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11  
12 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
13 **FOR THE COUNTY OF ORANGE**

14 Judge Peter Wilson

15 Case No: . 30-2019-01116850-CU-OE-CXC

16 KATHLEEN GRACE, THOMAS BRAY, )  
17 REGINA DELGADO, ALICIA GRIJALVA, )  
18 JAVIER TERRAZAS, and all others similarly )  
situated, )

19 Plaintiffs, )

20 v. )

21 THE WALT DISNEY COMPANY, WALT )  
22 DISNEY PARKS AND RESORTS, US INC., )  
23 SODEXO, INC., SODEXOMAGIC, LLC and )  
Does 1-100, )

24 Defendants. )  
25 )  
26 )  
27 )

**CLASS ACTION COMPLAINT FOR DAMAGES, INJUNCTIVE AND DECLARATORY RELIEF**

- 1. Violation of Anaheim Living Wage Ordinance ('LWO') Anaheim Municipal Code, Chapter 6.99
- 2. Violation of Labor Code § 203 (Waiting Time Penalties)
- 3. Unfair Business Practices in Violation of Business and Professions Code § 17200 *et seq.*
- 4. Violation of Labor Code Sections 510, 1194 & 1198 (Overtime Wages)
- 5. Private Attorneys General Act, Representative Action for Civil Penalties, Labor Code § 2698 *et seq.*

**JURY TRIAL DEMANDED**

1 On behalf of themselves and all others similarly situated, and on behalf of the general public,  
2 plaintiffs KATHLEEN GRACE, THOMAS BRAY, REGINA DELGADO, ALICIA GRIJALVA and  
3 JAVIER TERRAZAS (“Plaintiffs”), bring this action against Defendants THE WALT DISNEY  
4 COMPANY and WALT DISNEY PARKS AND RESORTS, US INC. ( collectively, “Disney” or  
5 “Disney Defendants”), Defendants SODEXO, INC. and SODEXOMAGIC, LLC (collectively,  
6 “Sodexo” or “Sodexo Defendants”), and Does 1-100, inclusive (collectively, “Defendants”), for: back  
7 wages, restitution, liquidated damages, penalties, interest, declaratory and injunctive relief, costs and  
8 attorneys’ fees resulting from Defendants’ unlawful conduct and unfair business practices, and as  
9 grounds therefore allege:

### 10 **INTRODUCTION**

11 1. Plaintiffs seek relief for themselves and the Plaintiff Class to remedy Defendants’ failure  
12 to compensate them in accordance with Anaheim’s Living Wage Ordinance, Anaheim Municipal Code  
13 Chapter 6.99 (“Living Wage Ordinance” or “Chapter 6.99”), enacted by initiative as Measure L in  
14 November, 2018, which became effective on December 4, 2018. The Living Wage Ordinance requires  
15 all businesses in the hospitality industry in the Anaheim Resort and the Disneyland Resort who benefit  
16 from subsidies received from the City of Anaheim to pay their employees at least \$15 an hour effective  
17 January 1, 2019. Disney Defendants have not complied with the Living Wage Ordinance for Plaintiffs  
18 and the Plaintiff Class despite being the recipient of massive subsidies from Anaheim in the form of tax  
19 rebates. Sodexo Defendants, subcontractors and/or lessees of Disney, have also failed to comply with  
20 the Living Wage Ordinance despite being beneficiaries of the city subsidies.

21 2. The City of Anaheim gave Disney over \$200 million dollars to help finance the  
22 construction of California Adventure and a parking garage to serve the new park. Disney had total  
23 discretion and control of this money, including the selection of architects, engineers and contractors for  
24 the work. The parking garage is on Disney property. Disney operates it and keeps all the revenues.  
25 When all of the construction costs are paid back, Disney will own the garage free and clear.

26 3. All this was paid for with what Disney would have otherwise paid in taxes. The money  
27 Anaheim gave Disney was raised by the issuance of municipal bonds. The bonds are repaid with and  
28 secured by Disney taxes. Instead of going to the City for general purposes, almost all of Disney’s

1 transient occupancy, sales and real property taxes go to payments on the bonds, which will not be paid  
2 off until 2036. Disney got a rebate of the best kind: it got its taxes back before it paid them.

