can adequately represent the Class they seek to represent.

# FIRST CAUSE OF ACTION Failure to Pay Overtime Wages [Cal. Labor Code §§ 204, 510, 1194, and I.W.C. Wage Orders 5-2001, 15-2001]

- 96. Plaintiffs re-allege each and every paragraph of this Complaint as though fully set forth.
- 97. Labor Code § 510 and the "Hours & Days of Work" Section of the Wage Orders entitles non-exempt employees to one and one-half times their hourly pay for any and all hours worked in excess of eight hours in any work day, for the first eight hours worked on the seventh consecutive day of work in a work week, and for any work in excess of forty hours in any one work week. Employees are entitled to the times their hourly pay for any and all hours worked in excess of 12 hours in any work day and in excess of 8 hours on the 7th consecutive work day.
- 98. Plaintiffs and Class Members regularly worked in excess of eight hours per day and/or forty hours per week without overtime compensation.
- 99. By failing to pay overtime compensation to Plaintiffs and Class Members, Handy violated and continues to violate Labor Code §§ 204, 510 and 1194 and Wage Orders 5-2001, 15-2001.
- 100. As a result of Handy's unlawful acts, Plaintiffs and Class Members have been deprived of overtime compensation in an amount to be determined at trial, and are entitled to recovery of such amounts, plus interest thereon, attorneys' fees and costs, under Labor Code § 1194.
- 101. Plaintiffs, on behalf of themselves and Class Members, also request further relief as described below.

#### **SECOND CAUSE OF ACTION**

# Failure to Pay Minimum Wage [Cal. Labor Code §§ 1194, 1197, 1197.1 and I.W.C. Wage Orders No. 5-2001, 15-2001]

- 102. Plaintiffs re-allege each and every paragraph of this Complaint as though fully set forth.
- 103. California Labor Code §§ 1194, 1197, 1197.1 and Industrial Welfare Commission Wage Orders 5-2001 and 15-2001 entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate and no part of this rate may be used as a credit against a minimum wage obligation.
- 104. Handy did not and does not compensate Handy Cleaners for time spent driving between jobs, among other Handy tasks. Handy only paid its Cleaners for time spent at each job site. In addition, Cleaners are not compensated for the first six hours of work because, according to Handy, the Cleaners must "subsidize [the cost of] the supplies."
- 105. As a result of violations of California Labor Code §§ 1194, 1197, 1197.1 and Industrial Welfare Commission Wage Orders 5-2001, 15-2001 for failure to pay minimum wage, Handy is liable for civil penalties pursuant to California Labor Code §§ 558, 1197.1, and 2698 et seq.

# THIRD CAUSE OF ACTION Failure to Reimburse for Business Expenses [California Labor Code § 2802]

- 106. Plaintiffs re-allege each paragraph of this Complaint as though fully set forth.
- 107. Labor Code § 2802 provides that "[a]n 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."
- 108. Beginning at least three years prior to the filing of this complaint, in order to discharge cleaning-related duties for Handy, Plaintiffs and Class Members have incurred reasonable and necessary expenses in the course of completing their job duties, which were not reimbursed by Handy. These expenses include but are not limited to mileage, parking, uniforms, and cell phone costs.
- 109. Plaintiffs and Class Members are entitled to reimbursement for these necessary expenditures, plus interest and attorneys' fees and costs, under Labor Code § 2802.
- 110. Plaintiffs, on behalf of themselves and Class Members, also request relief as described below.

#### FOURTH CAUSE OF ACTION

Failure to Provide Mandated Meal Periods
[California Labor Code §§ 226.7, 512, and I.W.C. Wage Orders 5-2001, 15-2001]

