4	SAMUEL T. REES (State Bar No. 58099) THOMAS P. BLEAU (State Bar No. 152945) MARTIN R. FOX (State Bar No. 155783) BLEAU FOX A Professional Law Corporation 2801 West Empire Avenue Burbank, CA 91504 Telephone: (818) 748-3434 Facsimile: (818) 748-3436 Attorneys for Plaintiff and the Plaintiff Class	
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10 11	SUPERIOR COURT OF THE	HE STATE OF CALIFORNIA
12		OF ORANGE
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14	SANTIAGO MEDINA, on behalf of himself ) and all others similarly situated, )	Case No. 30-2010-00395208-CU-0E-CXC
15	Plaintiff,	Hon. William Claster Department CX 102
16	vs.	CLASS ACTION
17	EQUILON ENTERPRISES, LLC dba Shell Oil)	SECOND AMENDED COMPLAINT FOR
	Products US, a Delaware Limited Liability (Company; EQUISTAFF, LLC, a Delaware limited liability company; R & M PACIFIC (Company)	LABOR CODE AND UNFAIR COMPETITION LAW VIOLATIONS
20	RIM, INC., a California corporation; and DOE ) 1 through DOE 50, inclusive,	Compl Filed: August 2, 2010 Trial Date: None Set
21	Defendants.	
22	)	
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24	Plaintiff, on behalf of himself and all othe	rs similarly situated, alleges, as follows:
25	INTRODUCTOR	RY ALLEGATION
26		half of himself and on behalf of all other persons
27		s located in the State of California, which stations,
28	as to Equiton Enterprises, LLC ("Shell"), sold on	or after May 20, 2001 motor fuel which was owned
BLEAU FOX	FIRST AMENDED COMPLAINT FOR LABOR COD	1 - E AND UNFAIR COMPETITION LAW VIOLATIONS

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by Shell at the time of the sale to the and which were operated by third parties, including R&M. This is also an action by Plaintiff on behalf of himself, individually, and on behalf of all other persons similarly employed at certain service stations located in the State of California which stations, as to R & M Pacific Rim, Inc. ("R&M") were operated by R&M for others, including Shell. Both groups of service stations are hereinafter collectively referred to as the "Stations." This action seeks relief based upon (i) the misclassification of station employees as "exempt" and denied overtime wages when they worked more than 8 hours in a workday or more than 40 hours in a workweek and denied other benefits afforded to non-exempt employees pursuant to California law and (ii) the denial of statutory "off-duty" meal and rest breaks without additional compensation for all non-exempt employees including those who were misclassified. This action seeks unpaid wages, statutory wage and record keeping penalties, and interest as well as attorneys' fees solely on the overtime claim pursuant to Labor Code § 1194 and not Labor Code § 218.5. This action also seeks restitution, injunctive and other appropriate relief under Business & Professions Code § 17200, et seq. solely for the period May 20, 2001 through May 19, 2002, as to Shell to the extent that the applicable statute of limitations was tolled by the Wales & Johnson Action, defined in Paragraph 13 below, and for the period August 2, 2006 through August 1, 2007 as to R&M and as to Shell to the extent that the applicable statute of limitations as to Shell was not tolled by the Wales & Johnson Action. The purpose of this limitation is to limit the Unfair Competition Law claim to only the one year period beyond the three year statute of limitation period for claims under the *Labor Code*. Additionally, this action seeks rescission of purported releases signed under duress or void or in violation of the

#### THE PARTIES

2. Plaintiff is a resident of Orange County, California.

Labor Code and asserts additional claims applicable to only Plaintiff Medina.

3. Defendant Equilon Enterprises, LLC ("Shell") is a Delaware limited liability company with its principal place of business in Houston, Texas. At all relevant times, Shell has operated under the fictitious name of Shell Oil Products US and is qualified to do business and doing business in California and in Orange County. At all relevant times, Shell was in the business of owning service stations and selling motor fuel to the consuming public.

- 4. Plaintiff is informed and believes and thereon alleges that Defendant C6 Resources LLC was formerly known as Equistaff, LLC is or at all relevant times was a Delaware limited liability company with its principal place of business in Houston Texas; was qualified to do business in California; was doing business in Orange County California; and is or was a wholly owned subsidiary of Shell. Plaintiff is informed and believes and thereon alleges that C6 Resources LLC was controlled by Shell in such a manner as to be the alter-ego of C6 Resources LLC. At all relevant times, C6 Resources LLC was in the business of employing service station employees working in service stations owned and wholly operated by Shell.
- 5. At all relevant times, Defendant R & M Pacific Rim, Inc. ("R&M") was and is a California corporation with its principal place of business in Orange County, California. Venue is proper in Orange County for this reason. At all relevant times, R&M was and is in the business of leasing convenience stores and selling convenience store products and car washes to the consuming public.
- 6. R&M was and is not in the business of selling motor fuel to the consuming public for its own profit.
- 7. The true names, identities and capacities of defendants Doe 1 through Doe 50, inclusive are presently unknown to Plaintiff. Plaintiff is informed and believes and thereon alleges that such defendants are liable to Plaintiff and Plaintiff Class in some manner presently undetermined as a result of the matters complained of herein. Plaintiff will seek leave of Court if necessary to amend this Complaint when the true names, identities and capacities of said fictitiously-named defendants are identified. Wherever the word "defendants" is used hereafter, it also includes those defendants fictitiously named.
- 8. At all times herein mentioned, certain of the defendants named herein were the agents, servants and employees of the other defendants and, when acting as herein alleged, were acting within the course and scope of such agency and employment. The identity of such defendants will be provided according to the proofs to be presented.

