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28 **SUPERIOR COURT OF CALIFORNIA**

COUNTY OF ORANGE

RICHARD MATEOS and FRANK
VELASQUEZ, individually, and as
representatives of aggrieved employees
pursuant to the Private Attorneys General
Act ("PAGA"),

Plaintiffs,

v.

IEC CORPORATION WHICH WILL DO
BUSINESS IN CALIFORNIA AS
INTERNATIONAL
EDUCATION CORPORATION, a
Delaware Corporation; and DOES 1
through 10, inclusive,

Defendants.

Case No. 30-2018-00975609
**(consolidated with 30-2018-01014630-CU-OE-
CXC)**

Judge: Hon. William Cluster

Dept: CX104

**CONSOLIDATED AMENDED
COMPLAINT FOR ENFORCEMENT
UNDER THE PRIVATE ATTORNEYS
GENERAL ACT, CALIFORNIA LABOR
CODE §§2698 ET SEQ. [PAGA]**

ELECTRONICALLY FILED
Superior Court of California,
County of Orange

01/14/2019 at 11:01:00 AM

Clerk of the Superior Court
By Sarah Loose, Deputy Clerk

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1 Pursuant to the Court’s order granting leave to file an amended consolidated complaint,
2 Plaintiffs RICHARD MATEOS and FRANK VELASQUEZ (collectively “Plaintiffs”),
3 individually, and on behalf of all other aggrieved employees, complain and allege against
4 Defendants IEC CORPORATION WHICH WILL DO BUSINESS IN CALIFORNIA AS
5 INTERNATIONAL EDUCATION CORPORATION (“IEC”) and DOES 1 through 10,
6 collectively (“Defendants”) as follows:

7 **JURISDICTION AND VENUE**

8 1. This is a Private Attorneys’ General Act enforcement action brought pursuant to
9 California Labor Code section 2698 et seq. (“PAGA”) to recover civil penalties. The action is
10 brought on behalf of Plaintiffs, the State of California, and other current and former aggrieved
11 employees who worked for Defendants in California as non-exempt, hourly employees and against
12 whom one or more violations of any provision in the Labor Code or any provision regulating hours
13 and days of work in the applicable Industrial Welfare Commission (“IWC”) Wage Order were
14 committed, as set forth in this complaint.

15 2. The penalties sought by Plaintiffs exceed the minimal jurisdiction limits of the
16 Superior Court and will be established according to proof at trial. This Court has jurisdiction over
17 this action pursuant to the California Constitution, Article VI, section 10. The statutes under which
18 this action is brought do not specify any other basis for jurisdiction.

19 3. This action is properly brought in the Superior Court of the State of California.
20 Each cause of action enumerated below arises from California state law and the events giving
21 rise to this lawsuit, which took place in Orange County, California.

22 4. In addition no federal district court may exercise jurisdiction as this PAGA-only
23 action is not removable. See, *Baumann v. Chase Investment Services*, 747 F.3d 1117, 1123 (9th
24 Cir. Mar. 14, 2014) *cert denied*.

25 5. This Court has jurisdiction over all Defendants because Defendants are either
26 citizens of California, have sufficient minimum contacts in California, or otherwise intentionally
27 avail themselves of the California market so as to render the exercise of jurisdiction over them by
28 the California courts consistent with traditional notions of fair play and substantial justice.

1 enforced by IEC. In addition, Plaintiff Velasquez and other UEI College – Ontario employees
2 were required to submit their business expenses directly to parent company IEC for approval.
3 Plaintiff is informed, believes, and thereon alleges, that he and other UEI College – Ontario
4 employees were provided IEC handbooks, policies, and other employment documents which
5 contained policies and procedures enacted by IEC to control its employees, whether employed
6 directly by IEC or by IEC through a subsidiary. In there handbook, Defendants communicate to
7 non-exempt employees, whether employed at a subsidiary or not, that they are part of one
8 “company” and the IEC rules and policies in the handbook apply to all of them. The first section
9 entitled “WELCOME” includes:

10 “Congratulations and welcome to International Education Corporation, UEI Colleges, UEI,
11 Florida Career Colleges, and US Colleges, (although each of these are separate and
12 independent entities, for ease of reference in this handbook, these entities are collectively
13 referred to as **“IEC” or “the Company”**. We are very excited that you have made the
14 decision to **join our extraordinary team** of professionals . . .”

15 “To better acquaint you with our Company, we have prepared this Employee Handbook
16 (“Handbook”) as a way of communicating **our policies**, procedures and practices.
17 Moreover, this Handbook is intended to explain the terms and conditions of employee for
18 **all IEC employees. . . .”**

19 **“This Handbook sets forth the policies of IEC and its affiliate entities”**

20 11. Defendants hold themselves out as the operators of numerous for-profit schools,
21 including the worksite where Plaintiff Velasquez worked. According to IEC’s website, “Today,
22 IEC is the parent company of both UEI College and United Education Institute, **operating** a total
23 of seventeen schools nationwide. UEI College's first campus was established in Van Nuys, CA in
24 October of 1983. Since then, additional Southern California sites have opened, including campuses
25 in Huntington Park (September, 1989), San Diego (October, 1990), Ontario (June, 1997), Chula
26 Vista (August, 1999), San Bernardino (September, 1999), El Monte (March, 2005), San Marcos
27 (March, 2010), Anaheim (March, 2010), Gardena (January, 2011), Riverside (March, 2011),
28 Stockton (September, 2011), Santa Cruz (January, 2012) and Bakersfield (March, 2012). UEI

1 College's main campus is the Huntington Park location.”

2 12. Plaintiffs are informed, and believe, and thereon allege, that during the relevant
3 time period IEC has exercised and continues to exercise control over UEI College’s campuses and
4 the terms of employment and policies at said campuses by placing BOMs and Student Account
5 Managers (“SAM”) at each UEI College campus. Plaintiffs are informed, and believe, and thereon
6 allege, that IEC’s employment practices and policies (e.g., pay, meal and rest, and reimbursement
7 policies) were jointly implemented by IEC and its subsidiaries including UEI Colleges, as well as
8 IEC’s other subsidiary – United Education Institute. Plaintiffs are informed, and believe, and
9 thereon allege, that IEC exercised control over wages, hours and working conditions of all hourly
10 non-exempt employee at the UEI College and United Education Institute campuses.

11 13. Defendant IEC is, on information and belief, a Delaware corporation doing business
12 in California, with its principal place of business 16485 Laguna Canyon, Suite 300, Irvine,
13 California, 92618 and, at all times hereinafter mentioned, an employer whose employees are
14 engaged throughout this county, the State of California, and/or the various states of the United
15 States of America.

16 14. As stated above, according to Defendants’ website, Defendant IEC is the parent
17 company of both UEI College and United Education Institute, operating over a dozen schools in
18 California.

19 15. Plaintiffs are informed and believe, and thereon allege, that Defendant IEC
20 employed class members and aggrieved employees at IEC, UEI College, and United Education
21 Institute worksites during the relevant time period.

22 16. Plaintiffs are informed and believe, and thereon allege, that a joint employer
23 relationship exists among Defendant IEC and its subsidiaries UEI College and United Education
24 Institute, and that Defendant IEC was a joint employer of UEI Colleges and United Education
25 Institute non-exempt employees in addition to IEC non-exempt employees stationed at UEI
26 Colleges and United Education Institute.

27 17. Plaintiffs are informed and believe, and thereon allege, that Defendant IEC
28 exercised control over the wages, hours or working conditions of UEI College and United

1 Education Institute employees during the relevant time period, **which is October 12, 2016 to the**
2 **present.** Plaintiffs are informed and believe, and thereon allege, that Defendant IEC had and
3 continues to have actual authority to directly control the wages, hours or conditions of UEI College
4 and United Education Institute employees.

5 18. Plaintiffs are informed and believe, and thereon allege, that Defendant IEC caused
6 UEI College and United Education Institute employees to suffer or permit to work. Plaintiffs are
7 informed and believe, and thereon allege, that Defendant IEC had the knowledge and power to
8 cause the UEI College, and United Education Institute employees to work or the power and
9 knowledge to prevent the employees from working.

10 19. Plaintiffs are informed and believe, and thereon allege, that Defendant IEC engaged
11 UEI College and United Education Institute employees because Defendant IEC has retained or
12 assumed a general right of control over factors such as hiring, direction, supervision, discipline,
13 discharge, and relevant day-to-day aspects of the workplace behavior of the UEI College, and
14 United Education Institute employees thereby creating a common law employment relationship.

15 20. Plaintiffs are unaware of the true names or capacities of the Defendants sued herein
16 under the fictitious names DOES 1 through 10 but will seek leave of this Court to amend the
17 complaint and serve such fictitiously named Defendants once their names and capacities become
18 known.

19 21. Plaintiffs are informed and believe, and thereon allege, that DOES 1 through 10
20 were the partners, agents, owners, shareholders, managing agents of IEC at all relevant times.

21 22. Plaintiffs are informed and believe, and thereon allege, that each and all of the acts
22 and omissions alleged herein were performed by, or are attributable to Defendants and/or DOES
23 1 through 10 (collectively “Defendants”), each acting as the agent for the other, with legal authority
24 to act on the other’s behalf. The acts of any and all Defendants represent, and were in accordance
25 with, Defendants’ official policy.

26 23. At all relevant times, Defendants, and each of them, ratified each and every act or
27 omission complained of herein. At all relevant times, Defendants, and each of them, aided and
28 abetted the acts and omissions of each and all the other Defendants in proximately causing the

1 violations herein alleged.

2 24. Plaintiffs are informed and believe, and thereon allege, that each of said Defendants
3 is in some manner intentionally, negligently, or otherwise responsible for the acts, omissions,
4 occurrences, and transactions alleged herein.

5 **GENERAL ALLEGATIONS**

6 25. Headquartered in Irvine, California, IEC is a company operating for-profit career
7 trade schools throughout California, offering programs in industries such as healthcare, business,
8 technology, transportation, and criminal justice.