3 4. In order to further secure the bonds to make them attractive to buyers, the bonds are  
4 supported by a Disney Credit Enhancement. Under this provision, Disney is obligated to make up any  
5 shortfall between bond payments that are due and Disney's taxes that are dedicated to the bonds. If this  
6 happens, the City is obligated to pay Disney back by rebating Disney's taxes, including the taxes that  
7 Disney pays after the bonds have been retired. Despite meeting all of the conditions for coverage under  
8 Chapter 6.99, including particularly benefitting from a city subsidy, Defendants have failed to comply  
9 with Chapter 6.99 for Plaintiffs and Plaintiff Class. As a consequence, it has also failed to pay overtime  
10 compensation at the proper rate and has failed to pay full compensation for all hours worked at the time  
11 when certain members of the Plaintiff Class terminated their employment.

12 5. Plaintiffs seek relief for themselves and the Plaintiff Class to remedy these violations.  
13 Plaintiffs and the Plaintiff Class also seek equitable remedies in the form of restitution pursuant to  
14 Business & Professions Code Section 7200 and the common law. In addition, Plaintiffs seek civil  
15 penalties on behalf of themselves and other aggrieved employees pursuant to the Private Attorneys  
16 General Act ("PAGA"), Labor Code Section 2698, *et seq.*

17 **PARTIES**

18 6. Plaintiffs Kathleen Grace, Thomas Bray, and Javier Terrazas reside in Orange County,  
19 California, and they are citizens of California.

20 7. Plaintiff Alicia Grijalva resides in Los Angeles County, California, and she is a citizen of  
21 California.

22 8. Plaintiff Regina Delgado resides in San Bernardino County, California, and she is a  
23 citizen of California.

24 9. Each of the Plaintiffs, all aggrieved employees, and all members of the Plaintiff Class as  
25 defined below are, were, or will be employed by Defendants, within the State of California during the  
26 relevant statutory period.

27 10. Plaintiffs bring their claims on behalf of a class ("Plaintiff Class") which consists of all  
28 nonexempt current, former, and future individuals employed by Defendants in Disney theme park and

1 hotels in Anaheim, California, who reside in California. Members of the Plaintiff Class were not  
2 compensated in the amounts required by the Anaheim Municipal Code, California Labor Code, and  
3 California Business & Professions Code.

4 11. Plaintiffs also bring this action on behalf of themselves, the general public, and all others  
5 similarly situated pursuant to Business and Professions Code § 17200, *et seq.*

6 12. In addition, Plaintiffs seek relief on behalf of themselves and other aggrieved employees  
7 pursuant to Labor Code § 2698, *et seq.*

8 13. Defendant The Walt Disney Company is incorporated in Delaware and its principal place  
9 of business is in Los Angeles County, California.

10 14. Defendant Walt Disney Parks and Resorts U.S., Inc. is incorporated in Delaware and its  
11 principal place of business is in Florida.

12 15. Defendants The Walt Disney Company and Walt Disney Parks and Resorts U.S., Inc.  
13 (collectively “Disney” or “Disney Defendants”) conduct business within the County of Orange,  
14 California. On information and belief, Defendant Walt Disney Parks and Resorts U.S., Inc. is a wholly-  
15 owned subsidiary of Defendant The Walt Disney Company. Disney Defendants own and operate the  
16 Disneyland and California Adventure theme parks in the City of Anaheim, California.

17 16. Defendant Sodexo, Inc. is incorporated in Delaware and its principal place of business is  
18 Gaithersburg, Maryland.

19 17. Defendant SodexoMAGIC, LLC is incorporated in Delaware and its principal place of  
20 business is Gaithersburg, Maryland.

21 18. Defendant Sodexo, Inc., and Defendant SodexoMAGIC, LLC (collectively “Sodexo” or  
22 “Sodexo Defendants”) conduct business within the County of Orange, California. On information and  
23 belief, SodexoMAGIC, LLC is a joint venture between Sodexo, Inc. and Magic Johnson Enterprises.  
24 Sodexo Defendants own and/or operate food service establishments, including the Starbucks store, in the  
25 Disneyland and California Adventure theme parks located in the City of Anaheim, California.

26 19. Sodexo Defendants are subcontractors and/or lessees of Disney Defendants and own or  
27 operate food service establishments at the Disneyland and California Adventure theme parks in the City  
28 of Anaheim, California, including the Starbucks store at the Disneyland theme park.



1 federal and state-mandated minimum wage rates. Section 6.99.010.020 provides:

2 On and after January 1, 2019, an Employer shall pay a wage of no less than Fifteen Dollars per  
3 hour, which shall increase by One Dollar per hour on each January 1 thereafter through January  
4 1, 2022.