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PLAINTIFF CLASS ALLEGATIONS

- 9. Plaintiff maintains this action individually on his own behalf and as a class action on behalf of all other persons similarly situated. The Plaintiff Class consists of all persons employed in the State of California during the applicable period of limitations to work at and working at the Stations and who fall within one or more of the following categories: (i) all persons who were salaried employees and who were classified or treated as exempt from overtime wages and not paid overtime wages when they worked more than 8 hours in a workday and/or more than 40 hours in a work week; (ii) all persons, including misclassified employees, who worked alone more than 3.5 hours in any workday at the Stations and were required to forego "off-duty" rest periods and were not provided compensation for such missed periods, and (iii) all persons, including misclassified employees, who worked more than 5 hours in a workday at the Stations and for which there is no record showing that they took an "off-duty" 30 minute meal period and who were not provided compensation for such missed periods. Excluded from the Plaintiff Class are claims for misclassification of employees while they worked at the Stations while they were being operated solely by Shell and C6 Resources LLC, which claims have been certified as class claims and settled in Wales & Johnson Action defined below.
- 10. (a) The members of the Plaintiff Class are numerous, and it is impracticable to bring them all before the Court. The exact number of members of the Plaintiff Class is presently unknown to Plaintiff. Plaintiff is informed and believes and thereon alleges that the Plaintiff Class is readily ascertainable.
- (b) The claims are so numerous, and some of the individual amounts in controversy are of relative small size, that joinder of the Plaintiff Class members individually in this action is impracticable and disposition of their claims in separate actions is unfeasible and would be unfair to the individual members of the Plaintiff Class.
- 11. There is a community of interest; there are questions of common or general interest among the members of the Plaintiff Class; common questions of law and fact predominate over any individual questions; the claims of Plaintiff are typical of the claims of the Plaintiff Class, and Plaintiff can and will fairly and adequately represent the interests of the Plaintiff Class; and counsel

for Plaintiff are experienced lawyers with background in the prosecution and defense of class action litigation.

12. A class action is superior to other available methods for the fair and efficient adjudication of the controversy described herein and there are substantial economies and benefits to the efficient administration of justice, as well as to the parties, which justify the maintenance of this action as a class action.

#### **COMMON ALLEGATIONS**

#### **Equitable Tolling as to Claims Against Shell**

- 13. On May 20, 2005, Debbie Jo Wales commenced an action in the Los Angeles County California Superior Court against Shell Oil Company; Equilon Enterprises, LLC and C6 Resources LLC, among others, as a class and representative action. The action was denominated Wales v. Shell Oil Company, et al., Case No. BC 333 740. That action was later consolidated with another action brought by Allan Johnson in the San Francisco County California Superior Court. At the time of consolidation, Mr. Johnson' action bore LASC Case No. BC 351 104. The consolidated action will be referred to herein as the Wales & Johnson Action.
- 14. The Wales & Johnson Action was still pending at the time this action was commenced and no class had been denied with prejudice or certified. Plaintiffs and Plaintiff Class in the Wales & Johnson Action sought the same remedies for wage and hour and unfair competition law violations sought in this action but the classes sought to be certified in the Wales & Johnson Action were broader than the classes sought to be certified in this action and Plaintiffs and Plaintiff Class in the Wales & Johnson Action also sought remedies for wage and hour and unfair competition law violations which are not being sought in this action. The claims in the Wales & Johnson Action were timely as to all violations occurring subsequent to May 20, 2001. As a result, the commencement of the Wales & Johnson Action put Shell on notice that the claims brought herein may be brought and that Shell needed to investigate the facts involved in this action such that Shell's investigation of the claims in the Wales & Johnson Action put Shell in a position to fairly defend this action.

 15. In January 2007, the plaintiffs in the Wales & Johnson Action and Shell Oil
Company, Equilon Enterprises, LLC and C6 Resources LLC, among others, entered into a stipulated order, a true and correct copy of which is attached hereto as exhibit A and incorporated hereat by this reference. The effect of this stipulated order was, among other effects, to streamline the Wales & Johnson Action, avoid the need of proving that either Shell Oil Company or Equilon Enterprises, LLC was the alter-ego of C6 Resources LLC or the joint employer with C6 Resources LLC or separately the joint employer with any of Shell's third party operators. C6 Resources LLC was deemed to be the employer of employees working at the Shell operated station and the joint employer with any third party operator which was found to be the joint employer with any of these Shell entities. Conduct of any of these Shell defendants was deemed to be conduct of C6 Resources LLC. Discovery requests to C6 Resources LLC would secure information and documents held by all these Shell Defendants. Shell Oil Company would be ultimately responsible for satisfying any judgment. The Court in the Wales & Johnson Action retained jurisdiction over Shell Oil Company and Equilon Enterprises, LLC to enforce the stipulated order.

- 16. On July 26, 2010, the Court denied class certification as to Shell without prejudice to the refilling of a motion for class certification as to Shell.
- 17. Plaintiff in good faith and with diligence elected to commence this action on his own behalf and others similarly situated and did so prior to any merits denial of class certification in the Wales & Johnson Action. Additionally, the classes sought to be certified in this action are narrower than the classes sought to be certified in the operative complaint in the Wales & Johnson Action.
- 18. Shell suffers no legal prejudice as a result of an equitable tolling of all applicable statutes of limitation from May 20, 2005 until the commencement of this action; and it would be inequitable and unjust to apply an untolled statute of limitations in this action as to Shell.

#### **Joint Employer Status**

- 19. Plaintiff is informed and believes and thereon alleges, as follows:
- A. At all relevant times, Shell was in the business of selling motor fuel to the consuming public at over 300 California service stations that it owned. Shell owned the motor fuel from the time it was placed in storage tanks at the service station until it was sold to the consuming

public. Shell unilaterally set the retail price at which those motor fuels were sold. In order to competitively price those motor fuels, Shell either conducted gas surveys of competing stations or caused others to do so specifically for its sole benefit.