9 26. IEC is the parent company of UEI College and United Education Institute. It
10 provides classes and coarse work for such vocations as Auto, HVAC, Dental, and Pharmaceutical
11 services. IEC's campuses are located throughout California. Upon information and belief, IEC
12 and its subsidiaries employ hundreds of non-exempt individuals in California in various positions,
13 including but not limited to administrative, admissions, education (instructors), compliance, career
14 services, human resources, payroll, marketing, security and other non-exempt positions.

15 27. On information and belief, IEC's company headquarters are located at 16485
16 Laguna Canyon, Suite 300 Irvine CA 92618. IEC maintains a centralized Human Resources (HR)
17 department at their headquarters in Irvine, California, for all non-exempt, hourly-paid employees
18 working for IEC and its subsidiaries in California, including Plaintiffs and other aggrieved
19 employees. At all relevant times, IEC issued and maintained uniform, standardized practices that
20 applied to Plaintiffs and other aggrieved employees, regardless of their location or position.

21 28. Upon information and belief, IEC maintains a centralized Payroll department at
22 their company headquarters in Irvine, California, which processes payroll for all non-exempt,
23 hourly paid employees working for IEC in California, including Plaintiffs and other aggrieved
24 employees. Further, IEC issues the same uniform and formatted wage statements to all non-
25 exempt, hourly employees in California, irrespective of their location, position, or manner in which
26 each employee's employment ended. IEC's centralized Payroll department processed payroll for
27 non-exempt, hourly paid employees in the same manner throughout California. In other words,
28 IEC utilized the same methods and formulas when calculating wages due to Plaintiffs and other

1 aggrieved employees in California.

2 29. Upon information and belief, Defendants maintain a single, centralized Human
3 Resources (“HR”) department at their corporate headquarters in Irvine, California, which is
4 responsible for conducting Defendants’ recruiting and hiring of new employees, as well as
5 communicating and implementing Defendants’ company-wide policies, including timekeeping
6 policies, to employees throughout California. In particular, Plaintiffs and aggrieved employees,
7 on information and belief, received the same standardized documents and/or written policies. Upon
8 information and belief, the usage of standardized documents and/or written policies, including new
9 hire documents, indicate that Defendants dictated policies at the corporate-level and implemented
10 them company-wide, regardless of their employees’ locations in California or job positions.

11 30. On information and belief, Defendants’ corporate records, business records, data,
12 and other information, including, in particular, HR records pertaining to Defendants’ California
13 employees, are maintained at Defendants’ corporate headquarters in Irvine, California.

14 31. Upon information and belief, Defendants set forth uniform policies and procedures
15 in several documents that were provided to employee’s at the time of hire. At the time Plaintiff
16 Mateos was hired, he received such documents, informing him that he would be subject to the
17 policies and rules set forth in the documents provided. At the time Plaintiff Mateos was hired, he
18 also received an acknowledgement form for his signature, informing him that he would be subject
19 to the policies and rules set forth in the Company documents.

20 32. Upon information and belief, Defendants maintain a centralized Payroll department
21 at their corporate headquarters in Irvine, California, which processes payroll for all non-exempt,
22 hourly-paid employees working for Defendants at their various locations in California, including
23 Plaintiffs and aggrieved employees. Upon information and belief, Defendants process payroll for
24 departing employees in the same manner throughout the State of California, regardless of the
25 manner in which the employees’ employment ends. Defendants’ centralized Payroll department
26 processed payroll for non-exempt, hourly paid employees in the same manner throughout
27 California. In other words, Defendants utilized the same methods and formulas when calculating
28 wages due to Plaintiffs and aggrieved employees in California. Defendants have utilized third

1 party payroll vendors to process its uniform, standardized wage statements to Plaintiffs and
2 aggrieved employees during the relevant time period.

3 33. Plaintiffs are informed and believe, and thereon allege, that at all times herein
4 mentioned, Defendants were advised by skilled lawyers and other professionals, employees and
5 advisors knowledgeable about California labor and wage law, employment and personnel
6 practices, and about the requirements of California law.

7 34. Plaintiffs are informed and believe, and thereon allege, that Plaintiffs and aggrieved
8 employees were not paid for all hours worked, because all hours worked were not recorded and
9 Defendants rounded time to its advantage.

10 35. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
11 should have known that Plaintiffs and aggrieved employees were entitled to receive certain wages
12 for overtime compensation and that they were not receiving certain wages for overtime
13 compensation.

14 36. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
15 should have known that Plaintiffs and aggrieved employees were entitled to be paid the proper
16 overtime rate of pay, by including nondiscretionary bonuses and/or other incentive pay in the
17 regular rate of pay for purposes of calculating overtime.

18 37. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
19 should have known that Plaintiffs and aggrieved employees were entitled to receive at least
20 minimum wages for compensation and that, in violation of the California Labor Code, they were
21 not receiving at least minimum wages for work that Defendants knew or should have known was
22 performed off-the-clock and for time that was rounded to Defendants' advantage.

23 38. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
24 should have known that Plaintiffs and aggrieved employees were entitled to meal periods in
25 accordance with the Labor Code or payment of one (1) additional hour of pay at their regular rates
26 of pay when they were not provided with timely, uninterrupted, thirty (30) minute meal periods
27 and that Plaintiffs and aggrieved employees were not provided with all meal periods or payment
28 of one (1) additional hour of pay at their regular rates of pay when they did not receive a timely,

1 uninterrupted, thirty (30) minute meal period.

2 39. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
3 should have known that Plaintiffs and aggrieved employees were entitled to rest periods in
4 accordance with the Labor Code and applicable IWC Wage Order or payment of one (1) additional
5 hour of pay at their regular rates of pay when they were not provided with a compliant rest period
6 and that Plaintiffs and aggrieved employees were not provided compliant rest periods or payment
7 of one (1) additional hour of pay at their regular rates of pay when they were not provided a
8 compliant rest period.

9 40. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
10 should have known that Plaintiffs and aggrieved employees were entitled to receive complete and
11 accurate wage statements in accordance with California law. In violation of the California Labor
12 Code, Defendants did not provide Plaintiffs and aggrieved employees with complete and accurate
13 wage statements.

14 41. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
15 should have known that they had a duty to maintain accurate and complete payroll records in
16 accordance with the Labor Code and applicable IWC Wage Order, but willfully, knowingly, and
17 intentionally failed to do so

18 42. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
19 should have known that Plaintiffs and aggrieved employees were entitled to timely payment of
20 wages upon termination of employment. In violation of the California Labor Code, Defendants
21 did not pay Plaintiffs and aggrieved employees all wages due, including, but not limited to,
22 overtime wages, minimum wages, meal and rest period premium wages, and reporting time pay,
23 within permissible time periods.

24 43. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
25 should have known that Plaintiffs and aggrieved employees were entitled to timely payment of
26 wages during their employment. In violation of the California Labor Code, Defendants did not
27 pay Plaintiffs and aggrieved employees all wages, including, but not limited to, overtime wages,
28 minimum wages, meal and rest period premium wages, and reporting time pay, within permissible

1 time periods.

2 44. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
3 should have known that Plaintiffs and aggrieved employees were entitled to receive all reporting
4 time pay when Defendants required Plaintiff Mateos and aggrieved employees to report to work
5 but were put to work for less than half of their regular scheduled shift. In violation of the California
6 Labor Code, Plaintiff Mateos and aggrieved employees were not paid all reporting time pay.

7 45. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
8 should have known that Plaintiff Mateos and aggrieved employees were entitled to be paid split
9 shift premiums when they returned to work for an additional shift in the same day, after having
10 been clocked out for more than an hour. In violation of the California Labor Code, Plaintiff Mateos
11 and aggrieved employees were not paid all split shift pay.

12 46. Plaintiffs are informed and believe, and thereon allege that Defendants knew or
13 should have known that Plaintiffs and aggrieved employees were entitled to receive reimbursement
14 for all business-related expenses and costs they incurred during the course and scope of their
15 employment, and that they did not receive reimbursement of applicable business-related expenses
16 and costs they incurred.

17 47. Plaintiffs are informed and believe, and thereon allege, that at all times herein
18 mentioned, Defendants knew or should have known that they had a duty to provide Plaintiff and/or
19 aggrieved employees with written notice of the material terms of their employment with
20 Defendants as required by the California Wage Theft Prevention Act, but willfully, knowingly,
21 and intentionally failed to do so.

22 48. Plaintiffs are informed and believe, and thereon allege, that at all times herein
23 mentioned, Defendants knew or should have known that they had a duty to compensate Plaintiffs
24 and aggrieved employees for all hours worked, and that Defendants had the financial ability to pay
25 such compensation but willfully, knowingly, and intentionally failed to do so, and falsely
26 represented to Plaintiffs and aggrieved employees that they were properly denied wages, all in
27 order to increase Defendants' profits.

28 49. At all times herein set forth, PAGA provides that any provision of law under the

1 Labor Code and applicable IWC Wage Order that provides for a civil penalty to be assessed and
2 collected by the LWDA for violations of the California Labor Code and applicable IWC Wage
3 Order may, as an alternative, be recovered by aggrieved employees in a civil action brought on
4 behalf of themselves and other current or former employees pursuant to procedures outlined in
5 California Labor Code section 2699.3.

6 50. PAGA defines an “aggrieved employee” in Labor Code section 2699(c) as “any
7 person who was employed by the alleged violator and against whom one or more of the alleged
8 violations was committed.”

9 51. Plaintiffs and other current and former employees of Defendants are “aggrieved
10 employees” as defined by Labor Code section 2699(c) in that they are all Defendants’ current or
11 former employees and one or more of the alleged violations were committed against them.

12 52. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved
13 employee, including Plaintiffs, may pursue a civil action arising under PAGA after the following
14 requirements have been met:

15 a) The aggrieved employee or representative shall give written notice by online filing
16 with the LWDA and by certified mail to the employer of the specific provisions of the California
17 Labor Code alleged to have been violated, including the facts and theories to support the alleged
18 violation.

19 b) An aggrieved employee’s notice filed with the LWDA pursuant to 2699.3(a) and
20 any employer response to that notice shall be accompanied by a filing fee of seventy-five dollars
21 (\$75).

22 c) The LWDA shall notify the employer and the aggrieved employee or representative
23 by certified mail that it does not intend to investigate the alleged violation (“LWDA’s Notice”)
24 within sixty (60) calendar days of the postmark date of the aggrieved employee’s notice. Upon
25 receipt of the LWDA Notice, or if no LWDA Notice is provided within sixty-five (65) calendar
26 days of the postmark date of the aggrieved employee’s notice, the aggrieved employee may
27 commence a civil action pursuant to California Labor Code section 2699 to recover civil penalties.

28 53. Pursuant to California Labor Code sections 2699.3(c), aggrieved employees,

1 through Plaintiffs, may pursue a civil action arising under PAGA for violations of any provision
2 other than those listed in Section 2699.5 after the following requirements have been met:

3 a) The aggrieved employee or representative shall give written notice by online filing
4 with the LWDA and by certified mail to the employer of the specific provisions of the California
5 Labor Code alleged to have been violated (other than those listed in Section 2699.5), including the
6 facts and theories to support the alleged violation.

7 b) An aggrieved employee's notice filed with the LWDA pursuant to 2699.3(c) and
8 any employer response to that notice shall be accompanied by a filing fee of seventy-five dollars
9 (\$75).

10 c) The employer may cure the alleged violation within thirty-three (33) calendar days
11 of the postmark date of the notice sent by the aggrieved employee or representative. The employer
12 shall give written notice within that period of time by certified mail to the aggrieved employee or
13 representative and by online filing with the LWDA if the alleged violation is cured, including a
14 description of actions taken, and no civil action pursuant to Section 2699 may commence. If the
15 alleged violation is not cured within the 33-day period, the aggrieved employee may commence a
16 civil action pursuant to Section 2699.

17 54. On October 12, 2017, Plaintiff Mateos provided written notice by online filing to
18 the LWDA and by certified mail to Defendants of the specific provisions of the California Labor
19 Code alleged to have been violated, including facts and theories to support the alleged violations,
20 in accordance with California Labor Code section 2699.3.

21 55. A true and correct copy of Plaintiff Mateos' written notices to the LWDA and
22 Defendants dated October 12, 2017, are attached hereto as "Exhibit 1."

23 56. As of the filing date of this complaint, over 65 days have passed since Plaintiff
24 Mateos sent his LWDA notice described above, and the LWDA has not responded that it intends
25 to investigate Plaintiff Mateos' claims and Defendants have not cured the violations.

26 57. Plaintiff Velasquez has also satisfied the requirements under the PAGA to bring
27 this representative action on behalf of himself and aggrieved employees.

28 58. Thus, Plaintiffs have satisfied the administrative prerequisites under California

1 Labor Code section 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants, in
2 addition to other remedies, for violations of California Labor Code sections 201, 202, 203, 204,
3 210, 226(a), 226.7, 510, 512(a), 1174(d), 1174.5, 1175, 1182.12, 1194, 1197, 1197.1, 1198, 2800,
4 2802, and 2810.5.

5 59. Defendants, at all times relevant to this complaint, were employers who violated
6 Plaintiffs and other non-party Aggrieved Employees' rights by violating various sections of the
7 California Labor Code as set forth above.

8 60. As set forth below, Defendants have violated numerous provisions of both the
9 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage Order.

10 61. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a),
11 2699.3(a), 2699.3(c), 2699.5, Plaintiffs, acting in the public interest as a private attorney general,
12 seeks assessment and collection of civil penalties for themselves, all other non-party Aggrieved
13 Employees, and the State of California against Defendants, in addition to other remedies, for
14 violations of California Labor Code sections 201, 202, 203, 204, 210, 226(a), 226.7, 510, 512(a),
15 1174(d), 1174.5, 1175, 1182.12, 1194, 1197, 1197.1, 1198, 2800, 2802, and 2810.5.

16 **a. Overtime**

17 62. Specifically, as to the overtime claims, California Labor Code section 1198 makes
18 it illegal to employ an employee under conditions of labor that are prohibited by the applicable
19 wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor
20 fixed by the commission shall be the . . . standard conditions of labor for employees. The
21 employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

22 63. California Labor Code section 1198 and the applicable IWC Wage Order provide
23 that it is unlawful to employ persons without compensating them at a rate of pay either time-
24 and-one-half or two-times that person's regular rate of pay, depending on the number of hours
25 worked by the person on a daily or weekly basis. An employee's regular rate of pay includes all
26 remuneration for employment paid to, or on behalf of, the employee, including, but not limited to,
27 commissions, non-discretionary bonuses and incentive pay.

28 64. Specifically, the applicable IWC Wage Order provides that Defendants are and

1 were required to pay Plaintiffs and aggrieved employees working more than eight (8) hours in a
2 day or more than forty (40) hours in a workweek, at the rate of time and one-half (1½) for all hours
3 worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek.

4 65. The applicable IWC Wage Order further provides that Defendants are and were
5 required to pay Plaintiffs and aggrieved employees working more than twelve (12) hours in a day,
6 overtime compensation at a rate of two (2) times their regular rate of pay, and required to pay
7 Plaintiffs and aggrieved employees at a rate of two (2) times their regular rate of pay for hours
8 worked in excess of eight (8) hours on the seventh (7th) consecutive day of a work in a workweek.

9 66. California Labor Code section 510 codifies the right to overtime compensation at
10 one-and-one-half times the regular rate of pay for hours worked in excess of eight (8) hours in a
11 day or forty (40) hours in a week or for the first eight (8) hours worked on the seventh (7th) day
12 of work, and to overtime compensation at twice the regular rate of pay for hours worked in excess
13 of twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh (7th) day of
14 work.

15 67. During the relevant time period, Defendants willfully failed to pay all overtime
16 wages owed to Plaintiffs and aggrieved employees. During the relevant time period, Plaintiffs and
17 aggrieved employees were not paid overtime premiums for all of the hours they worked in excess
18 of eight (8) hours in a day, in excess of twelve (12) hours in a day, in excess of eight (8) hours on
19 the seventh (7th) consecutive day of a work in a workweek, and/or in excess of forty (40) hours in
20 a week, because all hours worked were not recorded.

21 68. Defendants have, on a company-wide basis, understaffed IEC campuses and
22 company headquarters and failed to provide adequate meal break coverage to permit aggrieved
23 employees to take compliant meal periods. Because IEC understaffed its job sites, including its
24 headquarters there was no one available to relieve administrative personnel, instructors, security
25 personnel and other aggrieved employees needing meal break coverage.

26 69. Plaintiffs and other aggrieved employees were often interrupted during meal
27 periods and required to stop eating and respond to whatever work issue had occurred or incoming
28 student, instructor, visitor had entered. Defendants also failed to provide meal periods of not less

1 than 30 minutes and failed to provide timely meal periods for shifts of longer than five hours.

2 70. Defendants also discouraged and impeded Plaintiffs and other aggrieved employees
3 from taking meal periods by, on a company-wide basis, failing to schedule meal periods, even
4 though it is aware and knows that employees are entitled to such meal periods. As a result of this
5 company-wide failure to schedule meal periods, Plaintiffs and other aggrieved employees were
6 not permitted and authorized to take uninterrupted 30-minute meal periods during their shifts in
7 which they were entitled to receive a meal period. Defendants also systematically, and on a
8 company-wide basis, did not schedule second meal periods and had no policy for permitting and
9 authorizing Plaintiffs and other aggrieved employees to take second 30-minute meal periods on
10 those days that they worked in excess of 10 hours in one day. Plaintiffs sometimes worked more
11 than 10 days per day (or more), but did not receive a second uninterrupted 30-minute meal period
12 on those days. Plaintiffs and other aggrieved employees did not sign valid meal break waivers on
13 days that they were entitled to meal periods but were not relieved of all duties.

14 71. Defendants knew that, as a result of its policies, Plaintiffs and other aggrieved
15 employees were performing some of their assigned duties during meal periods and/or off-the-
16 clock, and were suffered or permitted to perform work for which they were not paid. Under
17 information and belief, IEC a regularly been party to individual claims made by non-exempt
18 employees for overtime and for compensation for missed meal breaks.

19 72. Defendants also knew, or should have known, that it did not compensate Plaintiffs
20 and other aggrieved employees applicable overtime rates of pay for overtime hours that they
21 worked. Because Plaintiffs and other aggrieved employees regularly worked shifts of eight (8)
22 hours a day or more or forty (40) hours a week or more, some of this off-the-clock work performed
23 during unpaid meal periods and running errands on behalf of Defendants (e.g., deposit funds into
24 the bank and drive between campuses) qualified for overtime premium pay. Therefore, Plaintiffs
25 and other aggrieved employees were not paid overtime wages for all of the overtime hours they
26 actually worked. IEC's failure to pay Plaintiffs and other aggrieved employees the balance of
27 overtime compensation, as required by California law, violates the provisions of California Labor
28 Code sections 510 and 1198.

1 73. Furthermore, IEC did not pay other aggrieved employees the correct overtime rate
2 for the recorded overtime hours that they generated. In addition to an hourly wage, IEC paid other
3 aggrieved employees incentive pay and/or nondiscretionary bonuses.

4 74. However, in violation of the California Labor Code, IEC failed to incorporate all
5 remunerations, including incentive pay and/or nondiscretionary bonuses, into the calculation of
6 the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times
7 when other aggrieved employees worked overtime and received incentive pay and/or
8 nondiscretionary bonuses, IEC failed to pay all overtime wages by paying a lower overtime rate
9 than required.

10 75. Defendants knew or should have known that, as a result of their policies and/or
11 practices, Plaintiffs and aggrieved employees were prevented from taking all timely, uninterrupted
12 thirty (30) minute meal periods and led to them performing some of their assigned duties off-the-
13 clock and during meal periods.

14 76. At all relevant times, Defendants knew, or should have known, that as a result of
15 their policies, that Plaintiffs and aggrieved employees were performing duties off-the-clock and
16 that Defendants did not compensate Plaintiffs and aggrieved employees for this off-the-clock
17 work.