5 Starting in 2023, the minimum wage rate increases according to a formula based on the increase in the  
6 cost of living. Section 6.99.070.030.

7 25. Not all employers in the City of Anaheim are subject to this law. Chapter 6.99 has a  
8 series of definitions to determine which employers are covered. The central definition is of the key term  
9 “Employer” in Section 6.99.070.060:

10 "*Employer*" means any business in the hospitality industry which benefits from a City Subsidy  
11 and directly or indirectly or through an agent or any other person, including through the services  
12 of a temporary service or staffing agency or similar entity, employs or exercises control over the  
13 wages, hours or working conditions of 25 or more employees.

14 26. To fall within the definition of “Employer”, an enterprise must meet several tests.

15 (A) The first is whether it is a “business.” Section 6.99.070.010 provides, “‘*Business*’ means  
16 any for-profit enterprise operated by one or more persons.”

17 (B) The business must be in the hospitality industry. Section 6.99.070.100 defines this term to  
18 mean “a hotel, motel, amusement or theme park, or a restaurant, snack bar, bar, tavern, lounge,  
19 club or other venue offering food or beverages which is within or adjacent to a hotel, motel or  
20 amusement or theme park, or a retail store which is within or adjacent to a hotel, motel or  
21 amusement or theme park, located in whole or in part within The Anaheim Resort as established  
22 under Chapter 18.116 or the Disneyland Resort as established under Chapter 18.114.”

23 (C) It must also benefit from a City subsidy. Section 6.99.070.040 provides that a “business  
24 ‘*benefits from a City Subsidy*’ if the person or an affiliate of the person receives a City Subsidy  
25 directly or is an Employer which is a contractor or subcontractor, lessee or sublessee, or tenant or  
26 subtenant, with respect to a person or an affiliate of a person who receives a City Subsidy.”

27 (D) A “*City Subsidy*” is defined in Section 6.99.070.030 as “any agreement with the city  
28 pursuant to which a person other than the city has a right to receive a rebate of transient

1 occupancy tax, sales tax, entertainment tax, property tax or other taxes, presently or in the future,  
2 matured or unmatured.”

3 (E) Finally, it must employ or exercise control over the wages, hours or working conditions of 25  
4 or more employees.

### 5 **FACTUAL ALLEGATIONS**

6 27. Throughout the relevant statutory period, Plaintiffs and all members of the Plaintiff Class  
7 are and/or were nonexempt employees of Defendants and residents of California, entitled to all of the  
8 protections afforded to nonexempt employees under the Living Wage Ordinance and the California  
9 Labor Code (Labor Code).

10 28. At relevant times Defendants failed to pay Plaintiffs in accordance with requirements of  
11 the Living Wage Ordinance and failed to comply with other requirements of those statutes as alleged  
12 herein.

13 29. Plaintiffs allege that at all times material herein, Defendants have been aware of the  
14 Anaheim municipal law requiring payment of a living wage, and have nevertheless engaged in  
15 widespread and flagrant violations of these laws.

16 30. Disney Defendants come within the definition of Employer under the Living Wage  
17 Ordinance. Disney is a for-profit business which owns and operates the Disneyland and California  
18 Adventure theme parks, both located in the Disneyland Resort as established under Anaheim Municipal  
19 Code Chapter 18.114. Disneyland and California Adventure are amusement or theme parks, which  
20 include restaurants, snack bars, bars, taverns, lounges, clubs and other venues offering food and  
21 beverages and retail stores. Disney benefits from a City Subsidy because it has the right to receive  
22 rebates of transient occupancy taxes, sales taxes and property taxes now and in the future, both matured  
23 and unmatured, as a result of a series of agreements with the City of Anaheim in 1996, which are still in  
24 effect, under which over \$500 million dollars in these taxes is rebated to Defendant to finance part of the  
25 cost of Defendant’s development of California Adventure (“1996 Agreement”), as alleged more  
26 specifically below.

27 31. Sodexo Defendants come within the definition of Employer under the Living Wage  
28 Ordinance as subcontractors and/or lessees of Disney who have similarly failed to comply with the

1 Living Wage Ordinance despite being beneficiaries of the city subsidies.

2 32. In late 1996, the City of Anaheim, the Anaheim Public Authority (“Authority”), Walt  
3 Disney World Co. and The Walt Disney Company entered into an “Infrastructure Parking Finance  
4 Agreement.” The City and Walt Disney World Co. also entered into a “Development Agreement.”  
5 These are referred to collectively as the “1996 Agreements” in the following paragraphs of this  
6 Complaint.