- 111. Plaintiffs re-allege each paragraph of this Complaint as though fully set forth.
- 112. Handy failed to maintain a policy of providing meal breaks as required by Labor Code §§ 226.7, 512 and Wage Orders 5-2001, 15-2001.
- 113. Since at least three years prior to the filing of this action, Plaintiffs and Class Members have worked in excess of five hours and at times ten hours a day without being provided at least half hour meal periods in which they were relieved of their duties, as required by Labor Code §§ 226.7 and 512 and Wage Orders 5-2001, 15-2001. See Brinker Restaurant Corp., et al. v. Superior Court (2012) 53 Cal. 4th 1004, 1040-41 ("The employer satisfies this obligation if it relieves its employees of all duty, relinquishes control over their activities and permits them a reasonable opportunity to take an uninterrupted 30-minute break, and does not impede or discourage them from doing so . . . [A] first meal period [is required] no later than the end of an employee's fifth hour of work, and a second meal period [is required] no later than the end of an employee's 10th hour of work.").
- 114. Because Handy failed to provide proper meal periods, it is liable to all Plaintiffs and Class Members for one hour of additional pay at the regular rate of compensation for each work day that the proper meal periods were not provided, pursuant to Labor Code §§ 226.7 and 512 and Wage Orders 5-2001, 12-2001, as well as interest thereon, plus reasonable attorneys' fees and costs of suit pursuant to Civil Procedure Code § 1021.5.
- 115. Plaintiffs, on behalf of themselves and Class Members, also request further relief as described below.

#### FIFTH CAUSE OF ACTION

# Failure to Provide Mandated Rest Periods [California Labor Code § 226.7 and I.W.C. Wage Orders 5-2001, 15-2001]

- 116. Plaintiffs re-allege each paragraph of this Complaint as though fully set forth.
- 117. Since at least three years prior to the commencement of this action, Plaintiffs and Class Members have regularly worked without any rest periods that are required by Wage Orders 5-2001, 15-2001. See Brinker, 53 Cal. 4th 1004 at 1029 ("Employees are entitled to 10 minutes rest for shifts

from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on.").

- 118. Because Handy failed to provide proper rest periods, it is liable to Plaintiffs and Class Members for one hour of additional pay at the regular rate of compensation for each workday that the proper rest periods were not provided, pursuant to Labor Code § 226.7 and Wage Orders 5-2001, 15-2001, as well as interest thereon, plus reasonable attorneys' fees and costs of suit pursuant to Civil Procedure Code § 1021.5.
- 119. Plaintiffs, on behalf of themselves and Class Members, also request relief as described below.

# SIXTH CAUSE OF ACTION Failure to Furnish Timely and Accurate Itemized Wage Statements [California Labor Code §§ 226]

- 120. Plaintiffs re-allege each paragraph of this Complaint as though fully set forth.
- 121. Labor Code § 226 requires an employer to furnish its employees with an accurate itemized statement in writing showing, among other things: (1) all applicable hourly rates in effect during each respective pay period and the corresponding number of hours worked by each respective individual; (2) total hours worked by each respective individual; (3) gross wages earned; (4) net wages earned; (5) all deductions; (6) inclusive dates of the period for which the employee is paid; (7) the name of the employee and an employee identification or social security number; and (8) the name and address of the legal entity that is the employer.
- 122. As a pattern and practice, in violation of Labor Code § 226(a), Handy did not provide Plaintiffs or Class Members with accurate itemized wage statements in writing showing: (1) all applicable hourly rates in effect during each respective pay period and the corresponding number of hours worked by each respective individual; (2) number of hours worked; (3) gross wages earned; (4) net wages earned; (5) all deductions; (6) inclusive dates of the period for which the employee is paid; (7) the employee identification or social security number; and (8) the address of the legal entity that is the employer.

- 123. As a result of Handy's failure to provide accurate itemized wages statements, Plaintiffs and Class Members suffered actual damages and harm by being unable to determine their applicable hourly rate or the amount of overtime worked each pay period, which prevented them from becoming aware of these violations and asserting their statutory protections under California law.
- 124. Handy has knowingly and intentionally failed to comply with Labor Code § 226(a) on each and every wage statement provided to Plaintiffs and Class and Subclass Members.
- 125. Pursuant to Labor Code § 226(e), the Plaintiffs and Class Members are entitled to recover the greater of all actual damages or fifty dollars (\$50.00) for the initial pay period in which a violation occurs and one hundred dollars (\$100.00) per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000.00).
- 126. The Plaintiffs and Class Members are entitled to an award of costs and reasonable attorneys' fees under Labor Code § 226(h).
- 127. Plaintiffs, on behalf of themselves and Class Members, also request relief as described below.