- B. Most of Shell's stations had convenience stores and car washes. However, over 80% of the revenue generated at these stations and the profits from the operation of these stations came from the sale of motor fuel. Some of the stations were merely kiosks where over 90% of the revenue and profits came from the sale of motor fuel.
- C. In order to conduct this business, Shell, like virtually all persons or entities selling motor fuel to the consuming public, was required to have those stations staffed by persons who were customarily employees of the business selling the motor fuel. These employees were essential both to provide service to motor fuel customers and to monitor motor fuel operations because of the inherent risks of such a business. To maximize the revenue generated by the sale of motor fuel, Shell adopted a policy of keeping its stations open and operating 24/7/365 except when local law precluded such operations.
- D. Prior to December 2003, Shell and C6 Resources LLC, like most independent service station operators, operated some of Shell's stations themselves, hiring their own employees to do so. Those employees were usually a person designated as the manager, numerous cashiers and, occasionally, maintence persons or assistant managers. During this period, Equilon Enterprises developed and periodically updated detailed manuals kept at the service stations which explicitly instructed service station employees what to do, when to do it and how to do each task necessary for the operation of its service station business. Most of these manuals were also provided to independent dealers for the operation of their Shell branded service stations.
- E. In addition to Shell owned and operated service stations and prior to 2003, Shell also entered into virtually identical and non-negotiable contracts with others, including R&M's owner Seung Kim, for the operation of certain of its service stations and attached convenience stores. Although disclaiming such a relationship, these contracts were either partnerships or joint ventures with Shell and the operator sharing the revenue and expenses from those service stations. While the operator hired and directly supervised the employees working at those stations, Shell mandated that

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the operator and the station employees follow the foregoing manuals which explicitly instructed service station employees what to do, when to do it and how to do each task necessary for the operation of the service station business. Shell then periodically inspected the stations and required daily reports to insure compliance with its contracts and manuals and had the right to terminate any operator who failed to do so. Shell designated this business model as "CORO" or Company Owned Retailer Operated stations. Certain of the Stations involved in this Action were CORO stations operated by R&M's principal owner, Mr. Kim.

- F. In late 2002 and early 2003, Shell decided to change its retail service station model in order to stop directly operating those stations, avoid the problems associated with employing many low hourly rate employees and consolidate its CORO partners into a select few. To accomplish this change, Shell, in 2003, created and implemented its MSO model or Multi-Site Operated stations for the operation of all of its Shell owned stations in California. Under this MSO model, Shell would lease the interior of its convenience store and the use of any car wash on the sites to a lessee for a monthly rental fee which Shell unilaterally set. Shell rented an entire cluster of stations to each selected lessee. The cluster was non-negotiable as were the lease terms which were all virtually identical. As a condition to being allowed to lease the convenience store, the lessee was also required to sign an MSO contract, which also was non-negotiable. All of Shell's MSO contracts were virtually identical. Under the MSO contract, the lessee of the convenience store was required to provide the employees and supervisors to perform the motor fuel business services formerly performed by Shell's employees. For this, the lessee was provided with a \$2,000 monthly fee and a unilaterally set reimbursement of expenses, primarily labor expenses, for having its employees borrowed by Shell to operate its motor fuel business. The reimbursement was less than the actual cost of performing the services required by this MSO contract.
- G. Each of these MSO contracts contained, in all relevant aspects, identical provisions regardless of lessee. Seung Kim and later R&M became MSO lessees. Each of these MSO contracts had detailed terms for the operation of Shell's motor fuel business either contained in the contract itself, or its exhibits or in manuals which the contract mandated that the lessee ensure that its employees perform. As with the CORO manuals, these manuals explicitly instructed service

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station employees what to do, when to do it and how to do each task necessary for the operation of Shell's motor fuel business. Shell required daily reports, had access to the on-site accounting records and then periodically inspected the stations to insure compliance with its contracts and manuals. Shall had the right to terminate any lessee who failed to do so comply. These manuals included a Site Operations Manual, the Customer Value Proposition reference guide commonly called the CVP Guide and the health, safety and environmental reference guide commonly called the Bluebook. As with the CORO stations, Shell mandated that the MSO lessees keep their stations open and staffed 24 hours a day, every day of the year except when local law precludes such operation.

- H. Under the MSO model, Shell was the sole owner of the motor fuel business conducted at each station, exclusively owned all of the motor fuel until sold to the consuming public. exclusively owned all of the equipment necessary to store and dispense the motor fuel, exclusively owned and possessed the property on which the motor fuel was sold, exclusively set the price at which motor fuel was sold, and retained all of the revenue and profits generated from the sale of the motor fuel. The revenue and profits generated from the sale of motor fuel amounted to over 80% of the revenue and profit from the entire station. The revenue generated by Shell from the rental of the convenience store was less than 5% of the revenue generated from the sale of motor fuel. Shell maintained direct access over the internet and by daily reports to the financial results of its motor fuel business.
- I. Except for the \$2,000 monthly fee and the partial reimbursement of expenses for providing and supervising employees to work in Shell's motor fuel business, the MSO lessees, including Mr. Kim and R&M, had no interest in Shell's motor fuel business conducted at the station.
- J. Plaintiff and Plaintiff Class worked in Shell's motor fuel business at the Stations both under the CORO model and the MSO model. Over 40% of those station employees' time was spent working in Shell's motor fuel business for which they did not receive any share of the revenues or profits.
- K. Shell indirectly controlled all essential tasks performed by Plaintiff and Plaintiff Class at the Stations by mandating that the MSO lessee's, including R&M and Mr. Kim, ensure that Plaintiff and Plaintiff Class perform those tasks specifically set forth in the MSO

contract, its exhibits and the manuals alleged above. The MSO lessee did not have discretion not modify the tasks mandated by Shell and performed by Plaintiff and Plaintiff Class. Shell monitored compliance with the Plaintiff's and Plaintiff Class' through the daily reports those employees were required to submit, access to the on-site accounting records and by periodic inspections of the stations.

- L. The work that Plaintiff and Plaintiff Class performed in Shell's motor fuel business was done in the usual course of that motor fuel business, similar to all service stations in California, and was outside the work that they performed in working at a convenience store or car wash or in the business operated by MSO lessees, including R&M and Mr. Kim.
- M. By custom and practice, work performed in Shell's motor fuel business is done by employees and not independent contractors and this was the nature of the work performed by Plaintiff and Plaintiff Class in Shell's motor fuel business. Indeed, the MSO lessees, including R&M and Mr. Kim, were forbidden to use independent contractors to perform these Shell mandated tasks.
- N. Shell retained the right to monitor all payroll records for Plaintiff and Plaintiff Class and had the right to demand that those employees be effectively terminated by removal from the station and their work if they failed to timely perform Shell's mandated tasks.
- O. Regardless of whether the finder of fact applies the Suffer or Permit to Work test, the Wage Order test or the common law test, Shell at all times was the joint employer of Plaintiff and Plaintiff Class along with the CORO or MSO operators, including R&M and Mr. Kim.