7 33. The purpose of the 1996 Agreements is to “provide for The Disneyland Resort Project”  
8 and the expansion of the Anaheim Convention Center as well as enhancing the visual appearance and  
9 improving the operation of public services in the Anaheim Resort.

10 34. “The Disneyland Resort Project” means Theme Parks, Hotel Rooms, and Retail, Dining  
11 and Entertainment Uses on the Disney Property (defined as all of Disneyland, California Adventure and  
12 “Strawberry Fields,” parcels of real property on Katella Avenue expected to eventually become another  
13 theme park).

14 35. “Disney Property” was defined as the entirety of Disneyland and California Adventure as  
15 well as the “Strawberry Fields” segment.

16 36. The deal was structured as follows: the Authority issued bonds to raise \$395 million in  
17 financing. The Authority leased the Convention Center and other properties (not including any of the  
18 Disney Property) to the City. The City pays Disney tax revenues to the Authority as lease payments and  
19 the Authority then uses these revenues for bond payments. Walt Disney World Co. and the Walt Disney  
20 Company were both expressly acknowledged to be third party beneficiaries of the lease.

21 37. The revenues used to make the lease payments are the entire transient occupancy tax  
22 (“TOT”) increment for all of the then-existing Disneyland hotels, plus the 750 rooms anticipated for the  
23 Grand California Hotel, plus 250 more rooms (the “Supplemental Future Hotel Rooms”); the entire  
24 incremental sales tax for all of Disneyland and California Adventure; and the entire incremental property  
25 tax for all of Disneyland, California Adventure and "Strawberry Fields." In each case, the increment is  
26 the amount above a 1996 baseline and for the TOT and sales tax, the baseline increases by the Consumer  
27 Price Index but no less than 2% per year.

28 38. There is a cap: the lease payments do not include TOT on rooms over the 1000 additional



1 rooms, and sales tax for more than 400,000 square feet of Retail, Dining and Entertainment uses  
2 (defined as such uses “outside of the admission gate,” which means Downtown Disney a retail and  
3 restaurant zone on Disney Property). If Downtown Disney were to exceed 400,000 square feet, then  
4 sales tax on the excess would not be part of the lease payment stream. But all of the increment in sales  
5 tax on sales inside the theme parks would still go to the lease payments.

6 39. The debt service on the classes of bonds used to finance California Adventure and the  
7 parking garage was to increase to match the expected revenues. In other words, as prices increase, taxes  
8 increase and the amounts available for lease payments increase.

9 40. Three percent of TOT for the entire City of Anaheim (except the Disney hotels) also goes  
10 to the lease payments. This is where the money for the Convention Center improvements comes from,  
11 with the result that Disney is only paying for the California Adventure and the parking garage and every  
12 other hotel and motel is paying for the Convention Center.

13 41. The 1996 Agreements acknowledged that the ability of the Authority to pay debt service  
14 on the bonds “will depend, in part, upon the timely completion and opening” of California Adventure.  
15 Disney was not required to proceed with California Adventure unless the bonds were issued and the  
16 proceeds met the target.

17 42. The 1996 Agreements also provided that the City could exercise its eminent domain  
18 powers to secure land for either its own improvements or California Adventure. Disney was required to  
19 pay for any land the City gave it, but only from its tax-financed account of bond proceeds.

20 43. A condition for the entire arrangement was that the Anaheim electorate approve Measure  
21 B, which allowed Anaheim to keep TOT at 15%. The “impartial analysis” of Measure B by then-City  
22 Attorney Jack White was disingenuous because it stated that the taxes “are used for a variety of general  
23 governmental services, programs and capital improvements,” giving “police and fire services, as well as  
24 the convention center and libraries, and repair of local streets and roads” as examples. No reference was  
25 made to the planned diversion of the Disney TOT increment to the development of California Adventure  
26 and the new Disney parking garage.