# SEVENTH CAUSE OF ACTION Failure to Pay Compensation Due Upon Termination/Waiting Time Penalties

[Cal. Labor Code §§ 201-203]

- 128. Plaintiffs re-allege each paragraph of this Complaint as though fully set forth.
- 129. California Labor Code §§ 201 and 202 require Handy to pay all compensation due and owing to former Cleaners immediately upon discharge or within seventy-two hours of their termination of employment. California Labor Code § 203 provides that if an employer willfully fails to pay compensation promptly upon discharge or resignation, as required by Sections 201 and 202, then the employer is liable for such "waiting time" penalties in the form of continued compensation up to thirty workdays.
- 130. Handy willfully failed to pay Plaintiffs and Class Members who are no longer employed by Handy compensation due upon termination as required by California Labor Code §§ 201 and 202. As a result, Handy is liable to Plaintiffs and former employee Class Members waiting time penalties provided under California Labor Code § 203, plus reasonable attorneys' fees and costs of suit.

131. Plaintiffs, on behalf of themselves self and Class Members, also request relief as described below.

#### **EIGHTH CAUSE OF ACTION**

# Failure to Remit Gratuities [Cal. Lab. Code § 351 enforced through the UCL, and tortious interference with prospective economic advantage]

- 132. Plaintiffs re-allege each paragraph of this Complaint as though fully set forth.
- 133. Handy's conduct, as set forth above, in failing to remit gratuities to Cleaners constitutes a violation of Cal. Lab. Code § 351. This violation is enforceable pursuant to UCL § 17200, et seq.
- 134. Handy collected, took, and received gratuities that were paid, given to, or left for the Cleaner by the customer. Alternatively, Handy deducted any amount from wages due Cleaners on account of a gratuity. Alternatively, Handy required Cleaners to credit the amount, or any part thereof, of a gratuity against and as a part of the wages due the Cleaners from Handy.
- 135. Plaintiffs and Customers were in an economic relationship that would have resulted in an economic benefit to Plaintiffs and Class Members;
  - 136. Handy knew of the economic relationship between the Plaintiffs and Customers;
  - 137. Handy intended to disrupt this relationship;
- 138. Handy engaged in wrongful conduct by informing customers that tips were included in the purchase price of the cleaning. Handy did not remit any tips to Plaintiffs and Class Members in violation of Cal. Labor Code 351 and the UCL;
- 139. The relationship between Plaintiffs and Class Members, and Handy's customers, was disrupted;
  - 140. Plaintiffs and Class Members were harmed; and
  - 141. Handy's wrongful conduct caused Plaintiffs' and Class Members' harm.

#### **NINTH CAUSE OF ACTION**

#### Unfair Business Practices in Violation of California [Bus. & Prof. Code §§ 17200 et seq.]

- 142. Plaintiffs re-allege each paragraph of this Complaint as though fully set forth.
- 143. Plaintiffs bring this cause of action individually and as a representative of all others subject to Handy's unlawful acts and practices.

- 144. Business and Professions Code § 17200 prohibits unfair competition in the form of any unlawful, unfair, or fraudulent business act or practice.
- 145. Business and Professions Code § 17204 allows "any person who has suffered injury in fact and has lost money or property" to prosecute a civil action for violation of the Unfair Competition Law.
- 146. Beginning at least three years prior to the filing of this action, and continuing to the present, Handy has committed unlawful, unfair, and/or fraudulent business acts and practices as defined by Business and Professions Code § 17200 by failing to pay overtime wages, to provide meal and rest breaks, to pay wages due at the time of separation, to furnish timely and accurate wage statements, to remit gratuities, and to reimburse business expenses in violation of state law.
- 147. The above-described unlawful actions of Handy constitute false, unfair, fraudulent and/or deceptive business practices, within the meaning of Business and Professions Code § 17200, et seq.
- 148. As a result of their unlawful acts, Handy has reaped and continues to reap unfair benefits and illegal profits at the expense of Plaintiffs, and the Class they seek to represent. Handy should be enjoined from this activity, caused to specifically perform its obligations, and made to disgorge these ill-gotten gains and pay restitution to Plaintiffs and the members of the Class including, but not limited to, restitution of all unpaid wages, plus interest, as well as attorneys' fees and costs.
- 149. Plaintiffs, on behalf of themselves and Class Members, also request relief as described below.