18 77. Because Plaintiffs and aggrieved employees typically worked eight (8) hours or
19 more a day, some of this off-the-clock work performed before or after shifts, while running errands
20 for Defendants, and during unpaid meal periods qualified for overtime premium pay. Defendants
21 also implemented a rounding policy that rounded time in their favor. Therefore, Plaintiffs and
22 aggrieved employees were not paid overtime wages for all of the overtime hours they worked.
23 Defendants' failure to pay Plaintiffs and aggrieved employees the balance of overtime
24 compensation, as required by California law, violates the provisions of California Labor Code
25 sections 510 and 1198.

26 78. Furthermore, Defendants did not pay Plaintiffs and aggrieved employees the
27 correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly
28 wage, Defendants paid Plaintiffs and aggrieved employees incentive pay and nondiscretionary

1 bonuses, including free meals or beverages and gift certificates. However, in violation of the
2 California Labor Code, Defendants failed to incorporate all remunerations, including incentive pay
3 and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of
4 calculating the overtime wage rate. Therefore, during times when Plaintiffs and aggrieved
5 employees worked overtime and received incentive pay, and/or nondiscretionary bonuses,
6 Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

7 79. Defendants' failure to pay Plaintiffs and aggrieved employees the balance of
8 overtime compensation owed as required by California law, violates the provisions of California
9 Labor Code sections 510 and 1198. Plaintiffs and other aggrieved employees are entitled to recover
10 civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code 2699(a), (f)-(g).

11 **b. Unpaid Minimum Wages**

12 80. At all relevant times, California Labor Code sections 1194, 1197, 1197.1, and 1198
13 provide that the minimum wage for employees fixed by the IWC is the minimum wage to be paid
14 to employees, and the payment of a wage less than the minimum so fixed is unlawful. Compensable
15 work time is defined in Wage Order No. 4 as "the time during which an employee is subject to the
16 control of an employer, and includes all the time the employee is suffered or permitted to work,
17 whether or not required to do so." Cal. Code. Regs. tit. 8, § 11040(2)(K) (defining "Hours
18 Worked").

19 81. As set forth above, due to IEC's staffing practices and resultant lack of meal break
20 coverage, Plaintiffs and other aggrieved employees were forced to forego meal periods and/or have
21 their meal periods interrupted by work or delayed by work, and were not relieved of all duties for
22 unpaid meal periods, in order to attend to the needs of students, instructors, visitors and others. In
23 addition, IEC systematically failed to pay Plaintiffs and other aggrieved employees for actual hours
24 worked during unpaid meal periods because these hours were not always correctly recorded.

25 82. Furthermore, as stated, due to IEC's company-wide practices and/or policies of not
26 paying for overtime, Plaintiffs and other aggrieved employees were forced to work off-the-clock
27 during unpaid meal periods and while running errands for Defendants (e.g., deposit funds into the
28 bank and drive between campuses). In addition, IEC's company-wide practice and/or policy

1 requiring that aggrieved employees employed as security officers keep their radios on their person
2 during meal periods further prevented certain aggrieved employees from being relieved of their
3 duties during meal periods.

4 83. IEC also required Plaintiffs and other aggrieved employees to work during their
5 second 30-minute unpaid meal periods due to IEC's systemic and company-wide failure to
6 schedule second meal periods for its employees. IEC did not pay at least minimum wages for off-
7 the-clock hours and time punches rounded to Defendants' advantage that qualified for overtime
8 premium payment. To the extent that these off-the-clock hours did not qualify for overtime
9 premium payment, IEC did not pay at least minimum wages for those hours worked off-the-clock
10 in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.
11 Accordingly, IEC regularly failed to pay at least minimum wages to Plaintiffs and other aggrieved
12 employees for all of the hours they worked in violation of California Labor Code sections 1182.12,
13 1194, 1197, 1197.1, and 1198.

14 84. Defendants' failure to pay Plaintiffs' and aggrieved employees' minimum wages
15 violates California Labor Code sections 1182.12, 1194, 1197, and 1197.1. Plaintiffs and other
16 aggrieved employees are therefore entitled to recover civil penalties, attorney's fees, costs, and
17 interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

18 **c. Meal Period Violations**

19 85. At all relevant times herein set forth, the applicable IWC Wage Order(s) and
20 California Labor Code sections 226.7, 512(a), and 1198 were applicable to Plaintiffs and aggrieved
21 employees' employment by Defendants.

22 86. At all relevant times herein set forth, California Labor Code section 512(a) provides
23 that an employer may not require, cause, or permit an employee to work for a period of more than
24 five (5) hours per day without providing the employee with a meal period of not less than thirty
25 (30) minutes, except that if the total work period per day of the employee is not more than six (6)
26 hours, the meal period may be waived by mutual consent of both the employer and the employee.
27 Under California law, first meal periods must start after no more than five (5) hours. *Brinker Rest.*
28 *Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (Cal. 2012).

1 87. At all relevant times herein set forth, California Labor Code section 226.7 and
2 512(a) provide that no employer shall require an employee to work during any meal period
3 mandated by an applicable order of the IWC.

4 88. At all relevant times herein set forth, Labor Code sections 226.7 and 512(a) and the
5 applicable IWC Wage Order also require employers to provide a second meal break of not less
6 than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee
7 one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked
8 is no more than twelve (12) hours, the second meal period may be waived by mutual consent of
9 the employer and the employee only if the first meal period was not waived.

10 89. During the relevant time period, on information and belief, Defendants maintained
11 a company-wide, unlawful meal break policy insofar as it failed to provide that employees,
12 including Plaintiffs and aggrieved employees, are entitled to 30-minute meal breaks for shifts in
13 excess of five (5) hours and failed to state the timing of when meal breaks must occur. Under
14 California law, first meal periods must start after no more than five hours of work. *Brinker Rest.*
15 *Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (Cal. 2012).

16 90. Further, Defendants' policy fails to provide that employees, including Plaintiffs and
17 aggrieved employees, are entitled to second 30-minute meal breaks for shifts in excess of ten (10)
18 hours. Thus, Defendants' meal break policy is non-compliant and in violation of Labor Code
19 sections 226.7 and 512 and the applicable IWC Wage Order. To the extent Plaintiffs and aggrieved
20 employees were able to leave the premises during meal periods, Plaintiffs and aggrieved
21 employees meal periods were either late, short and/or interrupted. As a result of Defendants'
22 company-wide non-compliant meal period policy, Plaintiffs and aggrieved employees were denied
23 complete, duty-free and timely meal periods within the first five and ten hours of work.

24 91. As mentioned above, Defendant's company-wide understaffing of job sites and
25 failure to schedule meal periods, prevented Plaintiffs and other aggrieved employees from taking
26 compliant meal periods. As a result of these practices and/or policies, Plaintiffs and other
27 aggrieved employees were frequently required to continue to perform their duties without being
28 able to take a timely, compliant meal period. Thus, Plaintiffs and other aggrieved employees had

1 to work through part or all of their meal periods, have their meal periods interrupted, and/or wait
2 extended periods of time before taking meal periods. For example, within the relevant time period,
3 Plaintiff frequently worked more than five (5) hours, and often more than six (6) hours, without
4 being relieved of their duties to take a meal period. Furthermore, Defendants did not provide
5 Plaintiffs and other aggrieved employees with second 30-minute meal periods on days that they
6 worked in excess of 10 hours in one day. As stated, Plaintiff sometimes worked more than 10 hour
7 shifts without being permitted or authorized to take a second 30-minute meal period. IEC often
8 required its employees to continue working and failed to provide meal period coverage for
9 employees, thereby preventing them from taking timely, uninterrupted meal periods to which they
10 were entitled.

11 92. Additionally, Defendants systematically and on a company-wide basis required
12 Plaintiffs and other aggrieved employees to always record meal breaks in their time sheets, even
13 when meal breaks were never taken, or were late, short, and/or interrupted. As a result, 30-minute
14 meal periods were deducted from Plaintiffs' and other aggrieved employees' time records for hours
15 they actually spent working.

16 93. Further, Labor Code section 1198 and the applicable wage order require that
17 employers record meal periods. Defendants violated Labor Code section 1198 and the applicable
18 wage order insofar as IEC failed to record when Plaintiffs and other aggrieved employees took
19 meal periods, to the extent they were authorized and permitted to do so. Instead, as stated, IEC
20 required employees to record meal periods in their time sheets, even if they did not actually take
21 meal periods, without accurately recording actual meal period start and end times. As also stated,
22 IEC had a company-wide policy and/or practice of failing to schedule meal periods for employees;
23 as a result, Plaintiffs and other aggrieved employees were not relieved of their duties and had to
24 continue to work without taking timely, compliant meal periods.

25 94. At all times herein mentioned, Defendants knew or should have known that as a
26 result of these policies, Plaintiffs and other aggrieved employees were prevented from being
27 relieved of all duties and required to perform some of their assigned duties during meal periods
28 and that IEC did not pay other aggrieved employees meal period premium wages when they were

1 interrupted. Plaintiffs and other aggrieved employees did not sign valid meal break waivers on
2 days that they were entitled to meal periods and were not relieved of all duties.

3 95. Defendants' scheduling policies and practices, or lack thereof, prevented Plaintiffs
4 and other aggrieved employees from being relieved of all duties in order to take compliant meal
5 periods. Defendants similarly did not schedule meal periods for employees. Defendants'
6 management would provide no coverage for employees to take their scheduled meal periods. As
7 a result, Plaintiffs and other aggrieved employees would sometimes work shifts in excess of 5
8 hours and in excess of 10 hours without receiving all uninterrupted thirty (30) minute meal periods
9 to which they were entitled. Because of this practice and/or policy, Plaintiffs and other aggrieved
10 employees have not received premium pay for missed meal rest periods. Alternatively, to the
11 extent that IEC did pay meal period premium wages to other aggrieved employees, it did so at the
12 incorrect rates. Because IEC did not properly calculate other aggrieved employees' regular rates
13 of pay by including all remunerations, such as nondiscretionary bonuses and/or incentive pay, any
14 premiums paid for meal or rest period violations were also paid at an incorrect rate and resulted in
15 an underpayment of meal and/or rest period premium wages.

16 96. Accordingly, Defendants failed to provide all meal periods in violation of
17 California Labor Code sections 226.7, 512, and 1198. Plaintiffs and other aggrieved employees
18 are therefore entitled to penalties, attorney's fees, costs, and interest thereon, pursuant to Labor
19 Code sections 2699(f)-(g).

20 **d. Rest Period Violations**

21 97. At all relevant times herein set forth, the applicable IWC Wage Order and
22 California Labor Code section 226.7 and 1198 were applicable to Plaintiffs' and aggrieved
23 employees' employment by Defendants.

24 98. At all relevant times, the applicable IWC Wage Order provides that "[e]very
25 employer shall authorize and permit all employees to take rest periods, which insofar as practicable
26 shall be in the middle of each work period" and that the "rest period time shall be based on the
27 total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major
28 fraction thereof" unless the total daily work time is less than three and one-half (3½) hours.

1 99. At all relevant times, California Labor Code section 226.7 provides that no
2 employer shall require an employee to work during any rest period mandated by an applicable
3 order of the California IWC. To comply with its obligation to provide rest periods under California
4 Labor Code section 226.7 and the applicable IWC Wage Order, an employer must “relinquish any
5 control over how employees spend their break time, and relieve their employees of all duties —
6 including the obligation that an employee remain on call. A rest period, in short, must be a period
7 of rest.” *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 269-270 (2016).

8 100. Pursuant to the applicable IWC Wage Order and California Labor Code section
9 226.7(b), Plaintiffs and aggrieved employees are entitled to recover from Defendants one (1)
10 additional hour of pay at their regular rates of pay for each work day that a required rest period
11 was not provided.

12 101. During the relevant time period, Defendants regularly failed to authorize and permit
13 Plaintiffs and aggrieved employees to take ten (10) minute rest period per each four (4) hour period
14 worked or major fraction thereof. As with meal periods, Defendants’ policies and practices,
15 including prevented Plaintiffs and aggrieved employees from being relieved of all duty in order to
16 take compliant rest breaks.

17 102. As with meal periods, Defendants’ scheduling policies and practices, or lack
18 thereof, prevented Plaintiffs and other aggrieved employees from being relieved of all duties in
19 order to take compliant rest periods. Defendants similarly did not schedule rest periods for
20 employees. Defendants’ management would provide no coverage for employees to take their
21 scheduled rest periods. As a result, Plaintiffs and other aggrieved employees would sometimes
22 work shifts in excess of 6 hours and in excess of 10 hours without receiving all uninterrupted ten
23 (10) minute rest periods to which they were entitled. Because of this practice and/or policy,
24 Plaintiffs and other aggrieved employees have not received premium pay for missed rest periods.
25 Alternatively, to the extent that IEC did pay rest period premium wages to other aggrieved
26 employees, it did so at the incorrect rates. Because IEC did not properly calculate other aggrieved
27 employees’ regular rates of pay by including all remunerations, such as nondiscretionary bonuses
28 and/or incentive pay, any premiums paid for meal or rest period violations were also paid at an

1 incorrect rate and resulted in an underpayment of meal and/or rest period premium wages.

2 103. Accordingly, Defendants failed to provide all meal and rest periods in violation of
3 California Labor Code sections 226.7, 512, and 1198. Plaintiffs and other aggrieved employees
4 are therefore entitled to penalties, attorney's fees, costs, and interest thereon, pursuant to Labor
5 Code sections 558 and 2699(f)-(g).

6 **e. Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll**

7 **Records**

8 104. At all relevant times herein set forth, California Labor Code section 226(a) provides
9 that every employer shall furnish each of his or her employees an accurate and complete itemized
10 wage statement in writing, including, but not limited to, the name and address of the legal entity
11 that is the employer, the inclusive dates of the pay period, total hours worked, and all applicable
12 rates of pay.

13 105. During the relevant time period, Defendants knowingly and intentionally provided
14 Plaintiffs and aggrieved employees with uniform, incomplete, and inaccurate wage statements.

15 106. Specifically, Defendants violated sections 226(a)(1), 226(a)(5), 226(a)(8), and
16 226(a)(9).

17 107. First, because Defendants deducted time from Plaintiffs and aggrieved employees'
18 records for meal periods they did not actually take (and therefore time for which they should have
19 been paid), and did not record the time Plaintiffs and aggrieved employees spent undergoing
20 security searches, being transported in the shuttle, or working outside of their scheduled hours,
21 Defendants did not list the correct amount of gross wages earned by Plaintiffs and aggrieved
22 employees in compliance with section 226(a)(1). For the same reason, Defendants failed to list the
23 correct amount of net wages earned by Plaintiffs and aggrieved employees in violation of section
24 226(a)(5).

25 108. Second, because Defendants did not calculate Plaintiff and/or aggrieved
26 employees' regular rate of pay correctly for purposes of paying overtime, Defendants also violated
27 226(a)(1), 226(a)(5), and failed to correctly list all applicable hourly rates in effect during the pay
28 period, namely, correct overtime rates of pay and correct rates of pay for premium wages, in

1 violation of section 226(a)(9).

2 109. The wage statement deficiencies also include, among other things, failing to list
3 total hours worked by employees; number of hours worked at each hourly rate; failing to list all
4 deductions; failing to list the name of the legal entity that is the employer; and/or failing to state
5 all hours worked as a result of not recording or stating the hours they worked off-the-clock.

6 110. California Labor Code section 1174(d) provides that “[e]very person employing
7 labor in this state shall ... [k]eep a record showing the names and addresses of all employees
8 employed and the ages of all minors” and “[k]eep, at a central location in the state or at the plants
9 or establishments at which employees are employed, payroll records showing the hours worked
10 daily by and the wages paid to, and the number of piece-rate units earned by and any applicable
11 piece rate paid to, employees employed at the respective plants or establishments...” Labor Code
12 section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain
13 accurate and complete records as required by section 1174(d). During the relevant time period,
14 and in violation of Labor Code section 1174(d), Defendants willfully failed to maintain accurate
15 payroll records for Plaintiffs and aggrieved employees showing the daily hours they worked, rate
16 of pay, total hours worked, and the wages paid thereto as a result of failing to record the off-the-
17 clock hours that they worked, among other things.

18 111. California Labor Code section 1198 provides that the maximum hours of work and
19 the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth
20 in the applicable IWC Wage Orders. Section 1198 further provides that “[t]he employment of any
21 employees for longer hours than those fixed by the order or under conditions of labor prohibited
22 by the order is unlawful.” Pursuant to the applicable IWC Wage Order, employers are required to
23 keep accurate time records showing when the employee begins and ends each work period and
24 meal period. During the relevant time period, Defendants failed, on a company-wide basis, to keep
25 records of meal period start and stop times for Plaintiffs and aggrieved employees in violation of
26 section 1198.

27 112. Defendants engaged in a practice of instructing employees to record a 30-minute
28 period for first meal periods regardless of whether employees actually took such a break.

1 Furthermore, in light of IEC's failure to provide Plaintiffs and other aggrieved employees with
2 second 30-minute meal periods to which they were entitled, IEC kept no records of meal start and
3 end times for second meal periods. Moreover, IEC kept no records of time spent by Plaintiffs and
4 other aggrieved employees performing work off the clock.

5 113. Because Defendants failed to provide the accurate number of total hours worked on
6 wage statements, Plaintiffs and other aggrieved employees have been prevented from verifying,
7 solely from information on the wage statements themselves, that they were paid correctly and in
8 full. Instead, other aggrieved employees have had to look to sources outside of the wage statements
9 themselves and reconstruct time records to determine whether in fact they were paid correctly and
10 the extent of underpayment, thereby causing them injury.

11 114. Plaintiffs and other aggrieved employees are entitled to recover penalties, attorney's
12 fees, costs, and interest thereon pursuant to Labor Code sections 2699(a), (f)-(g).

13 **f. Wages Not Timely Paid**

14 115. At all times relevant herein set forth, Labor Code sections 201 and 202 provide that
15 if an employer discharges an employee, the wages earned and unpaid at the time of discharge are
16 due and payable immediately, and that if an employee voluntarily leaves his or her employment,
17 his or her wages shall become due and payable not later than seventy-two (72) hours thereafter,
18 unless the employee has given seventy-two (72) hours' previous notice of his or her intention to
19 quit, in which case the employee is entitled to his or her wages at the time of quitting.

20 116. California Labor Code section 204 requires that all wages earned by any person in
21 any employment between the 1st and the 15th days, inclusive, of any calendar month, other than
22 those wages due upon termination of an employee, are due and payable between the 16th and the
23 26th day of the month during which the labor was performed, and that all wages earned by any
24 person in any employment between the 16th and the last day, inclusive, of any calendar month,
25 other than those wages due upon termination of an employee, are due and payable between the 1st
26 and the 10th day of the following month. California Labor Code section 204 also requires that all
27 wages earned for labor in excess of the normal work period shall be paid no later than the payday
28 for the next regular payroll period. Alternatively, California Labor Code section 204 provides that

1 the requirements of this section are deemed satisfied by the payment of wages for weekly,
2 biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days
3 following the close of the payroll period

4 117. During the relevant time period, Defendants willfully failed to pay Plaintiffs and
5 aggrieved employees who are no longer employed by Defendants the earned wages set forth above,
6 including, but not limited to, overtime wages, minimum wages, and meal and rest period premium
7 wages, either at the time of discharge, or within seventy-two (72) hours of their leaving
8 Defendants' employ, or in compliance with Labor Code §204. During the relevant time period,
9 IEC failed to pay Plaintiffs and other aggrieved employees all wages due to them, including, but
10 not limited to, overtime wages, minimum wages, meal and rest period premium wages, and
11 reporting time pay, within any time period specified by California Labor Code section 204

12 118. Defendants' failure to pay Plaintiffs and aggrieved employees who are no longer
13 employed by Defendants wages earned at the time of discharge, or within seventy-two (72) hours
14 of their leaving Defendants' employ, violates Labor Code sections 201 and 202. Plaintiffs and
15 aggrieved employees are therefore entitled to recover from Defendants the statutory penalty wages
16 for each day they were not paid, at their regular rate of pay, up to a thirty (30) day maximum
17 pursuant to California Labor Code section 203.

18 119. Plaintiffs and aggrieved employees are entitled to recover penalties, attorney's fees,
19 costs, and interest thereon, pursuant to Labor Code 2699(a), (f)-(g).

20 **g. Failure to Reimburse Business Expenses**

21 120. At all times herein set forth, California Labor Code section 2802 provides that an
22 employer must reimburse employees for all necessary expenditures and losses incurred by the
23 employee in the performance of his or her job. The purpose of Labor Code section 2802 is to
24 prevent employers from passing off their cost of doing business and operating expenses on to their
25 employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The
26 applicable wage order, IWC Wage Order 4-2001, provides that: "[w]hen tools or equipment are
27 required by the employer or are necessary to the performance of a job, such tools and equipment
28 shall be provided and maintained by the employer, except that an employee whose wages are at

1 least two (2) times the minimum wage provided herein may be required to provide and maintain
2 hand tools and equipment customarily required by the trade or craft.”

3 121. During the relevant time period, Defendants, on a company-wide basis, required
4 Plaintiffs and aggrieved employees to incur vehicles expenses and or purchase their own personal
5 supplies to carry out their job duties, but Defendants failed to reimburse them for the costs of their
6 vehicle use and supplies.

7 122. Defendants could have provided Plaintiffs and aggrieved employees with the actual
8 supplies required for use on the job, or reimbursed employees for their expenses, including, but
9 instead, Defendants passed these operating costs off onto Plaintiffs and aggrieved employees.

10 123. Defendants’ company-wide policy and/or practice of passing on its operating costs
11 on to Plaintiffs and aggrieved employees by requiring that they use the own vehicle or purchase
12 their own supplies is in violation of California Labor Code section 2802. Defendants have
13 intentionally and willfully failed to fully reimburse Plaintiffs and aggrieved employees for
14 necessary business-related expenses.

15 Plaintiffs and aggrieved employees are entitled to recover penalties, attorney's fees, costs, and
16 interest thereon, pursuant to Labor Code 2699(a), (f)-(g)

17 **h. Failure to Provide Written Notices**

18 124. California’s Wage Theft Prevention Act was enacted to ensure that employers
19 provide employees with basic information material to their employment relationship at the time of
20 hiring, and to ensure that employees are given written and timely notice of any changes to basic
21 information material to their employment. Codified at California Labor Code section 2810.5, the
22 Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written
23 notice to employees containing basic and material payroll information, including, among other
24 things, the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece,
25 commission, or otherwise, including any rates for overtime, the regular payday designated by the
26 employer, and any allowances claims as part of the minimum wage, including meal or lodging
27 allowances.

28 125. Effective January 1, 2015, an employer’s written notice pursuant to section 2810.5

1 must also include a statement that the employee may accrue and use sick leave; has a right to
2 request and use accrued paid sick leave; may not be terminated or retaliated against for using or
3 requesting the use of accrued paid sick leave; and has the right to file a complaint against an
4 employer who retaliates.

5 126. During the relevant time period, Defendants failed to provide written notice to other
6 non-party Aggrieved Employees that list the requisite information set forth in Labor Code section
7 2810.5(a)(1)(A)-(C) on a company-wide basis.

8 127. Defendants' failure to provide other non-party aggrieved employees with written
9 notice of basic information regarding their employment with Defendants is in violation of Labor
10 Code section 2810.5.

11 **FIRST CAUSE OF ACTION**

12 **For Civil Penalties Pursuant to California Labor Code §§ 2698, et seq. ("PAGA");**
13 **(Against all Defendants)**

14 128. Plaintiffs incorporate by reference and re-alleges as if fully stated herein each and
15 every allegation set forth above.

16 129. California Labor Code §§ 2698, et seq. ("PAGA") permits Plaintiff to recover
17 various civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code
18 section 2699.5.

19 130. Defendants' conduct, as alleged herein, violates the applicable IWC Wage Order
20 and numerous sections of the California Labor Code, including, but not limited to, the following:

21 a) Violations of Labor Code sections 204, 210, 510, 1198, and the applicable IWC
22 wage order for Defendants' failure to compensate Plaintiffs and other aggrieved employees with
23 overtime wages for all hours worked in excess of eight in one day or forty in one week and failure
24 to properly calculate the overtime rates paid to Plaintiffs and other non-party Aggrieved
25 Employees, as alleged herein;

26 b) Violations of Labor Code sections 204, 210, 1182.12, 1194, 1194.2, 1197, 1197.1,
27 1198, and the applicable IWC wage order for Defendants' failure to compensate Plaintiffs and
28 other non-party Aggrieved Employees with at least minimum wages for all hours worked as

1 alleged herein;

2 c) Violations of Labor Code sections 226.7, 512(a), 1198, and the applicable IWC
3 wage order for Defendants' failure to provide Plaintiffs and other non-party Aggrieved Employees
4 with meal and/or rest periods or compensation in lieu thereof, as alleged herein;

5 d) Violations of Labor Code section 226(a), 1198, and the applicable IWC wage order
6 for failure to provide accurate and complete wage statements to Plaintiffs and other non-party
7 Aggrieved Employees as alleged herein;

8 e) Violations of Labor Code section 1174(d), 1174.5, 1175, 1198, and the applicable
9 IWC wage order for failure to maintain payroll records as alleged herein;

10 f) Violations of Labor Code sections 201, 202, and 203 for failure to pay all earned
11 wages upon separation as alleged herein;

12 g) Violations of Labor Code section 204 and 210 for failure to pay all earned wages
13 during employment as set forth below;

14 h) Violations of Labor Code section 551 and 552 for failure to provide Plaintiffs and
15 aggrieved employees one day's rest;

16 i) Violations of Labor Code section 1198 and the applicable IWC wage order for
17 failure to pay reporting time pay when Plaintiffs and other non-party Aggrieved Employees were
18 put to work for less than half of their regular, scheduled shifts, as set forth below;

19 j) Violations of Labor Code section 1198 and the applicable IWC wage order for
20 failure to pay split shift premiums when Plaintiffs and other non-party aggrieved employees
21 returned to work for an additional shift on the same day, after having been clocked out for more
22 than an hour, as set forth below;

23 k) Violation of Labor Code section 2800 and 2802 for failure to reimburse Plaintiffs
24 and other non-party aggrieved employees for all business expenses necessarily incurred, as alleged
25 herein; and

26 l) Violations of Labor Code section 2810.5(a)(1)(A)-(C) for failure to provide written
27 notice of information material to Plaintiffs and other non-party aggrieved employees' employment
28 with Defendants, as set forth above.

1 131. Defendants, at all times relevant to this complaint, were employers or persons
2 acting on behalf of an employer(s) who violated Plaintiffs' and non-party aggrieved employees'
3 rights by violating various sections of the California Labor Code as set forth above.

4 132. As stated, Defendants have violated numerous provisions of both the Labor Code
5 sections regulating hours and days of work as well as the applicable IWC Wage Orders.

6 133. Pursuant to PAGA, and in particular California Labor Code sections 2699(a),
7 2699.3, 2699.5, Plaintiffs, acting in the public interest as private attorney general, seeks
8 assessment and collection of civil penalties for herself, all other non-party Aggrieved Employees,
9 and the State of California against Defendants, in addition to other remedies, for violations of
10 California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12,
11 1194, 1197, 1197.1, 1198, 2802, and 2810.5.

12 **REQUEST FOR JURY TRIAL**

13 To the extent permitted by applicable law, Plaintiff requests a trial by jury.

14 **PRAAYER FOR RELIEF**

15 Plaintiffs, on behalf of themselves and all other aggrieved employees prays for relief and
16 judgment against Defendants, jointly and severally, as follows:

17 1. That the Court declare, adjudge and decree that Defendants violated the following
18 California Labor Code sections: 510 and 1198 (by failing to pay all overtime wages); 1182.12,
19 1194, 1194.2, 1197, 1197.1, and 1198 (by failing to pay at least minimum wages for all hours
20 worked); 226.7, 512(a), and 1198 (by failing to provide meal or rest periods or the required
21 compensation in lieu thereof); 226(a) and 1198 (by failing to provide accurate and complete wage
22 statements); 1174(d), 1174, and 1175 (by failing to maintain accurate and complete payroll
23 records); 201, 202, 203 (by failing timely to pay all unpaid wages upon termination); 204 (by
24 failing timely to pay all earned wages during employment); 1198 (by failing to pay reporting time
25 pay and split-shift premiums), 2800 and 2802 (by failing to reimburse for necessary business
26 expenses), and 2810.5 (by failing to provide written notice of information material to
27 employment); and that Defendants committed said violations of the Labor Code against Plaintiff
28 and Defendants' current and former employees;

1 2. For civil penalties for conduct occurring any time between one year prior to the
2 filing of this complaint and judgment, pursuant to California Labor Code sections 210, 226.3, 558,
3 1174.5, 1197.1, 2699(a) and/or 2699(f) and (g), plus costs and attorneys' fees, for violations of
4 California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1021.5, 1174(d),
5 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2699(g), 2802, and 2810.5;

6 3. For attorneys' fees and costs pursuant to California Labor Code section 2699(g)(1),
7 and any and all other relevant statutes, for Defendants' violations of California Labor Code
8 sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1,
9 1198, 2802, and 2810.5;

10 4. For pre-judgment and post-judgment interest as provided by law; and

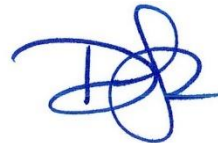
11 5. For such other and further relief as the Court may deem equitable and appropriate.

12
13 Dated: January 14, 2019

Respectfully submitted,

DONAHOO & ASSOCIATES, PC

AEGIS LAW FIRM PC

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16
17
18 

19 By: _____

Richard E. Donahoo

Sarah L. Kokonas

Judith Camilleri

Daniel J. Hyun

Attorneys for Plaintiffs, on behalf of the
State of California, and on their own behalf,
and on behalf of all other aggrieved current
and former employees.

EXHIBIT 1

EXHIBIT 1

DONAHOO & ASSOCIATES, PC
ATTORNEYS

440 W. First Street, Suite 101
Tustin, California 92780
Telephone (714) 953-1010
Facsimile (714) 953-1777

October 12, 2017

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
<https://dir.tfaforms.net/128>)

Re: **Mateos v IEC Corporation**

Dear PAGA Administrator:

This office represents Richard Mateos in connection with his claims under the California Labor Code. Mr. Richard Mateos is an employee of IEC Corporation doing business as International Education Corporation. The employer may be contacted directly:

IEC Corporation
16485 Laguna Canyon, Suite 300
Irvine CA 92618

Mr. Mateos intends to seek civil penalties, attorney's fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Mr. Mateos seeks relief on behalf of himself, the State of California, and other persons who were employed by IEC and its wholly owned subsidiaries (including but not limited to UEI College and United Education Institute, collectively "IEC") in California as a non-exempt, hourly-paid employees and who received at least one physical wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

IEC employed Mr. Mateos as an hourly, non-exempt Payroll Specialist from approximately February, 2015 to on or about September 5, 2017. Mr. Mateos switched from part-time to full-time in August 18, 2015. Mr. Mateos worked for IEC in Irvine, California. As a full-time employee, Mr. Mateos regularly worked approximately 8 to 8.5 hours per day, 5 days per week, with occasional days over 10 or 12 hours per day and approximately 45 hours per week. At the time Mr. Mateos's employment with IEC ended, he earned approximately \$26.00 per hour. His job duties as a Payroll Specialist included reviewing time records and preparing the payroll time information (days and hours) to be submitted to the payroll company for processing and then making the submission of the payroll. Mr. Mateos's relevant claims are as follows:

IEC's Company-Wide and uniform Payroll and HR Practices

Headquartered in Irvine, California, International Education Corporation is a company operating for-profit career trade schools in California, offering programs in industries such as healthcare, business, technology, transportation, and criminal justice.

International Education Corporation is the parent company of UEI College and United Education Institute. It provides classes and course work for such vocations as Auto, HVAC, Dental, and Pharmaceutical services. IEC's campuses are located throughout California. Upon information and belief, IEC and its subsidiaries employ hundreds of non-exempt individuals in California in various positions, including but not limited to administrative, admissions, education (instructors), compliance, career services, human resources, payroll, marketing, security and other non-exempt positions.

On information and belief, IEC's company headquarters are located at 16485 Laguna Canyon, Suite 300 Irvine CA 92618. IEC maintains a centralized Human Resources (HR) department at their headquarters in Irvine, California, for all non-exempt, hourly-paid employees working for IEC and its subsidiaries in California, including Mr. Mateos and other aggrieved employees. At all relevant times, IEC issued and maintained uniform, standardized practices Mr. Mateos and other aggrieved employees, regardless of their location or position.

Upon information and belief, IEC maintains a centralized Payroll department at their company headquarters in Irvine, California, which processes payroll for all non-exempt, hourly paid employees working for IEC in California, including Mr. Mateos and other aggrieved employees. Further, IEC issues the same uniform and formatted wage statements to all non-exempt, hourly employees in California, irrespective of their location, position, or manner in which each employee's employment ended. IEC's centralized Payroll department processed payroll for non-exempt, hourly paid employees in the same manner throughout California. In other words, IEC utilized the same methods and formulas when calculating wages due to Mr. Mateos and other aggrieved employees in California.

Violation of California Labor Code §§ 510 and 1198

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission ("IWC") Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1.5) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for

employment paid to, or on behalf of, the employee, including non-discretionary bonuses and incentive pay.

IEC willfully failed to pay all overtime wages owed to Mr. Mateos and other aggrieved employees. During the relevant time period, Mr. Mateos and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

IEC has, on a company-wide basis, understaffed its campuses and company headquarters and fails to provide adequate meal break coverage to permit aggrieved employees to take compliant meal periods. Because IEC understaffed its job sites, including its headquarters there was no one available to relieve administrative personnel, instructors, security personnel and other aggrieved employees needing meal break coverage.

Mr. Mateos and other aggrieved employees were often interrupted during meal periods and required to stop eating and respond to whatever work issue had occurred or incoming student, instructor, visitor had entered.

IEC has also discouraged and impeded Mr. Mateos and other aggrieved employees from taking meal periods by, on a company-wide basis, failing to schedule meal periods, even though it is aware and knows that employees are entitled to such meal periods. As a result of this company-wide failure to schedule meal periods, Mr. Mateos and other aggrieved employees were not permitted and authorized to take uninterrupted 30-minute meal periods during their shifts in which they were entitled to receive a meal period. IEC also systematically, and on a company-wide basis, did not schedule second meal periods and had no policy for permitting and authorizing Mr. Mateos and other aggrieved employees to take second 30-minute meal periods on those days that they worked in excess of 10 hours in one day. Mr. Mateos sometimes worked more than 10 days per day (or more), but did not receive a second uninterrupted 30-minute meal period on those days. Mr. Mateos and other aggrieved employees did not sign valid meal break waivers on days that they were entitled to meal periods but were not relieved of all duties.

IEC knew that, as a result of its policies, Mr. Mateos and other aggrieved employees were performing some of their assigned duties during meal periods and/or off-the-clock, and were suffered or permitted to perform work for which they were not paid. Under information and belief, IEC a regularly been party to individual claims made by non-exempt employees for overtime and for compensation for missed meal breaks.

IEC also knew, or should have known, that it did not compensate Mr. Mateos and other aggrieved employees applicable overtime rates of pay for overtime hours that they worked. Because Mr. Mateos and other aggrieved employees regularly worked shifts of eight (8) hours a day or more or forty (40) hours a week or more, some of this off-the-

clock work performed during unpaid meal periods qualified for overtime premium pay. Therefore, Mr. Mateos and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked. IEC's failure to pay Mr. Mateos and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198.

Furthermore, IEC did not pay other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, IEC paid other aggrieved employees incentive pay and/or nondiscretionary bonuses.

However, in violation of the California Labor Code, IEC failed to incorporate all remunerations, including incentive pay and/or nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when other aggrieved employees worked overtime and received incentive pay and/or nondiscretionary bonuses, IEC failed to pay all overtime wages by paying a lower overtime rate than required.

Mr. Mateos and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558, 1194, and/or 2699(a), (f)-(g).

Violation of California Labor Code §§1182.12, 1194, 1197, 1197.1, and 1198

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined by the applicable wage order 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."

As set forth above, due to IEC's staffing practices and resultant lack of meal break coverage, Mr. Mateos and other aggrieved employees were forced to forego meal periods and/or have their meal periods interrupted by work or delayed by work, and were not relieved of all duties for unpaid meal periods, in order to attend to the needs of students, instructors, visitors and others. In addition, IEC systematically failed to pay Mr. Mateos and other aggrieved employees for actual hours worked during unpaid meal periods because these hours were not always correctly recorded.

Furthermore, as stated, due to IEC's company-wide practices and/or policies of not paying for overtime, Mr. Mateos and other aggrieved employees were forced to work off-the-clock and/or during unpaid meal periods. In addition, IEC's company-wide practice and/or policy requiring that aggrieved employees employed as security officers keep their radios on their person during meal periods further prevented certain aggrieved employees from being relieved of their duties during meal periods.

IEC also required Mr. Mateos and other aggrieved employees to work during their second 30-minute unpaid meal periods due to IEC's systemic and company-wide failure to schedule second meal periods for its employees. IEC did not pay at least minimum wages for off-the-clock hours that qualified for overtime premium payment. To the extent that these off-the-clock hours did not qualify for overtime premium payment, IEC did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Accordingly, IEC regularly failed to pay at least minimum wages to Mr. Mateos and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Mr. Mateos and other aggrieved employees are therefore entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558, 1194, 1197.1 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§226.7, 512(a), and 1198

California Labor Code sections 226.7, 512(a) and 1198 and the applicable IWC Wage Order require employers to provide meal and rest breaks and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (Cal. 2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal break of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and it all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof' unless the total daily work time is less than three and one-half (3.5) hours.

As mentioned above, IEC's company-wide understaffing of job sites and failure to schedule meal periods, prevented Mr. Mateos and other aggrieved employees from taking compliant meal periods. As a result of these practices and/or policies, Mr. Mateos and other aggrieved employees were frequently required to continue to perform their duties without being able to take a timely, compliant meal period. Thus, Mr. Mateos and other aggrieved employees had to work through part or all of their meal periods, have their meal periods interrupted, and/or wait extended periods of time before taking meal periods. For example, within the relevant time period, Mr. Mateos frequently worked more than five (5) hours, and often more than six (6) hours, without being relieved of his duties to take a meal period. Furthermore, IEC did not provide Mr. Mateos and other aggrieved employees with second 30-minute meal periods on days that they worked in excess of 10 hours in one day. As stated, Mr. Mateos sometimes worked more than 10 hour shifts without being permitted or authorized to take a second 30-minute meal period. IEC often required its employees to continue working and failed to provide meal period coverage for employees, thereby preventing them from taking timely, uninterrupted meal periods to which they were entitled.

Additionally, IEC systematically and on a company-wide basis required Mr. Mateos and other aggrieved employees to always record meal breaks in their time sheets, even when meal breaks were never taken, or were late, short, and/or interrupted. As a result, 30-minute meal periods were deducted from Mr. Mateos's and other aggrieved employees' time records for hours they actually spent working.

Further, Labor Code section 1198 and the applicable wage order require that employers record meal periods. IEC violated Labor Code section 1198 and the applicable wage order insofar as IEC failed to record when Mr. Mateos and other aggrieved employees took meal periods, to the extent they were authorized and permitted to do so. Instead, as stated, IEC required employees to record meal periods in their time sheets, even if they did not actually take meal periods, without accurately recording actual meal period start and end times. As also stated, IEC had a company-wide policy and/or practice of failing to schedule meal periods for employees; as a result, Mr. Mateos and other aggrieved employees were not relieved of their duties and had to continue to work without taking timely, compliant meal periods.

At all times herein mentioned, IEC knew or should have known that as a result of these policies, Mr. Mateos and other aggrieved employees were prevented from being relieved of all duties and required to perform some of their assigned duties during meal periods and that IEC did not pay other aggrieved employees meal period premium wages when they were interrupted. Mr. Mateos and other aggrieved employees did not sign valid meal break waivers on days that they were entitled to meal periods and were not relieved of all duties.

As with meal periods, IEC's scheduling policies and practices, or lack thereof, prevented Mr. Mateos and other aggrieved employees from being relieved of all duties in

order to take compliant rest periods. IEC similarly did not schedule rest periods for employees. IEC management would provide no coverage for employees to take their scheduled rest periods. As a result, Mr. Mateos and other aggrieved employees would sometimes work shifts in excess of 6 hours and in excess of 10 hours without receiving all uninterrupted ten (10) minute rest periods to which they were entitled. Because of this practice and/or policy, Mr. Mateos and other aggrieved employees have not received premium pay for missed meal and/or rest periods. Alternatively, to the extent that IEC did pay meal and/or rest period premium wages to other aggrieved employees, it did so at the incorrect rates. Because IEC did not properly calculate other aggrieved employees' regular rates of pay by including all remunerations, such as nondiscretionary bonuses and/or incentive pay, any premiums paid for meal or rest period violations were also paid at an incorrect rate and resulted in an underpayment of meal and/or rest period premium wages.

Accordingly, IEC failed to provide all meal and rest periods in violation of California Labor Code sections 226.7, 512, and 1198. Mr. Mateos and other aggrieved employees are therefore entitled to penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and 2699(f)-(g).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. IEC has not provided Mr. Mateos and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wages statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or \$50.00 for the initial pay period in which violations occurs and \$100 per employee for each violation in an subsequent pay period, not to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1 ,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, IEC has knowingly and intentionally provided Mr. Mateos and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. Specifically, IEC violated sections 226(a)(1), 226(a)(5), 226(a)(8), and 226(a)(9). Because IEC deducted time from Mr. Mateos's and other aggrieved employees' records for meal periods they did not actually take (and therefore time for which they should have been paid), and did not accurately record the time Mr. Mateos's and other aggrieved employees spent working, IEC did not list the correct amount of gross wages earned by Mr. Mateos and other aggrieved employees in compliance with section 226(a)(1). For the same reason, IEC failed to list the correct amount of net wages earned

by Mr. Mateos and other non-party aggrieved employees in violation of section 226(a)(5).

The wage statement deficiencies include, among other things, failing to list total hours worked by employees; failing to list all applicable hourly rates in effect during the pay period, including overtime rates of pay, and the corresponding number of hours worked at each hourly rate.

California Labor Code section 1174(d) provides that "[e]very person employing labor in this state shall ... [k]eep a record showing the names and addresses of all employees employed and the ages of all minors" and "[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments ..." Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), IEC willfully failed to maintain accurate payroll records for Mr. Mateos and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Orders. Section 1198 further provides that "[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful." Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, IEC failed, on a company-wide basis, to keep accurate records of work period and meal period start and stop times for Mr. Mateos and other aggrieved employees in violation of section 1198. IEC engaged in a practice of instructing employees to record a 30-minute period for first meal periods regardless of whether employees actually took such a break. Furthermore, in light of IEC's failure to provide Mr. Mateos and other aggrieved employees with second 30-minute meal periods to which they were entitled, IEC kept no records of meal start and end times for second meal periods. Moreover, IEC kept no records of time spent by Mr. Mateos and other aggrieved employees performing work off the clock.

Because IEC failed to provide the accurate number of total hours worked on wage statements, Mr. Mateos and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine

whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Mr. Mateos and other aggrieved employees are entitled to recover penalties, attorney's fees, costs, and interest thereon pursuant to Labor Code sections 226(e), 226.3, 1174.5, and/or 2699(a), (f)-(g).

Violation of California Labor Code § 204

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, IEC failed to pay Mr. Mateos and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, meal and rest period premium wages, and reporting time pay, within any time period specified by California Labor Code section 204.

Mr. Mateos and aggrieved employees are entitled to recover penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 201, 202, and 203

California Labor Code sections 201, 202, and 203 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (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.

For example, although technically still an employee, Mr. Mateos physically separated for military leave on or about September 5, 2017. However, Mr. Mateos did

not receive his all of wages due. Thus, IEC failed to pay Mr. Mateos his final wages immediately, in violation of Labor Code section 203.

IEC willfully failed to pay Mr. Mateos and other aggrieved employees who are no longer employed by IEC all their earned wages, including, but not limited to, overtime wages, minimum wages, meal and rest period premium wages, and reporting time pay, either at the time of discharge, or within seventy-two (72) hours of their leaving IEC's employ in violation of California Labor Code sections 201, 202, and 203.

Mr. Mateos and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code section 2699(a), (f)-(g).

Violation of California Labor Code § 1198

California Labor Code section 1198 dictates that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC wage order. California Labor Code section 1198 further requires that ". . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful."

California Code of Regulations, Title 8, section 11040(5)(A) provides that "[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage." IEC violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11040(5)(A), because IEC failed to pay Mr. Mateos and other aggrieved employees reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the regular schedule. Occasionally, Mr. Mateos and other aggrieved employees would report to work based on the schedule IEC provided to them but would either immediately be sent home or would be sent home before having worked half of their scheduled shift because the arena was sparsely occupied. When this occurred, IEC did not pay Mr. Mateos and other aggrieved employees for at least half of their scheduled day's work (reporting time pay) in violation of California Labor Code section 1198. Mr. Mateos and other aggrieved employees are therefore entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code section 2699(a), (f)-(g).

Violation of California Labor code §2802

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order provides that: "[when tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft."

During the relevant time period, IEC, on a company-wide basis, required that Mr. Mateos and other aggrieved employees purchase their own personal supplies to carry out their job duties, but IEC failed to reimburse them for the costs of their supplies. For example, Mr. Mateos was required to drive his vehicle on occasion for the company without reimbursement.

IEC had, and continues to have, a company-wide policy and/or practice of not reimbursing non-exempt employees for expenses necessarily incurred. IEC's policy and/or practice of passing its operating costs on to Mr. Mateos and other aggrieved employees is in violation of California Labor Code section 2802. Mr. Mateos and other aggrieved employees are entitled to recover penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code section 2699(f)-(g).

Violation of California Labor Code § 2810.S(a)(1){A)-(C)

California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claimed as part of the minimum wage, including meal or lodging allowances. Effective January 1, 2015, an employer's written notice pursuant to section 2810.5 must also include a statement that the employee may accrue and use sick leave; has a right to request and use accrued paid sick leave; may not be terminated or retaliated against for using or requesting the use of accrued paid sick leave; and has the right to file a complaint against an employer who retaliates.

IEC failed to provide aggrieved employees written notice that lists all the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). IEC's failure to provide other aggrieved employees with written notice of basic information regarding their employment with IEC is in violation of Labor Code section 2810.5. Mr. Mateos and other aggrieved employees are therefore entitled to recover penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code section 2699(a), (f)-(g).

California Labor code §558(a)

California Labor Code section 558(a) provides "[a]ny 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." Labor Code section 558(c) provides that "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." IEC, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Ms. Amara's and other aggrieved employees' rights by violating various sections of the California Labor Code.

Accordingly, Mr. Mateos seeks the remedies set forth in Labor Code section 558 for himself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a) and 2699.3(c), 2699.5 and 558, Mr. Mateos, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for herself, all other aggrieved employees, and the State of California against IEC for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5. Therefore, on behalf of all aggrieved employees, Mr. Mateos seeks all applicable penalties related to these violations of the California Labor Code pursuant to PAGA.

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Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Richard E. Donahoo
Donahoo & Associates, PC
440 West 1st Street, Suite 101
Tustin, California 92780
714-955-5815
rdonahoo@donahoo.com

Very Truly Yours,

DONAHOO & ASSOCIATES, PC

A handwritten signature in black ink, appearing to read 'Richard E. Donahoo', written over the printed name of the firm.

Richard E. Donahoo

RED:ku

Copy: IEC Corporation
(via U.S. Certified Mail)

PROOF OF SERVICE
Code Civ. Proc. § 1013a(3)

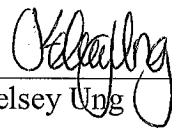
I am employed in the County of Orange, State of California. I am over the age of 18 and not a party to the within action. My business address is 440 West First Street, Suite 101, Tustin, California 92780.

On January 14, 2019, I served the foregoing document described as **CONSOLIDATED AMENDED COMPLAINT FOR ENFORCEMENT UNDER THE PRIVATE ATTORNEYS GENERAL ACT, CALIFORNIA LABOR CODE §§2698 ET SEQ. [PAGA]** on the interested parties in this action by placing a true copy thereof in a sealed envelope addressed to the parties listed on the attached service list.

- (X) BY MAIL: I am "readily familiar" with the firm's practice of collection and processing mail. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Tustin, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.
- () BY FACSIMILE: I transmitted a true copy from facsimile number (714) 953-1777 to the facsimile numbers listed on the attached service listed.. Upon completion of transmission there were no errors reported.
- () BY ELECTRONIC TRANSMISSION: I transmitted a true copy via electronic mail to the addresses listed on the attached service list.
- () BY NEXT-DAY DELIVERY: Causing overnight delivery of the document(s) listed herein via **ONTRAC OVERNIGHT**, to the address (es) set forth on the attached service list.

Julie R. Trotter Jeffrey M. David Call & Jensen 610 Newport Center Drive, Suite 700 Newport Beach, CA 92660 (949) 717-3000 (949) 717-3100 (fax) jtrotter@calljensen.com j david@calljensen.com	Attorneys for Defendant IEC CORPORATION WHICH WILL DO BUSINESS IN CALIFORNIA AS INTERNATIONAL EDUCATION CORPORATION
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Executed on January 14, 2019, at Tustin, California. I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.



Kelsey Ung