27 44. The bond proceeds were divided up into separate accounts. The City had one account to  
28 be used for improvements on public property around California Adventure and the Convention Center

1 expansion. Disney had the other account, for California Adventure and the parking garage. The bond  
2 proceeds could not be used for any other purpose. Disney had investment discretion over its account  
3 and gave instructions directly to the bond Trustee for disbursements to itself, without going through the  
4 City. Disney was paid directly by the Trustee from the construction account for Disney improvements,  
5 after Disney submitted requisitions meeting certain requirements. No City approval or involvement was  
6 called for.

7 45. The obligations on the bonds were secured by the lease payments (the tax revenues) and  
8 the Disney Credit Enhancement. The “Disney Credit Enhancement” is defined as “the agreement  
9 between The Walt Disney Company and the Municipal Bond Insurer for the Subordinate Lien Bonds  
10 with respect to the payment of Principal Installments or interest on the Subordinate Lien Bonds,” which  
11 were just the classes of bonds used to finance California Adventure and the parking garage. Disney is  
12 obligated to make up any shortfall between bond payments that are due and Disney’s taxes that are  
13 dedicated to the bonds. The Disney Credit Enhancement must remain in place for the term of bonds.

14 46. The lease payments from the City to the Authority, derived exclusively from Disney  
15 taxes, are also to be used to reimburse the Disney for any unreimbursed amounts advanced pursuant to  
16 the Disney Credit Enhancement. The bond Trustee maintains a Reimbursement Fund to reimburse  
17 Disney for amounts paid under the Disney Credit Enhancement. If Disney has to pay out anything under  
18 the Disney Credit Enhancement and it is not reimbursed by the end of the term of the bonds, then the  
19 tax-based lease payments must be continued for up to 10 additional years in order for Disney to be paid  
20 in full.

21 47. The California Adventure Parking Garage is on property owned by Disney, leased to the  
22 Authority, and then leased back to Disney. Disney operates garage and retains all the revenues from the  
23 garage except those from identifiable Convention Center guests.

24 48. The California Adventure Parking Garage is reserved for Disney’s use during holidays  
25 and other peak periods. The City’s use of the California Adventure Parking Garage started at 1000  
26 spaces out of a projected 7500. This could be increased by agreement between Disney and the City but  
27 if the City’s use increased to 2500, then the number of days Disney would have exclusive use of the  
28 garage (in addition to holidays) would increase from 20 to 45.



1 protections required by law are typical of the unlawful practices that have and will continue to operate to  
2 deny other class members the compensation and benefits to which they are entitled.

3 56. Common Questions of Law and Fact. This case poses common questions of law and fact  
4 affecting the rights of all class members, including but not limited to: Whether the following  
5 compensation policies and practices are unlawful under the Living Wage Ordinance, California Labor  
6 Code and/or IWC Wage Orders:

- 7 A. Failure to pay employees a “living wage,” as required by the Anaheim Living  
Wage Ordinance (‘LWO’) Anaheim Municipal Code, Chapter 6.99;
- 8 B. Failure to pay employees wages for overtime hours worked at a rate in  
9 compliance with the LWO;
- 10 C. Failure to pay waiting time penalties, as required by Labor Code § 203;
- 11 D. What relief is necessary to remedy Defendants’ unfair and unlawful conduct as  
herein alleged; and
- 12 E. Other questions of law and fact.

13 57. Adequacy of Class Representation. The Class Representatives can adequately and fairly  
14 represent the interests of the Plaintiff Class as defined above, because their individual interests are  
15 consistent with, not antagonistic to, the interests of the class.

16 58. Adequacy of Counsel for the Class. Counsel for Plaintiffs possess the requisite resources  
17 and ability to prosecute this case as a class action and are experienced labor and employment attorneys  
18 who have successfully litigated other cases involving similar issues.

19 59. Propriety of Class Action Mechanism. Class certification is appropriate because  
20 Defendants have implemented a scheme which is generally applicable to the Plaintiff Class, making it  
21 appropriate to issue final injunctive relief and corresponding declaratory relief with respect to the class  
22 as a whole. Class certification is also appropriate because the common questions of law and fact  
23 predominate over any questions affecting only individual members of the class. Further, the prosecution  
24 of separate actions against Defendants by individual class members would create a risk of inconsistent  
25 or varying adjudications which would establish incompatible standards of conduct for Defendants. For  
26 all these and other reasons, a class action is superior to other available methods for the fair and efficient  
27 adjudication of the controversy set forth in this complaint.