#### Applicable Wage Order

20. At all relevant times, the employment of Plaintiff and the members of the Plaintiff Class at the Stations were and are governed by Industrial Welfare Commission Order No. 7-2001, which regulates wages, hours and working conditions for mercantile industries and mandates that employers maintain certain records. This order is hereinafter referred to as the "Wage Order."

#### Plaintiff's Employment

21. In approximately October 2005, Plaintiff was hired by R&M first as an hourly cashier. Plaintiff was promoted by R&M to station manager in approximately January 2006 and was continuously employed in that capacity by R&M until approximately December 26, 2008. Plaintiff

was a salaried employee from January 2006 until September 2008, when he was converted to an hourly employee by R&M.

- 22. Plaintiff is informed and believes and thereon alleges that each of the stations which he managed were either owned by Shell and operated by R&M or was owned and operated either by R&M or an affiliated entity.
- 23. Throughout Plaintiff's employment, Plaintiff was required to work and did work more than 8 hours in a workday and more than 40 hours in a work week. On numerous occasions during Plaintiff's employment, Plaintiff worked over 5 hours as the sole employee on duty at the station.
- 24. Throughout Plaintiff's employment, Plaintiff was not paid overtime except for one time in 2008 when he was paid part of his back overtime at the direction of the California Department of Labor. At that time, R&M conceded that Plaintiff and the other R&M claimed exempt station employees were misclassified as exempt and should have been classified as non-exempt employees.
- 25. The stations which Plaintiff managed were customarily open 24 hours a day, every day of the year. Plaintiff is informed and believes and thereon alleges that Shell imposed by contract on R&M and its other MSO lessees that the stations which it operated remain open 24 hours a day, every day of the year unless local law precluded such hours (the "24/7 Requirement").
- 26. Plaintiff is informed and believes and thereon alleges that pursuant to R&M's policy, the Stations including those which R&M operated for Shell and including the stations which Plaintiff managed, were not permitted to be closed to enable employees working alone at the station to take an "off-duty" rest breaks until sometime in 2008 when employees were allowed to put signs in the window and stop consumer transactions in order to take "off-duty" rest breaks
- 27. Throughout Plaintiff's employment, Plaintiff did not receive either a statutorily required "off-duty" meal break or an "off-duty" rest break including when Plaintiff was the only employee working at the station. Plaintiff did not receive all of the additional compensation to which he was entitled.

#### FIRST CAUSE OF ACTION

(For Misclassification, Failure to Pay Overtime Wages and Violation of Other Statutory

Requirements Against All Defendants)

- 28. This is a cause of action by Plaintiff for misclassification, failure to pay overtime compensation, failure to provide other statutory requirements for non-exempt employees including maintaining beginning and ending work period records and meal records and for statutory penalties and interest and attorneys fees solely pursuant to Labor Code § 1194. R&M is named in this cause of action only as to employees employed by R&M during the applicable statute of limitations period.
- 29. Plaintiff hereby repeats, realleges and incorporates herein in full the allegations contained in paragraphs 1 through 27, inclusive, of this Second Amended Complaint, as though fully set forth at this point.
- 30. Plaintiff is informed and believes and thereon alleges that other managers, claimed to be exempt employees at the Stations, routinely worked more than 8 hours in a workday and/or more than 40 hours in a work week without being paid statutorily required overtime wages.
- 31. At all relevant times prior September 2008, Plaintiff was not required to record when he began and ended each of their work periods and was not required to report whether he had taken an "off-duty" meal break. Plaintiff is informed and believes and thereon alleges that during the relevant time, employees claimed to be exempt employees at the Stations, were not required to record when they began and ended each of their work periods and were not required to report whether they had taken an "off-duty" meal break.
- 32. At all relevant times, the duties, responsibilities and tasks performed by Plaintiff included the following: Conduct gas surveys at stations assigned by management, perform routine bookkeeping of sales and fuel and preparing reports transmitted to defendants in a format created by defendants, count cash and make bank deposits, conduct meter readings, check underground tanks, order merchandise and supplies of primarily employer selected products from employer selected vendors, count inventory received from vendors, stock shelves and coolers, "face" inventory, clean merchandise and equipment both inside and outside the convenience store, perform routine maintenance and painting, restock bathrooms and gas islands, make coffee, operate cash registers,

and greet customers. Plaintiff is informed and believes and thereon alleges that other managers, claimed to be exempt employees at the Stations, primarily performed similar tasks and that the foregoing tasks are not managerial.

- 33. At all relevant times, Plaintiff infrequently performed managerial tasks on an average workday or work week which consumed far less than 50% of his average workday. Those tasks included: Supervise employees since usually only one cashier and at times one maintenance person worked while Plaintiff was on duty and they were fully trained, interview prospective employees, train employees, discipline employees, create work schedules, investigate reasons why cashier's cash was over or under, investigate and report possible thefts, interface with government inspectors, suggest or order new products, recommend or determine changes in inventory from what is normally stocked, interface with vendors about new or changed merchandise, resolve or handle customer complaints and other traditional management tasks. Plaintiff is informed and believes and thereon alleges that other managers, claimed to be exempt employees at the Stations, performed similar tasks for substantially less than 50% of their normal workday or work week.
- 34. The Wage Order mandates and rules regarding the retention of records mandate that every employer subject to its terms keep on file accurate time records showing when each non-exempt employee begins and ends each work period, meal periods (except when all operations cease) and total daily hours. Plaintiff is informed and believes and thereon alleges that defendants, and each of them, violated this record keeping requirement with regard to the employees, including Plaintiff, which each employed either separately or jointly and that Plaintiff and Plaintiff Class are entitled to statutory penalties and interest for each such violation.
- 35. The Wage Order mandates that every employer subject to its terms pay their non-exempt employees overtime at time and one-half at their regular rate of pay (calculated for salaried employees at 1/40<sup>th</sup> of their weekly salary) for all time worked in excess of eight (8) hours in a single workday or in excess of forty (40) hours in a single workweek or for the first eight (8) hours worked on a seventh (7<sup>th</sup>) consecutive workday in a work week. Defendants, and each of them, violated these overtime payment requirements with regard to Plaintiff. Plaintiff is informed and believes and thereon alleges that defendants, and each of them, violated these overtime payment requirements

 with regard to all similarly misclassified employees, including Plaintiff, which they employed either jointly or separately at the Stations.