# TENTH CAUSE OF ACTION VIOLATION OF THE PRIVATE ATTORNEYS GENERAL ACT ("PAGA") [California Labor Code § 2698 et seq.)]

- 150. Plaintiffs re-allege each paragraph of this Complaint as though fully set forth herein.
- 151. Plaintiffs are "aggrieved employees" under PAGA, as they have been employed by Handy during the applicable statutory period and suffered one or more of the Labor Code violations herein. As such, they seek to recover, on behalf of themselves and all other current and former aggrieved employees of Handy, the civil penalties provided by PAGA, plus reasonable attorney's fees and costs.

1.

- 152. Plaintiffs seek to recover the PAGA civil penalties through a representative action permitted by PAGA and the California Supreme Court in *Arias v. Superior Court* (2009) 46 Cal. 4th 969. Therefore, class certification of the PAGA claims is not required, but Plaintiffs may choose to seek certification of the PAGA claims.
  - 153. Plaintiffs seek to pursue remedies pursuant to PAGA for the following violations.
- 154. Labor Code § 226.3 imposes a civil penalty in addition to any other penalty provided by law of two hundred fifty dollars (\$250) per aggrieved employee for the first violation, and one thousand dollars (\$1,000) per aggrieved employee for each subsequent violation of Labor Code § 226(a).
- 155. Pursuant to Labor Code § 203, for an employer who willfully fails to pay any wages of an employee who is discharged or quits, that employee's wages shall continue as a penalty from the due date at the same rate until paid, but shall not continue for more than thirty (30) days. Labor Code § 256 imposes a civil penalty in an amount not exceeding thirty days' pay as waiting time under the terms of Labor Code § 203.
  - 156. California Labor Code § 558 provides:
    - (a) Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (3) Wages recovered pursuant to this section shall be paid to the affected employee.
- 157. Under California Labor Code §§ 510 and 1194, Handy is liable for failing to pay Cleaners overtime.
- 158. Under California Labor Code § 2802, Handy is liable for failing to reimburse Cleaners for business expenses.

- 159. Under California Labor Code § 226.7, Handy is liable for failing to either provide rest periods and meal periods or paying the Cleaners one hour of pay for every missed rest period and meal period.

  160. Under California Labor Code §§ 1194, 1197, and 1197.1, Handy is liable for failing to pay Cleaners minimum wage for all hours worked.

  161. During the class period, Handy failed to properly compensate Handy Cleaners for hours worked in excess of eight in a day and forty in a week, as well as for missed meal and rest periods.

  Accordingly, Handy violated California Labor Code § 204(a), which requires that employers pay "all wages [...] twice during each calendar month on days designated in advance by the employer as the regular paydays" (emphasis added). As a result, Handy is liable for civil penalties pursuant to California Labor Code § 2698 et seq.
- 162. During the class period, Handy failed to enforce the maximum hours of work fixed by the Industrial Welfare Commission with respect to the Cleaners as required by California Labor Code § 1198. As a result, Handy is liable for civil penalties pursuant to California Labor Code § 2698 et seq.
- 163. During the Class Period, Handy has failed to keep payroll records showing total hours worked and wages paid to employees. Under California Labor Code § 1174(d), employers must keep "payroll records showing the hours worked daily by and the wages paid to . . . employees [. . .]." Because Handy did not keep accurate time records reflecting hours worked for Handy Cleaners, it is liable for civil penalties pursuant to California Labor Code § 2698 et seq. To the extent that Handy's failure to keep accurate payroll records was willful, it is liable for civil penalties under California Labor Code § 1174.5.
- 164. Labor Code § 2698 et seq. imposes a civil penalty of one hundred dollars (\$100) per pay period, per aggrieved employee for the initial violation of Labor Code §§ 204, 226.7, 510, 512, 1174, 1194, 1198 and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.
- 165. Plaintiffs have fully complied with the procedural requirements specified in California Labor Code § 2699.3 as to each of the alleged violations. On August 29, 2014, Plaintiffs provided notice to the California Labor & Workforce Development Agency ("LWDA") of Plaintiffs' claims

based on the alleged Labor Code violations, including the facts and theories supporting these claims, as set forth in the letter attached hereto as Exhibit A. The LWDA has provided no notice to Plaintiffs within 33 calendar days of the postmark date of that notice regarding its intentions to investigate or not investigate Plaintiffs' claims. Accordingly, Plaintiffs may commence this action pursuant to Labor Code § 2699.

166. Enforcement of statutory provisions to protect workers and to ensure proper and prompt payment of wages is a fundamental public interest. Plaintiffs' successful enforcement of important rights affecting the public interest will confer a significant benefit upon the general public. Private enforcement of these rights is necessary, as no public agency has pursued enforcement. Plaintiffs are incurring a financial burden in pursuing this action, and it would be against the interest of justice to require the payment of attorneys' fees and costs from any recovery obtained, pursuant to, inter alia, California Labor Code § 2699.

#### PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of the proposed Class, prays for judgment against Defendants as follows:

- A. Certification of Plaintiffs' claims as a class action, pursuant to Cal. Code of Civ. Pro. Section 382, on behalf of the proposed class;
- B. Class notice to all Cleaners in California who worked for Handy from four years prior to the filing of the original Complaint through the trial of this action;
- C. That the Court declare that Handy's policies and/or practices of misclassifying Plaintiffs and Class Members as independent contractors violate California law;
- D. That the Court declare that Handy's policies and/or practices of failing to pay overtime wages to Plaintiffs and Class Members violates California Labor Code §§ 510, 1194 and Wage Orders No. 5-2001, 15-2001 as to Plaintiffs and the Class Members;
- E. That the Court declare that Handy's policies and/or practices of failing to pay an amount equal to or greater than minimum wage for all hours worked to Plaintiffs and Class Members violates §§ 1194, 1197, 1197.1 and Wage Orders No. 5-2001, 15-2001 as to Plaintiffs and the Class

#### Members

- F. That the Court declare that Handy's policies and/or practices of failing to pay all wages twice each calendar month to Plaintiffs and Class Members violates California Labor Code § 204 as to Plaintiffs and the Class Members;
- G. That the Court declare that Handy's policies and/or practices of failing to enforce maximum hours of work to Plaintiffs and Class Members violates California Labor Code §§ 1198 as to Plaintiffs and the Class Members;
- H. That the Court declare that Handy's policies and/or practices of failing to provide meal periods violates California Labor Code §§ 226.7 and 512 Wage Orders 5-2001, 15-2001 by failing to provide them a meal period of at least one half hour in which they were relieved of all duties for every five hours of work;
- I. That the Court declare that Handy's policies and/or practices of failing to provide rest periods violates California Labor Code § 226.7 and Wage Orders 5-2001, 15-2001 by failing to provide them a rest period of at least ten minutes for every four hours of work or major portion thereof;
- J. That the Court declare that, as to former employee Class Members, Handy has violated California Labor Code §§ 201-203 for willful failure to pay compensation at the time of termination of employment, resulting in unpaid waiting time penalties;
- K. That the Court declare that Handy's policies and/or practices of failing to keep accurate payroll records of daily hours worked for Plaintiffs and Class Members violates California Labor Code § 1174(d) and 1174.5;
- L. That the Court declare that Handy's policies and/or practices violate California law by failing to reimburse all business expenses incurred by Cleaners in the discharge of their duties as employees of Handy violates California Labor Code § 2802;
- M. That the Court declare that Defendants' policies and/or practices of failing to furnish timely and accurate wage statements violates California Labor Code § 226;
- N. That the Court declare that Defendants' policies and/or practices of failing to remit gratuities violates California Labor Code § 351 and Business and Professions Code § 17200, *et seq.* and/or is tortious interference with prospective economic advantage;

- O. That the Court declare that Handy's above-mentioned policies and/or practices violate the UCL (Cal. Bus. & Prof. Code §§ 17200-17208) and Labor Code § 1199, 2699.5
- P. That the Court declare that Handy's above-mentioned policies and/or practices violate PAGA (Cal. Labor Code § 2698 *et seq.*) as to the Plaintiffs and Class Members;
- Q. An order preliminarily and permanently enjoining Handy from engaging in the practices challenged herein;
- R. An award to Plaintiffs and Class Members of damages in the amount of unpaid overtime compensation, interest, and penalties subject to proof at trial;
- S. An award to Plaintiffs and Class Members of damages in the amount of unpaid minimum wage compensation, interest, and penalties subject to proof at trial;
- T. An award to Plaintiffs and Class Members of damages in the amount of unpaid unreimbursed business expenses, and interest thereon, subject to proof at trial;
- U. An award to Plaintiffs and the Class Members of one (1) hour of additional pay at the regular rate of compensation for each workday that meal periods were not provided, pursuant to California Labor Code § 226.7 and Wage Orders 5-2001(11), 15-2001(11) and interest thereon;
- V. An award to Plaintiffs and Class Members of one (1) hour of additional pay at the regular rate of compensation for each workday that rest periods were not provided, pursuant to California Labor Code § 226.7 and Wage Orders 5-2001(12), 15-2001(12) and interest thereon;
- W. An award to Plaintiffs and Class Members for all unpaid gratuities, and interest thereon, subject to proof at trial.
- X. An award of damages to Plaintiffs and the Class Members for Handy's failure to provide accurate itemized wage statements, pursuant to California Labor Code § 226(a);
- Y. An award of payments due to Plaintiffs and Class Members who have left Handy's employ, as waiting time penalties, pursuant to California Labor Code § 203;
- Z. Interest accrued to date under the California Labor Code, including under Sections 226.7, 510, and 2802;

- AA. For an order that Handy make restitution to Plaintiffs and Class Members for Handy due to their unlawful business practices as described herein pursuant to California Business and Professions Code §§ 17200-17205 and California Labor Code § 1199, 2699.5
- BB. An award of civil penalties and attorneys' fees and costs pursuant to Labor Code § 2698, et seq.;
- CC. An award to Class Representative Plaintiffs and the Class Members of reasonable attorneys' fees and costs, pursuant to California Civil Procedure Code § 1021.5, California Labor Code §§ 226, 226.7, 1194, 2699(g) and/or other applicable law; and,
  - DD. Such other and further relief that the Court may deem just and proper.

Dated: October <u>30</u>, 2014

Respectfully submitted,

GOLDSTEIN, BORGEN, DARDARIAN & HO

Byron K. Goldstein

Attorney for Plaintiffs

# ATTACHMENT

#### **BROWNE LABOR LAW**

#### PROFESSIONAL LAW CORPORATION

475 Washington Blvd, Marina del Rey, CA 90292 Phone: (310) 421-4810 • Fax: (310) 421-4833

August 28, 2014

Via Certified U.S. Mail

California Labor & Workforce Development Agency 801 K Street, Suite 2101 Sacramento, CA 95814

Handybook, Inc. C T Corporation System 111 Eighth Avenue New York, NY, 10011

Re: PAGA Notice Pursuant to California Labor Code § 2699

Dear Sir or Madam:

Please be advised that Vilma Zenelaj and Greta Zenelaj (collectively referred to as the "Plaintiffs") have retained Browne Labor Law, Professional Law Corporation to represent them and other aggrieved employees for wage and hour claims against their previous employer, Handybook, Inc. (hereinafter referred to as "Handybook").

Handybook is a company located in New York that provides, *inter alia*, home and office cleaning services. In order to provide these services, Handybook utilizes numerous "Handybook Professionals" including Plaintiffs. Handybook misclassified Plaintiffs and continues to misclassify other Handybook Professionals as independent contractors. In reality, Plaintiffs and other Handybook Professionals are employees.

Handybook has violated, and/or has caused to be violated, several Labor Code provisions, and is therefore liable for civil penalties under California Labor Code § 2698 et seq. We request that your agency investigate the claims alleged against it below. This will letter will serve as notice of these allegations pursuant to the Private Attorney Generals Act of 2004 ("PAGA"). Cal. Lab. Code § 2699.3.

#### Unlawful Failure to Pay Overtime

Handybook has failed to maintain a policy that compensates Handybook Professionals for all hours worked, including overtime. Specifically, Handybook only pays Handybook Professionals for the majority of time that they spend at a home or office cleaning. Handybook does not pay Handybook Professionals for time spent driving between jobs, or for time spent completing other Handybook tasks. Plaintiffs and other Handybook Professionals routinely work over eight (8) hours per day and/or forty (40) hours per week but are not paid one and one-half their regular rate of pay for overtime work.

As a result of violations of California Labor Code §§ 510, 1194, and Industrial Welfare Commission Wage Orders 5-2001 and 15-2001 for failure to pay overtime, Handybook is liable for civil penalties pursuant to California Labor Code §§ 558 and 2698 *et seq.* 

### <u>Unlawful Failure to Provide Unpaid Balance of Full Amount of Overtime</u> <u>Compensation</u>

As described above, Handybook has required Handybook Professionals to work hours in excess of eight hours in a day and forty in a week, but has not paid these employees overtime compensation. As a result, Handybook Professionals have been denied "the unpaid balance of the full amount of this . . . overtime compensation" as required by California Labor Code § 1194, and Handybook is liable for civil penalties pursuant to California Labor Code § 2698 et seq.

#### Unlawful Failure to Pay Minimum Wage

Handybook has failed to maintain a policy that compensates Handybook Professionals an amount equal to or greater than the minimum wage for all hours worked, as required by California Labor Code §§ 1194, 1197, 1197.1 and Industrial Welfare Commission Wage Orders 5-2001 and 15-2001. All hours must be paid at the statutory or agreed rate and no part of this rate may be used as a credit against a minimum wage obligation. Handybook did not compensate Handybook Professionals for time spent driving between jobs, among other Handybook tasks. Handybook only paid its professionals for time spent at each job site. As a result of violations of California Labor Code §§ 1194, 1197, 1197.1 and Industrial Welfare Commission Wage Orders 5-2001 and 15-2001 for failure to pay minimum wage, Handybook is liable for civil penalties pursuant to California Labor Code §§ 558, 1197.1, and 2698 et seq.

#### Unlawful Failure to Provide Uninterrupted Off-Duty Meal Periods

Handybook has failed to maintain a policy that provides Handybook Professionals with off-duty meal periods as required by California law. Plaintiffs and similarly situated Handybook Professionals regularly worked in excess of five (5) hours a day without being provided at least half-hour meal periods in which they were relieved of all duties, as required by Labor Code §§ 226.7, 512, and Wage Orders 5-2001 and 15-2001. Handybook failed to pay Handybook Professionals the premium compensation mandated by Labor Code § 226.7(b) for these missed meal periods. As a result of violations of California Labor Code §§ 226.7 and 512 and Wage Orders 5-2001 and 15-2001, Handybook is liable for civil penalties pursuant to California Labor Code §§ 558 and 2698 et seq.

#### Unlawful Failure to Provide Uninterrupted Off-Duty Rest Periods

Handybook has failed to maintain a policy that provides Handybook Professionals with off-duty rest periods as required by California law. Plaintiffs and similarly situated

Handybook Professionals regularly worked in excess of four hours or major fraction thereof during work days without being provided at least a ten minute rest period in which they were relieved of all duties, as required by Labor Code §§ 226.7, 512 and Orders 5-2001 and 15-2001. Handybook failed to pay Handybook Professionals the premium compensation mandated by Labor Code § 226.7(b) for these missed rest periods. As a result of violations of California Labor Code §§ 226.7, 512 and Wage Orders 5-2001 and 15-2001, Handybook is liable for civil penalties pursuant to California Labor Code §§ 558 and 2698 et seq.

#### Unlawful Failure to Reimburse Expenses

Handybook has failed to indemnify Plaintiffs for all necessary expenditures or losses incurred by Plaintiffs. Handybook did not reimburse Plaintiffs for cleaning supplies, mileage between job sites, parking at job sites, vehicle wear and tear, uniform maintenance, cell phone usage, and vehicle insurance. California Labor Code § 2802 requires the employer to indemnify employees for all necessary expenditures or losses incurred by employees in direct consequence of the discharge their duties. As a result of violations of California Labor Code § 2802, Handybook is liable for civil penalties pursuant to California Labor Code Labor Code §§ 558, 2802 and 2698 et seq.

#### Unlawful Failure to Furnish Wage Statements

Handybook has violated California Labor Code § 226(a) by willfully failing to furnish its Handybook Professionals with accurate, itemized wage statements showing the actual hours worked on a daily basis. When Handybook compensated Plaintiffs and other similarly situated individuals it only provided gross pay data to Plaintiffs and other similarly situated individuals.

As a result of violations of California Labor Code § 226(a), Handybook is liable for civil penalties pursuant to California Labor Code Labor Code §§ 226.3 and 2698 et seq.

#### Unlawful Failure to Keep Accurate Payroll Records of Daily Hours Worked

Handybook has failed to keep payroll records showing total hours worked and wages paid to employees. Under California Labor Code § 1174(d), employers must keep "payroll records showing the hours worked daily by and the wages paid to . . . employees [. . .]." Because Handybook did not keep accurate time records reflecting hours worked for Handybook Professionals, it is liable for civil penalties pursuant to California Labor Code § 2698 et seq. To the extent that Handybook's failure to keep accurate payroll records was willful, it is liable for civil penalties under California Labor Code § 1174.5.

#### Unlawful Violation of California Labor Code § 1199

Under California Labor Code §§ 1199(a) and (c) and 2699.5 et seq., an employer who "requires or causes any employee to work for longer hours than those fixed" or "violates or refuses or neglects to comply with any provision of" the Labor Code regarding employees' wages, hours, and working conditions, is subject to PAGA penalties. As described above, Handybook has required Handybook Professionals to work hours in excess of eight (8) in a day and forty (40) in a week (thereby violating § 1199(a)) and has violated numerous provisions of the Labor Code pertaining to employee wages and hours (thereby violating §

1199(b)). Accordingly, Handybook is liable for civil penalties pursuant to California Labor Code § 2698 et seq.

#### Unlawful Failure to Pay All Wages Twice Each Calendar Month

Upon information and belief, Handybook failed to properly compensate Handybook Professionals for hours worked in excess of eight (8) in a day and forty (40) in a week, as well as for missed meal periods. Accordingly, Handybook violated California Labor Code § 204(a), which requires that employers pay "all wages [...] twice during each calendar month on days designated in advance by the employer as the regular paydays" (emphasis added). As a result, Handybook is liable for civil penalties pursuant to California Labor Code § 2698 et seq.

#### Failure to Enforce Maximum Hours of Work

Additionally, because Handybook failed to enforce the maximum hours of work fixed by the Industrial Welfare Commission with respect to Handybook Professionals as required by California Labor Code § 1198, Handybook is liable for civil penalties pursuant to California Labor Code § 2698 et seq.

#### Unlawful Failure to Pay Wages Due Upon Termination

Handybook has violated California Labor Code §§ 201 and 202 by willfully failing to pay all compensation due and owing to all former Handybook Professionals at the time employment was terminated. Handybook willfully failed to pay Handybook Professionals who are no longer employed by it all compensation due upon termination of employment as required under California Labor Code §§ 201 and 202. Pursuant to §§ 203 and 256 of the Labor Code, Plaintiffs and similarly situated individuals are now also entitled to recover up to thirty (30) days of wages due to Defendant's "willful" failure to comply with the statutory requirements of sections 201 and 202 of the Labor Code.

Additionally, because Handybook violated California Labor Code §§ 201, 201 and 203 of the Labor Code, Handybook is liable for civil penalties pursuant to California Labor Code § 2698 *et seq*.

#### Conclusion

Handybook has violated or has caused to be violated a number of California wage and hour laws. Plaintiff requests the agency investigate the above allegations and provide notice of the allegations pursuant to PAGA's provisions. Alternatively, Plaintiff requests the agency inform her if it does not intend to investigate these violations so that she may amend her lawsuit to include the violations discussed in this letter.

Sincerely,

David Browne

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