28 ///

1 **ALLEGATIONS OF CLASS REPRESENTATIVES**

2 60. Plaintiffs Kathleen Grace, Thomas Bray, and Javier Terrazas reside in Orange County,  
3 California. Plaintiff Regina Delgado resides in San Bernardino County, California, and Alicia Grijalva  
4 resides in Los Angeles County, California. Plaintiffs and all members of the Plaintiff Class as defined  
5 below are, were, or will be employed by Defendants, within the state of California during the relevant  
6 statutory period.

7 61. Kathleen Grace. Kathleen Grace has been employed by Sodexo Defendants since August  
8 2016. Throughout her employment with Defendants, Ms. Grace has been classified as a nonexempt  
9 employee. She is employed as a barista at the Starbucks store owned and/or operated by Sodexo  
10 Defendants in the Disneyland theme park. Sodexo Defendants have consistently not paid Ms. Grace in  
11 accordance with the applicable living wage law since January 1, 2019. Her hourly wage is \$14.25.

12 62. Thomas Bray. Thomas Bray has been employed by Disney Defendants since March  
13 1988. Throughout his employment with Disney Defendants, Mr. Bray has been classified as a  
14 nonexempt employee. He is a bell person at the Disneyland Hotel. Disney Defendants have  
15 consistently not paid Mr. Bray in accordance with the applicable living wage law since January 1, 2019.  
16 His hourly wage is \$12.25.

17 63. Regina Delgado. Regina Delgado has been employed by Disney Defendants since June  
18 2014. Throughout her employment with Disney Defendants, Ms. Delgado has been classified as a  
19 nonexempt employee. She works as a cashier at the Plaza Inn restaurant inside the Disneyland theme  
20 park. Disney Defendants have consistently not paid Ms. Delgado in accordance with the applicable  
21 living wage law from January 1, 2019 to October 1, 2019. Her hourly wage is \$12.00 until October 1,  
22 2019.

23 64. Alicia Grijalva. Alicia Grijalva has been employed by Disney Defendants since October  
24 2017. Throughout her employment with Disney Defendants, Ms. Delgado has been classified as a  
25 nonexempt employee. She works in the Disneyland theme park as a make-up artist and stylist. Disney  
26 Defendants have consistently not paid Ms. Grijalva in accordance with the applicable living wage law  
27 from January 1, 2019 to July 1, 2019. Her hourly wage is \$12.00 until July 1, 2019.

28 65. Javier Terrazas. Javier Terrazas has been employed by Disney Defendants since

1 September 2011. Throughout his employment with Defendants, Mr. Terrazas has been classified as a  
2 nonexempt employee. He is a banquet event server at the Disneyland Hotel. Disney Defendants have  
3 consistently not paid Mr. Terrazas in accordance with the applicable living wage law since January 1,  
4 2019. His hourly wage is \$12.00.

5 **FIRST CAUSE OF ACTION**  
6 **CLASS ACTION CLAIM FOR FAILURE TO PAY LIVING WAGE**  
7 [Plaintiffs against All Defendants]

8 66. Plaintiffs reallege and incorporate by reference the allegations contained in paragraphs 1  
9 through 65 above.

10 67. At all relevant times, Defendants failed to conform their pay practices to the requirements  
11 of the law as follows: As set forth in Chapter 6.99, employers are required to pay each employee, at a  
12 minimum, \$15 per hour, increasing by \$1 per hour on each January 1 thereafter through January 1, 2022  
13 and thereafter according to a formula based on the increase in the cost of living.

14 68. Defendants, at all times subsequent to the effective date of said ordinance, compensated  
15 members of the Plaintiff Class by paying them lower wages than those required by the ordinance.  
16 Defendants' actions resulted in members of the Plaintiff Class not receiving the compensation required  
17 under the ordinance, and Defendants failed to pay and deduct required payments for Social Security,  
18 Medicare, disability, unemployment insurance taxes, and employment training tax.

19 69. Defendants' actions also resulted in widespread workers' compensation premium fraud,  
20 and deprived employees of employer contributions for their Social Security retirement, unemployment,  
21 and disability benefits.

22 **SECOND CAUSE OF ACTION**  
23 **CLASS ACTION CLAIM FOR FAILURE TO PAY TIMELY WAGES,**  
24 **LABOR CODE SECTION 203**  
25 [Plaintiffs against All Defendants]

26 70. Plaintiffs reallege and incorporate by reference the allegations contained in paragraphs 1  
27 through 69 above.