- 36. The Wage Order mandates that every employer subject to its terms pay their non-exempt employees overtime at double their regular rate of pay for all time worked in excess of twelve (12) hours in a single workday or in excess of eight (8) hours on a seventh (7<sup>th</sup>) consecutive workday in a work week. Defendants, and each of them, violated these overtime payment requirements with regard to Plaintiff. Plaintiff is informed and believes and thereon alleges that defendants, and each of them, violated these overtime payment requirements with regard to all similarly misclassified employees, including Plaintiff, which they employed either jointly or separately at the Stations.
- 27. Plaintiff worked and Plaintiff is informed and believes and thereon alleges Plaintiff Class worked more than eight (8) hours in any workday or more than 40 hours in any work week within the applicable statute of limitations period as tolled and were not paid the required overtime compensation required by the Wage Order. Plaintiff worked and Plaintiff is informed and believes and thereon alleges Plaintiff Class worked more than twelve (12) hours in any workday and/or more than eight (8) hours on a seventh (7<sup>th</sup>) consecutive workday in a work week within the applicable statute of limitations period as tolled and were not paid the required overtime wages required by the Wage Order. Plaintiff and the Plaintiff Class should have received from defendants, and each of them, overtime wages for these additional hours that they each worked. Defendants, and each of them, have failed and refused and continue to fail and refuse to pay Plaintiff and the Plaintiff Class the amounts owed for overtime wages, penalties and interest.
- 38. Defendants' and each of their failure to pay Plaintiff and the Plaintiff Class the compensation required by the Wage Order also violates the Labor Code, including § 1197, and is therefore unlawful.
- 39. Plaintiff and the Plaintiff Class have incurred attorneys fees and costs in pursuing this claim and request that the Court award Plaintiff and the Plaintiff Class their reasonable attorneys' fees and costs incurred in this action pursuant to only Labor Code § 1194(a). Plaintiff and the Plaintiff Class do not seek attorney fees pursuant to Labor Code § 218.5.

40. Plaintiff and Plaintiff Class are entitled to statutory penalties, including paystub penalties, and interest for all wages wrongfully withheld and not timely paid and all required employee records not maintained and retained.

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

# (For Failure to Pay Missed Break Compensation

#### **Against All Defendants)**

- 41. This is a cause of action by Plaintiff and the Plaintiff Class for failure to pay wages, statutory penalties and interest for missed "off-duty" meal and rest breaks during the applicable period of limitations including both when the employee was the only employee on duty and denied an off-duty rest break and when the employee was not the only employee on duty and denied an off-duty meal break, both required by the Wage Order. Plaintiff and Plaintiff Class also seek statutory compensation, penalties and interest from Defendants, and each of them, for the failure to maintain meal break records required by the Wage Order. Plaintiff and the Plaintiff Class do not seek attorney fees pursuant to Labor Code § 218.5. R&M is named in this cause of action only as to employees employed by R&M during the applicable statute of limitations period.
- 42. Plaintiff hereby repeats, realleges and incorporates herein in full the allegations contained in paragraphs 1 through 27 and 30 through 40 inclusive, of this Complaint, as though fully set forth at this point.
- A3. Plaintiff is informed and believes and thereon alleges that at all relevant times that Shell owned and operated the Stations, Shell had a policy of requiring that these Stations be open 24 hours a day, every day of the year, except when local laws required a station to be closed. In order to implement this policy when the Stations were operated by third parties, Shell required or permitted its lessees to require that if only one manager or other person permitted to run the cash register was working at the station, the station not be closed to allow that employee to take an uninterruptable "off-duty" meal or rest break but to remain on-duty to service or assist customers.
- 44. Plaintiff is informed and believes and thereon alleges that at all relevant times that Shell owned the Stations and they were operated by a third party, including R&M, Shell

 contractually required that these Stations be open 24 hours a day, every day of the year, except when local laws required a station to be closed.

- 45. Plaintiff is informed and believes and thereon alleges that each of the third parties complied with the contractual requirement that that the Stations each operated be open 24 hours a day, every day of the year, except when local laws required a station to be closed and that each of the third parties required that if only one manager or person permitted to run the cash register was working at the station, the station not be closed to allow that employee to take an uninterruptable "off-duty" meal or rest break but to remain on-duty to service or assist customers.
- 46. The Wage Order mandates that every employer shall authorize and permit all non-exempt employees to take off-duty rest periods, which insofar as practicable shall be in the middle of each work period, provided that the employee's total daily work time is not less than 3.5 hours. The authorized rest period time shall be based on the total hours worked daily at the rate of 10 minutes net rest time per 4 hours or major fraction thereof. The Wage Order further provides that if the employer fails to provide the required rest period, the employer shall pay that employee an additional 1 hour of pay at the employee's regular rate for each workday that the rest period is not provided. Rest periods are required to be "off-duty" in that the employee is relieved of all duties, including the obligation to service customers, during the rest period. The requirement of a rest period is non-waivable.
- 47. Plaintiff has been denied by employer defendants, and each of them, his authorized rest periods when he worked 3.5 hours or more and the Plaintiff Class have been denied by employer defendants, and each of them, their authorized rest periods when they worked 3.5 hours or more by themselves and have not been timely compensated by their employers with the additional 1 hour of pay at their regular rate for each workday when their authorized rest periods were not provided to them.
- 48. The Wage Order mandates that every employer shall provide all non-exempt employees either who works more than 6 hours in a workday or who works more than 5 hours but not over 6 hours without waiving their right to a meal period with at least a 30 minute meal period and a second meal period of at least 30 minutes if the employee's work period is more than 10 hours.

The Wage Order further provides that the employee must be relieved of all duty during the meal period unless (i) the nature of the work prevents an employee from being relieved of all duty and (ii) there exists a written agreement by the parties to an on-the-job paid meal period.

- 49. The Wage Order permits an employee to waive with his employer's consent his meal period if that employee's work period is not more than 6 hours. The Wage Order further permits an employee to waive with his employer's consent his second meal period if (i) the employee's work period is more than 10 hours, (ii) the employee's total hours worked is no more than 12 hours, and (iii) the employee's first meal period was not waived.
- 50. The Wage Order further provides that if the employer fails to provide the required meal period, the employer shall pay that employee an additional 1 hour of pay at the employee's regular rate for each workday that the meal period is not provided.
- 51. The Wage Order requires all employers to keep accurate records of meal periods. Records of meal periods when all operations cease and authorized rest periods need not be kept.
- 52. The nature of the work at a service station and convenience store does not preclude an employee working with another employee from taking an off-duty meal break.
- 53. Plaintiff never waived his right to an off-duty meal period when he worked more than 5 hours in a workday but not more than 6 hours in a workday.
- 54. Plaintiff has been denied by his employer defendants, and each of them, his authorized off-duty meal periods when he worked more than 5 hours in a workday and the Plaintiff Class have been denied by their employer defendants, and each of them, their authorized off-duty meal periods when they worked more than 6 hours in a workday (or more than 5 hours in a workday without waiver) and have not been timely compensated by defendants, and each of them, the additional 1 hour of pay at their regular rate for each workday when their authorized off-duty meal periods were not provided to them.
- 55. Plaintiff is informed and believes and thereon alleges that defendants, and each of them, violated their record keeping requirements with regard to the meal periods for the employees which each employed either separately or jointly.

	56.	Plaintiff is informed and believes and thereon alleges that defendants, and each of
them,	failed to	create a policy for authorized "off-duty" rest periods and failed to maintain records
with re	egard to	the rest periods for the employees who each employed either separately or jointly.

- 57. Plaintiff and the Plaintiff Class have accrued missed meal and rest period wages, statutory penalties and interest as a result of the conduct of defendants and pursuant to provisions of the Wage Order.
- 59. Defendants, and each of them, have failed to pay Plaintiff and the Plaintiff Class the required amounts due them for accrued wages, penalties and interest for missed meal and rest break compensation.

#### THIRD CAUSE OF ACTION

# (For Injunctive Relief and Restitution Under Bus. & Prof. Code §§ 17200, et seq. Against All Defendants)

- 60. This is a cause of action for violation of California's Unfair Competition Law (Business and Professions Code §§ 17200, et seq.) arising out of defendants' violation of the Labor Code and the Wage Order. This cause of action is limited to the period May 20, 2001 through May 19, 2002, as to Shell to the extent that the applicable statute of limitations was tolled by the Wales & Johnson Action, for the period August 2, 2006 through August 1, 2007 as to R&M and for the period August 2, 2006 through August 1, 2007 as to Shell only to the extent that the applicable statute of limitations as to Shell was not tolled by the Wales & Johnson Action.
- 61. Plaintiff hereby repeats, realleges and incorporates herein in full the allegations contained in paragraphs 1 through 27, 29 through 40 and 43 through 59, inclusive, of this Complaint, as though fully set forth at this point.
- 62. By and through their conduct, including the conduct that has been set forth in detail above, defendants, and each of them, have engaged in activities that constitute unfair competition prohibited by California's *Business & Professions Code* §§ 17200, et seq., inasmuch as such conduct is unlawful and/or unfair and/or fraudulent within the meaning of the Unfair Competition Act.

	63.	Plaintiff and the Plaintiff Class bring this action on their own behalf as well as on
behalf	of the i	nterests of the general public, including others similar situated. Defendants' business
practices in violation of the Labor Code are unlawful and are unfair competition.		

- 64. Plaintiff is informed and believes and thereon alleges that defendants' unlawful business practices are ongoing and, unless enjoined under Business & Professions Code § 17203 are likely to continue.
- 65. As a direct and proximate result of the aforementioned acts, defendants, and each of them, have received and continue to hold ill-gotten gains belonging to Plaintiff and members of the Plaintiff Class.
- 66. Defendants must now be compelled to disgorge their ill-gotten gains and to make restitution to Plaintiff and the Plaintiff Class.
- 67. In prosecuting this action for the enforcement of important rights affecting the public interest, Plaintiff seeks to recover their attorneys' fees under § 1021.5 of the Code of Civil Procedure and/or under the "common fund" doctrine available to prevailing plaintiffs who win restitutionary damages for the general public. Plaintiff does not seek attorneys fees pursuant to Labor Code § 218.5.
- 68. By service of this Complaint, Plaintiff demands, on behalf of himself and all others similarly situated, and for all members of the Plaintiff Class, that defendants forthwith cease and desist the prohibited activity described in this Complaint.

#### FOURTH CAUSE OF ACTION

#### (For Rescission Against R&M)

- 69. This is a cause of action for rescission of a release given by Plaintiff and the Plaintiff Class to R&M while they were employed by R&M because the release is void under the *Labor Code* and because it was given by Plaintiff under the duress of losing his job if he failed to do so.
- 70. Plaintiff hereby repeats, realleges and incorporates herein in full the allegations contained in paragraphs 1 through 27, and 29 through 40 of this Complaint, as though fully set forth at this point.

71. In approximately June, 2008, Plaintiff was presented with a release pursuant to which
Plaintiff would release R&M for certain labor claims. The purported consideration for this release
was a small monetary payment which amounted to only a small fraction of the wages he was
currently due from R&M. Plaintiff was told at the time the release was presented words which left
the unmistakable and reasonable inference that if Plaintiff did not sign the release he would be
terminated.

- 72. Plaintiff is informed and believes and thereon alleges that other members of the Plaintiff Class were also required to sign releases as a condition to retaining their jobs.
- 73. When Plaintiff did not sign the release immediately, he was presented with a second release where the amount of consideration was reduced further. Plaintiff was again told words which left the unmistakable and reasonable inference that if Plaintiff did not sign the release he would be terminated.
- 74. Plaintiff and Plaintiff Class who signed releases desired to continue their employment to support themselves.
  - 75. Under duress, Plaintiff and certain members of the Plaintiff Class signed the releases.
  - 76. The release is void and consent thereto was never given.
- 77. Plaintiff on his own behalf and on behalf of the Plaintiff Class rescinds the releases and offers to return the consideration he received upon payment of all wages due to them.

#### FIFTH CAUSE OF ACTION

#### (For Wrongful Termination Against R&M)

- 78. This is a cause of action by Plaintiff for wrongful termination in violation of California's public policy against discrimination based upon race, national origin and ancestry.
- 79. Plaintiff hereby repeats, realleges and incorporates herein in full the allegations contained in paragraphs 2, 5 through 8, 19C and 21B, inclusive, of this Complaint, as though fully set forth at this point.
  - 80. On December 26, 2008, Plaintiff's employment was terminated by R&M.

	81.	Plaintiff is informed and believes and thereon alleges that his employment was
termin	nated bed	cause he was Hispanic from Columbia and that R&M desired to replace Plaintiff
Medir	na with s	omeone of Korean or Asian heritage, race and national origin.

- 82. Termination of employment by R&M on the basis of race, ancestry or national origin is against California public policy and renders Plaintiff's termination wrongful.
- 83. As a proximate result of Plaintiff's wrongful termination, Plaintiff Medina has suffered loss of earnings and emotional distress in an amount according to proof.
- 84. Plaintiff is informed and believes and thereon alleges that the termination of Plaintiff by R&M was malicious and oppressive and that the reasons given by to Plaintiff were false and fraudulent justifying an award of exemplary damages according to proof.

WHEREFORE, Plaintiff, on behalf of himself and all other persons similarly situated, prays for judgment as follows:

#### On the First Cause of Action:

- 1. For compensatory damages according to proof, including the amount of unpaid overtime compensation owed;
- 2. For statutory penalties and interest due on any overtime compensation from the date such amounts were due;
- 3. For reasonable attorneys' fees solely pursuant to Labor Code § 1194(a) and not under Labor Code § 218.5;

#### On the Second Cause of Action:

- 4. For compensatory damages according to proof, representing the amount of unpaid meal and/or rest break compensation owed;
- 5. For statutory penalties and interest due on any meal and/or rest break compensation due from the date such amounts were due;

#### On the Third Cause of Action:

6. For disgorgement of ill-gotten gains defendants have procured by use of the unlawful business practices alleged herein;

BLEAU FOX

# **EXHIBIT A**

THOMAS E. HILL, CA BAR NO. 100861 ORIGINAL WILED REMY KESSLER, CA BAR NO. 123165 THELEN REID BROWN RAYSMAN & STEINER LLP 2 333 South Hope Street, Suite 2900 3AN 0 8 2007 Los Angeles, CA 90071-3048 3 Tel. 213.576.8000/Fax 213.576.8080 LOS ANGELES 4 GARY T. LAFAYETTE, CA BAR NO. 088666 SUPERIOR COURT SUSAN T. KUMAGAI, CA BAR NO. 127667 5 LAFAYETTE & KUMAGAI LLP 100 Spear Street, Suite 600 6 San Francisco, CA 94105 Tel. 415.357.4600/Fax 415.357.4605 Attorneys for Defendants SHELL OIL COMPANY, SHELL OIL PRODUCTS COMPANY TEXACO INC., TEXACO REFINING AND MARKETING, INC. 8 EQUILON ENTERPRISES, LLC and EQUISTAFF, LLC 10 11 SUPERIOR COURT OF THE STATE OF CALIFORNIA 12 FOR THE COUNTY OF LOS ANGELES 13 DEBBIE JO WALES, on behalf of herself Case No.: BC 333740 and all others similarly situated. 14 [Consolidated with BC 351 104] Plaintiff. [Assigned For All Purposes To 15 Judge Emilie H. Elias, Dept. 308 VS. 16 SHELL OIL COMPANY, et al. STIPULATION TO DISMISS CERTAIN 17 DEFENDANTS; <del>[PROPOSED</del>] ORDER Defendants. 18 Complaint Filed: May 20, 2005 None Set Trial Date: 19 ALLEN JOHNSON, on behalf of himself and all others similarly situated, 20 Plaintiff. 21 VS. 22 SHELL OIL COMPANY, et al. 23 Defendants. 24 25 26 27 28

In order to simplify this action and avoid the need for Plaintiffs Debbie Jo Wales and Allen Johnson (collectively, "Named Plaintiffs") to conduct certain discovery, the Named Plaintiffs and Defendants Shell Oil Company, Equilon Enterprises, LLC, Equistaff, LLC, Rimpco, Inc., Shell Oil Products Company, Texaco Inc., and Texaco Refining and Marketing, Inc. hereby stipulate, as follows:

- 1. Defendants Shell Oil Company, Equilon Enterprises, LLC and Shell Oil Products Company (collectively, the "Shell Defendants") and Defendants Texaco Inc. and Texaco Refining and Marketing, Inc., shall be dismissed without prejudice from this consolidated action. Each dismissed defendant shall bear its own attorneys' fees and costs. Notwithstanding this dismissal, this Court shall retain jurisdiction over the Shell Defendants to enforce this Stipulation.
- 2. Insofar as relevant to any issues in this consolidated action, the conduct of or the action taken by any of the Shell Defendants shall be deemed solely the conduct and action of Defendant Equistaff, LLC ("Equistaff"), and the trier of fact shall be instructed accordingly.
- 3. Equistaff shall be deemed the sole employer of the Named Plaintiffs and members of any certified Class if (i) such Named Plaintiffs and certified Class members were employed at a Shell or Texaco branded service station in California within the applicable Class period established by the Court and (ii) the station was not operated by a multi-site operator ("MSO").
- 4. Equistaff shall be deemed the joint employer, along with any MSO, of the Named Plaintiffs and members of any certified Class if (i) such Named Plaintiffs and certified Class members were employed at a Shell or Texaco branded service station in California within the applicable Class period established by the Court, (ii) the station was operated by an MSO, and (iii) the Court or a jury determines that Equistaff and the MSO acted as joint employers of such Named Plaintiffs or certified Class members.
- 5. In the event that (i) there is a money judgment entered in this consolidated action against Equistaff, (ii) neither the Shell Defendants nor any Texaco entity is a party to this consolidated action at the time the judgment is entered, (iii) the judgment against Equistaff becomes final and all appeal rights have been exhausted, and (iv) Equistaff has not satisfied such

	judgment within thirty (30) days thereafter, this Court may, upon ex parte application, add Shell
	2 Oil Company as a judgment debtor to the judgment against Equistaff.
	<ol> <li>With respect to any discovery served on Equistaff in this consolidated action, and</li> </ol>
	without waiving any of its objections, Equistaff shall serve responses and produce documents,
	when applicable, that are in the possession, custody or control of any of the Shell Defendants as is
	the Shell Defendants remained parties to this consolidated action and such discovery requests were
•	directed to them.
8	Dated: January, 2007 THELEN REID BROWN RAYSMAN & STEINER LLP
9	
10	By: Remy Kessler
11	Attorneys for Defendants EQUILON ENTERPRISES, LLC, SHELL OIL COMPANY, SHELL OIL PRODUCTS COMPANY
12	TEXACO, INC., TEXACO REFINING AND MARKETING, INC. and EQUISTAFF, LLC
13	
14	Dated: January, 2007 LAW OFFICE OF KENNETH P. ROBERTS
15	Ву:
16	Shane A. Carlson Attorneys for Defendant
17	RIMPCO, INC.
18	Dated: January 3, 2007 DAAR & NEWMAN
19	By:
20	Jeffer J. Dags Adjorneys for Plaintiffs ALLEN JOHNSON and DEBBIE JO WALES, on behalf of themselves
21	and all others similarly situated
22	
23	ORDER
24	Based on the above Stipulation, and for good cause shown, it is hereby ordered that:
25	1. Defendants Shell Oil Company, Equilon Enterprises, LLC and Shell Oil Products
26	Company (collectively, the "Shell Defendants") and Defendants Texaco Inc. and Texaco Refining
27	and Marketing, Inc., shall be dismissed without prejudice from this consolidated action. Each

	judgment within thirty (30) days thereafter, this Court may, upon ex parte application, add Shell
	Oil Company as a judgment debtor to the judgment against Equistaff.
	6. With respect to any discovery served on Equistaff in this consolidated action, and
	without waiving any of its objections, Equistaff shall serve responses and produce documents,
5	when applicable, that are in the possession, custody or control of any of the Shell Defendants as if
6	the Shell Defendants remained parties to this consolidated action and such discovery requests wer
7	directed to them.
8	Dated: January 5, 2007 THELEN REID BROWN RAYSMAN & STEINER LLP
9	By:
10	
11	EQUILON ENTERPRISES, LLC, SHELL OIL COMPANY SHELL OIL PRODUCTS COMPANY
12	
13	
14	Dated: January 2, 2007 LAW OFFICE OF KENNETH P. ROBERTS
15	By: Ohmacach
16	Shane A. Carlson Attorneys for Defendant
17	RIMPCO, INC.
18	Dated: January, 2007 DAAR & NEWMAN
19	By:
20	Jeffery J. Daar Attorneys for Plaintiffs ALLEN JOHNSON
21	and DEBBIE JO WALES, on behalf of themselves and all others similarly situated
22	
23	ORDER
24	Based on the above Stipulation, and for good cause shown, it is hereby ordered that:
25	<ol> <li>Defendants Shell Oil Company, Equilon Enterprises, LLC and Shell Oil Products</li> </ol>
26	Company (collectively, the "Shell Defendants") and Defendants Texaco Inc. and Texaco Refining
27	and Marketing, Inc., shall be dismissed without prejudice from this consolidated action. Each

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dismissed defendant shall bear its own attorneys' fees and costs. Notwithstanding this dismissal, this Court shall retain jurisdiction over the Shell Defendants to enforce this Stipulation.

- Insofar as relevant to any issues in this consolidated action, the conduct of or the 2. action taken by any of the Shell Defendants shall be deemed solely the conduct and action of Defendant Equistaff, LLC ("Equistaff"), and the trier of fact shall be instructed accordingly.
- Equistaff shall be deemed the sole employer of the Named Plaintiffs and members 3. of any certified Class if (i) such Named Plaintiffs and certified Class members were employed at a Shell or Texaco branded service station in California within the applicable Class period established by the Court and (ii) the station was not operated by a multi-site operator ("MSO").
- Equistaff shall be deemed the joint employer, along with any MSO, of the Named Plaintiffs and members of any certified Class if (i) such Named Plaintiffs and certified Class members were employed at a Shell or Texaco branded service station in California within the applicable Class period established by the Court, (ii) the station was operated by an MSO, and (iii) the Court or a jury determines that Equistaff and the MSO acted as joint employers of such Named Plaintiffs or certified Class members.
- In the event that (i) there is a money judgment entered in this consolidated action 15° against Equistaff, (ii) neither the Shell Defendants nor any Texaco entity is a party to this consolidated action at the time the judgment is entered, (iii) the judgment against Equistaff becomes final and all appeal rights have been exhausted, and (iv) Equistaff has not satisfied such judgment within thirty (30) days thereafter, this Court may, upon ex parte application, add Shell Oil Company as a judgment debtor to the judgment against Equistaff.
- With respect to any discovery served on Equistaff in this consolidated action, and without waiving any of its objections, Equistaff shall serve responses and produce documents, when applicable, that are in the possession, custody or control of any of the Shell Defendants as if the Shell Defendants remained parties to this consolidated action and such discovery requests were directed to them. WE OF THE SUPERIOR COURT

Dated: January 4, 2007

Hon, Emilie H. Elias Judge of the Superior Court

## **PROOF OF SERVICE**

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action; my business address is 2801 West Empire Avenue, Burbank, CA 91504.

On March 25, 2019, I served the foregoing document(s) described as **SECOND AMENDED COMPLAINT** on the interested parties to this action who are listed on the attached Service List by electronically serving those persons at the electronic addresses noted therein.

STATE: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

**FEDERAL:** I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct of my own personal knowledge, and that I am employed in the office of a member of the Bar of this Court at whose discretion this service was made.

Executed on March 25, 2019, at Burbank, California

Briana Juarez

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### **SERVICE LIST**

Remy Kessler, Esq.

355 South Grand Avenue

Los Angeles, CA 90071-3048 RKessler@reedsmith.com

Reed Smith, LLP

Suite 2900

Allyson K. Thompson
Attorney at Law
Kring & Chung, LLP
38 Corporate Park
Irvine, CA 92606
athompson@kringandchung.com

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BLEAU FOX