28 71. At all relevant times, Defendants failed to conform their pay practices to the requirements  
of the law as follows: Members of the Plaintiff Class who resigned or were terminated were not paid the

1 wages due to them at the time they left their employment, including, but not limited to, payments  
2 associated with the company's obligations under the Living Wage Ordinance, entitling them to recover  
3 waiting time penalties equal to up to thirty days' pay pursuant to Labor Code § 203.

4  
5 **THIRD CAUSE OF ACTION**  
6 **UNFAIR BUSINESS PRACTICES**  
7 **IN VIOLATION OF CALIFORNIA BUSINESS AND**  
8 **PROFESSIONS CODE SECTIONS 17200, ET SEQ.**

9 [Plaintiffs against All Defendants]

10 72. Plaintiffs reallege and incorporate by reference the allegations contained in paragraphs 1  
11 through 71 above.

12 73. This claim is brought by the Class Representatives on behalf of themselves, the Plaintiff  
13 Class, and the general public, pursuant to Business and Professions Code §§ 17200, *et seq.*

14 74. Defendants' conduct in failing to pay the living wage to the plaintiffs and class members  
15 constitutes unfair, unlawful, and fraudulent business practices which have been and continue to be  
16 deleterious to Plaintiffs and to those similarly situated and to the general public.

17 75. Business and Professions Code §§ 17200, *et seq.* prohibits unlawful, unfair, and  
18 fraudulent business practices. Plaintiffs seek to enforce important rights affecting the public interest  
19 within the meaning of Code of Civil Procedure § 1021.5.

20 76. Plaintiffs are "persons" within the meaning of Business and Professions Code § 17204,  
21 with standing to bring this suit for injunctive relief, restitution, disgorgement, and other appropriate  
22 equitable relief on behalf of all similarly-situated employees and on behalf of the general public.

23 77. Labor Code § 90.5(a) sets forth the public policy of this State to enforce minimum labor  
24 standards vigorously, to ensure that employees are not required or permitted to work under substandard  
25 and unlawful conditions, and to protect employers who comply with the law from those who attempt to  
26 gain a competitive advantage by failing to comply with minimum labor standards.

27 78. Through the conduct alleged herein, Defendants have acted contrary to these public  
28 policies, have violated specific provisions of the Labor Code, and have engaged in other unlawful and  
unfair business practices in violation of Business and Professions Code §§ 17200, *et seq.*, depriving  
Class Representatives, members of the Plaintiff Class, and other interested persons of rights, benefits,

1 and privileges guaranteed to all employees in California.

2 79. At all times relevant to this action, Defendants have committed unfair and unlawful  
3 business practices within the meaning of Business & Professions Code §§ 17200, *et seq.* by engaging in  
4 conduct which includes, but is not limited to, failing to pay legally-required Living Wage and the failure  
5 to pay all wages owed at the time of termination.

6 80. As a direct and proximate result of these unfair business practices, Defendants have  
7 received and continue to receive funds that rightfully belong to Plaintiffs.

8 81. Plaintiffs are entitled to, and hereby seek such relief as may be necessary to restore to  
9 them the funds of which Plaintiffs have been deprived, by means of Defendants' unlawful and unfair  
10 business practices.

11 82. Pursuant to Business and Professions Code § 17203, injunctive relief is necessary to  
12 prevent Defendants from continuing to engage in unfair business practices as alleged herein.  
13 Defendants, and persons acting in concert with them, have done, are now doing, and will continue to do  
14 or cause to be done, the above-described unlawful acts unless restrained and enjoined by this Court.  
15 Unless the relief prayed for below is granted, a multiplicity of actions will result. Plaintiffs have no  
16 plain, speedy, or adequate remedy at law, in that it is difficult to measure the amount of monetary  
17 damages that would compensate Plaintiffs or the general public for Defendants' wrongful acts. Further,  
18 pecuniary compensation alone would not afford adequate and complete relief. The above-described acts  
19 will cause great and irreparable damage to Plaintiffs and the general public if injunctive relief is not  
20 granted.

21 **FOURTH CAUSE OF ACTION**  
22 **FAILURE TO PAY OVERTIME WAGES,**  
23 **LABOR CODE SECTIONS 510, 1194 & 1198**  
24 **[Plaintiffs against All Defendants]**

25 83. Plaintiffs reallege and incorporate by reference the allegations contained in paragraphs 1  
26 through 82 above.

27 84. At all relevant times, Defendants failed to conform their pay practices to the requirements  
28 of the law as follows:







