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14 **SUPERIOR COURT FOR THE STATE OF CALIFORNIA**
15 **COUNTY OF ALAMEDA**

17 **CHERYL BURLEIGH** and **CHAD HARRIS**,
individually and on behalf of all others similarly
18 situated,

19 Plaintiffs,

20 v.

21 **WALDEN UNIVERSITY, LLC**, a Florida
Limited Liability Company, and **LAUREATE**
22 **EDUCATION, INC.**, a Delaware Corporation,

23 Defendants.

ELECTRONICALLY FILED
Superior Court of California
County of Alameda
04/19/2022

Chad Finke, Executive Officer / Clerk of the Court

By: C. Clark Deputy

CASE NO. RG21106062

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION COMPLAINT
FOR:**

- (1) Failure to Pay Wages Separately from the Piece and Hourly for Nonproductive Time and/or Failure to Pay Wages for All Hours Worked (Cal. Lab. Code §§ 226.2, 1194, 1194.2; IWC Wage Order No. 4-2001, § 4);
- (2) Failure to Pay Separately from the Piece and Hourly for Rest Breaks and/or Failure to Authorize and Permit Paid Rest Breaks, and Failure to Pay Premium Pay (Cal. Lab. Code §§ 226.2, 226.7, 1194; IWC Wage Order No. 4-2001, §§ 4, 12);
- (3) Failure to Issue Accurate Itemized Wage Statements (Cal. Lab. Code §§ 226(a), (e), 226.2(a));

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- (4) Failure to Pay Compensation Due Upon Discharge or Separation from Employment (Cal. Lab. Code §§ 201-203);**
- (5) Failure to Reimburse Business Expenses (Cal. Lab. Code § 2802);**
- (6) Unfair, Unlawful, or Fraudulent Business Practices (Cal. Bus. & Prof. Code §§ 17200 *et seq.*); and**
- (7) Civil Penalties Pursuant to Private Attorneys General Act (Cal. Lab. Code §§ 2698 *et seq.*)**

DEMAND FOR JURY TRIAL

1 Plaintiffs Cheryl Burleigh and Chad Harris (“Plaintiffs”), on behalf of themselves and all others
2 similarly situated, complain and allege the following:

3 **INTRODUCTION**

4 1. This is a class action under California Code of Civil Procedure § 382 seeking damages
5 for unpaid wages and unpaid premium pay, statutory penalties, interest, injunctive relief, restitution, and
6 reasonable attorneys’ fees and costs under California Labor Code (“Labor Code”) §§ 201-203, 226.2,
7 226.7, 1194, 1194.2, 2802, Industrial Welfare Commission Wage Order (“Wage Order”) No. 4-2001,
8 §§ 4, 12, California Civil Procedure Code § 1021.5, and restitution under California’s Unfair
9 Competition Law (“UCL”), Business & Professions Code §§ 17200 *et seq.* on behalf of Plaintiffs and all
10 other similarly situated individuals who are or have been employed by Walden University, LLC
11 (“Walden”) and/or Laureate Education, Inc. (“Laureate”) (collectively, “Defendants”) in California as
12 part-time faculty members who were classified as Contributing Faculty or paid according to the Faculty
13 Compensation Schedule (“Class Members”) from January 25, 2017 through May 31, 2022 (“Class
14 Period”). Defendants’ violations of California’s wage-and-hour and unfair competition laws, as
15 described more fully below, have been ongoing throughout the Class Period, and are continuing at
16 present.

17 2. During the Class Period, Class Members were non-exempt employees for at least two
18 independent alternative reasons: first, Class Members are not paid a “salary,” as is required to be
19 exempt under California Wage Order No. 4-2001; rather, they are piece-rate workers paid a
20 flat/ascertainable amount per “assignment,” with assignments consisting of each course delivered, or
21 each mentoring or dissertation review assignment completed, or similar tasks paid by the piece as stated
22 on Defendants’ “Faculty Compensation Schedule” (the payment for specific assignments is referred to
23 herein as the “Assignment Rate”). Second, even if Class Members were paid a salary, they were not
24 paid a monthly salary equivalent to at least two times the state minimum wage for full-time
25 employment, as is required to be exempt under Wage Order No. 4-2001.

26 3. Because Class Members are piece-rate workers, pursuant to Labor Code §§ 226.2, 1194,
27 1194.2 and Wage Order No. 4-2001, § 4, Defendants were required to pay Class Members separately
28 from the piece and hourly at least at the minimum wage for their nonproductive time. Defendants,

1 however, did not pay them separately and hourly for their nonproductive time (*i.e.*, time separate from
2 delivery of a course/assignment), including but not limited to time spent attending trainings and faculty
3 meetings, in violation of Labor Code §§ 226.2, 1194, 1194.2 and Wage Order No. 4-2001, § 4. As a
4 result, Defendants are liable for unpaid wages.

5 4. In the alternative, even if Class Members' compensation is not considered a piece rate,
6 Class Members are non-exempt employees entitled to be paid for all hours worked, pursuant to Labor
7 Code §§ 1194, 1194.2 and Wage Order No. 4-2001, § 4. Defendants, however, did not pay them for all
8 hours worked on tasks separate from delivery of a course/assignment, including but not limited time
9 spent attending trainings and faculty meetings, in violation of Labor Code §§ 1194, 1194.2 and Wage
10 Order No. 4-2001, § 4. As a result, Defendants are liable for unpaid wages.

11 5. Because Class Members are piece-rate workers, pursuant to Labor Code § 226.2 and
12 Wage Order No. 4-2001, § 12, Defendants were required to pay them separately and hourly and at their
13 average hourly rate for their nonproductive time, including time spent on rest breaks. Defendants,
14 however, did not pay them separately and hourly for their rest break time, and as a result Defendants are
15 liable for either missed rest break premium pay under Labor Code § 226.7(b) and Wage Order No. 4-
16 2001, § 12 or, at the Class's option, unpaid wages.

17 6. In the alternative, even if Class Members' compensation is not considered a piece rate,
18 Class Members are non-exempt employees entitled to timely off-duty paid rest breaks. However, as a
19 matter of policy and/or practice, Defendants failed to authorize and permit Class Members to take paid
20 off-duty rest breaks and failed to pay premium pay for missed rest breaks in violation of Labor Code
21 § 226.7 and Wage Order No. 4-2001, § 12.

22 7. This action is also brought on behalf of a subclass comprised of Plaintiffs and Class
23 Members who are or have been employed by Defendants from January 26, 2020 through May 31, 2022
24 ("Wage Statement Subclass Period") for statutory penalties, injunctive relief, and reasonable attorneys'
25 fees and costs pursuant to Labor Code § 226(a), (e), and (h) and § 226.2 ("Wage Statement Subclass").
26 During the Wage Statement Subclass Period, Defendants knowingly and intentionally failed to furnish
27 Plaintiffs and Wage Statement Subclass Members with accurate itemized wage statements by failing to
28 include on their wage statements information including but not limited to: the number of piece-rate units

1 earned and applicable piece rate; the total number of hours worked; all applicable hourly rates and the
2 corresponding number of hours worked at each rate; compensable rest periods, rate of compensation and
3 gross wages earned for the rest periods; and compensable other nonproductive time, rate of
4 compensation, and gross wages earned for that time, in violation of Labor Code §§ 226(a) and 226.2(a).
5 Plaintiffs and Wage Statement Subclass Members suffered injury as a result of Defendants' violations of
6 Labor Code §§ 226(a) and 226.2(a) for purposes of Labor Code § 226(e). As a result, Wage Statement
7 Subclass Members are entitled to statutory penalties as provided for under Labor Code § 226(e),
8 injunctive relief under Labor Code § 226(h) to enjoin Defendants from issuing inaccurate wage
9 statements, and reasonable attorneys' fees and costs.

10 8. In addition, this action is brought by Plaintiff Harris individually and on behalf of a
11 subclass comprised of Class Members formerly employed by Defendants ("Waiting Time Penalty
12 Subclass Members"). During the "Waiting Time Penalty Subclass Period" – designated as January 25,
13 2018 through May 31, 2022 – Defendants failed to pay all compensation due and owing to the Waiting
14 Time Penalty Subclass Members at the time of their discharge or separation from employment in
15 violation of Labor Code §§ 201-203, as a result of failing to pay them for all hours worked and for
16 failing to pay missed rest break premium pay.

17 9. Walden is an online-only university, and Defendants therefore required Plaintiffs and
18 Class Members to perform their duties remotely via internet. Defendants instructed Plaintiffs and Class
19 Members in writing that they were required to provide internet access at their own expense. To perform
20 their duties for Defendants, Plaintiffs and Class Members incurred necessary and reasonable business
21 expenses including but not limited to the costs of internet access, computers, home or cellular
22 telephones, printers, ink toner/cartridges and paper, and other expenses associated with working from a
23 home office. However, Defendants did not reimburse Plaintiffs and Class Members for these
24 necessarily incurred business expenses, in violation of Labor Code § 2802.

25 10. As a result of the above Labor Code violations, Defendants committed unfair, unlawful,
26 and/or fraudulent business practices, in violation of the UCL.

27 11. Plaintiffs also bring this action as a representative action under the California Labor
28 Code's Private Attorneys General Act ("PAGA"), Labor Code §§ 2698 *et seq.*, for civil penalties on

1 behalf of themselves and other current and former part-time Contributing Faculty members of
2 Defendants in California (“Aggrieved Employees”), for the Labor Code and Wage Order violations
3 alleged herein, specifically Labor Code §§ 201-203, 204, 226, 226.2, 226.3, 226.7, 1194, 1194.2,
4 1197.1, 2802 and Wage Order No. 4-2001, §§ 4, 12.

5 12. The “PAGA Period” is from January 26, 2020 through May 31, 2022.

6 **PARTIES**

7 13. Plaintiff Burleigh is a resident of Danville, California who has been employed by
8 Defendants as a part-time Contributing Faculty member in California since May 2020, reviewing
9 dissertation projects and mentoring students at Walden. Given that Walden is an online-only university,
10 Ms. Burleigh worked remotely and not at any of Defendants’ physical locations. Throughout her
11 employment, Ms. Burleigh has been subject to Defendants’ unlawful conduct described herein.

12 14. Plaintiff Harris is a resident of Coarsegold, California who was employed by Defendants
13 as a part-time Contributing Faculty member in California beginning in 2015, teaching online courses at
14 Walden. Mr. Harris last worked for Defendants in Fall 2020. Given that Walden is an online-only
15 university, Mr. Harris worked remotely and not at any of Defendants’ physical locations. Throughout
16 his employment, Mr. Harris was subject to Defendants’ unlawful conduct described herein.

17 15. Walden is a private online university that offers undergraduate, graduate, and certificate
18 programs and enrolls approximately 50,000 students. Walden is a limited liability company formed in
19 Florida, with offices in Minnesota and Maryland. Upon information and belief, Walden is a wholly-
20 owned subsidiary of Laureate.

21 16. Laureate is a Delaware corporation with its headquarters in Maryland. Laureate offers
22 higher education programs through its network of university subsidiaries, one of which is Walden.
23 Upon information and belief, during the Class Period, Laureate has owned Walden in its entirety.
24 According to Laureate’s website, on September 11, 2020, Laureate announced that it entered into an
25 agreement to sell Walden to Adtalem Global Education, Inc., a transaction valued at \$1.480 billion and
26 expected to occur at the end of 2021.

27 17. Defendants Walden and Laureate each collectively controlled the wages, hours, and
28 working conditions of Plaintiffs and Class Members, thus forming a joint-employer relationship over

1 Plaintiffs and Class Members. Both entities suffered and permitted Plaintiffs and the Class Members to
2 work. Among other indicia of a joint employer relationship, Laureate’s human resources department
3 was directly involved in hiring and paying Plaintiffs and Class Members, and Defendants had a written
4 policy whereby Plaintiffs and Class Members were directed to contact Laureate for concerns related to
5 human resources and payroll. Laureate issued handbooks, policies, and/or manuals that included
6 policies related to wages and hours worked, and that purported to be applicable to and binding on
7 Plaintiffs and the Class Members. Thus, Plaintiffs reasonably believe that they were employed by both
8 Walden and Laureate and that both entities exercised control over their employment relationship.

9 18. All claims stated herein are asserted against Defendants and any of their predecessors,
10 successors, and/or assigns.

11 19. Plaintiffs are informed and believe, and based thereon allege, that each Defendant acted
12 in all respects pertinent to this action as the agent of the other Defendant, carried out a joint scheme,
13 business plan or policy in all respects pertinent hereto, and the acts of each Defendant are legally
14 attributable to the other Defendant.

15 **JURISDICTION**

16 20. This Court has jurisdiction over Plaintiffs and Class Members’ claims for failure to pay
17 separately and hourly for nonproductive time and/or failure to pay wages for all hours worked pursuant
18 to Labor Code §§ 226.2, 1194, 1194.2 and Wage Order No. 4-2001, § 4.

19 21. This Court has jurisdiction over Plaintiffs and Class Members’ claims for failure to pay
20 separately and hourly for rest break time and/or failure to permit and authorize timely paid off-duty rest
21 breaks, and failure to pay premium pay for missed rest breaks pursuant to Labor Code §§ 226.2, 226.7,
22 1194 and Wage Order No. 4-2001, §§ 4, 12.

23 22. This Court has jurisdiction over Wage Statement Subclass Members’ claims for failure to
24 issue accurate itemized wage statements under Labor Code §§ 226(a), (e), and 226.2(a).

25 23. This Court has jurisdiction over Waiting Time Penalty Subclass Members’ claims for
26 compensation due upon discharge or separation from employment under Labor Code §§ 201-203.

27 24. This Court has jurisdiction over Plaintiffs and Class Members’ claims for reimbursement
28 of necessary business expenses under Labor Code § 2802.

1 **FACTUAL ALLEGATIONS COMMON TO ALL CLASS MEMBERS**

2 ***A. Defendants' Business and Class Members' Role in Business Operations***

3 31. Walden is a private, for-profit online university that offers online courses to students
4 pursuing undergraduate and graduate degrees and certificate programs. These programs are offered
5 throughout the year on a semester or quarter basis. Defendants employ part-time faculty members, who
6 are classified as Contributing Faculty and/or paid according to the Faculty Compensation Schedule, to
7 teach courses, mentor students, review dissertation-related projects, and perform related duties. The
8 tasks are done remotely, primarily through the internet.

9 32. Upon information and belief, Walden is a wholly-owned subsidiary of Laureate. Upon
10 information and belief, Defendants have employed more than one hundred Class Members during the
11 Class Period in California.

12 ***B. Class Members Are Non-Exempt Piece-Rate Employees***

13 33. During the Class Period, Class Members were paid on a piece-rate basis. Defendants
14 employed Class Members to complete one or more "assignments" at any given time, with most types of
15 assignments generally described in a document identifying the assignment and stating the dates of the
16 term of the assignment ("Assignment Letter"). Defendants maintained a "Faculty Compensation
17 Schedule," which provided a lump-sum Assignment Rate for each type of assignment. The more
18 assignments a Class Member completed, the more she or he was paid. This is a piece-rate method of
19 compensation.

20 34. During the Class Period, Class Members were non-exempt employees because they were
21 paid on a piece-rate basis, not a salary basis as is required to be exempt. *See* Wage Order No. 4-2001,
22 § 1(A).

23 35. In addition, even if Class Members' pay were considered a salary, it was too low to
24 qualify for exemption because it was not at least the monthly salary equivalent of two times the
25 California minimum wage for full-time employment, as is required to be exempt. *Id.*¹

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27 ¹ Labor Code § 515.7, which permitted non-profit universities based in California to begin paying
28 adjunct instructors a salary that is less than the minimum earnings requirement (provided certain other
requirements are met) while classifying them as exempt starting on September 9, 2020, is inapplicable

1 **C. Defendants' Compensation Practices Applicable to Class Members Violated California's**
2 **Minimum Wage and Rest Break Laws**

3 36. Because Class Members are piece-rate workers, pursuant to Labor Code §§ 226.2, 1194,
4 1194.2, and Wage Order No. 4-2001, § 4, Defendants were required, but failed, to pay Class Members
5 separately from the piece at least at the minimum wage for their nonproductive time, including time
6 spent attending mandatory trainings. In addition to completing the assignments for which they were
7 paid on a piece-rate basis, Class Members performed nonproductive tasks including but not limited to
8 undergoing mandatory online trainings and participating in department meetings.

9 37. In the alternative, even if Class Members' compensation is not considered a piece rate,
10 Class Members are non-exempt employees entitled to be paid for all hours worked, pursuant to Labor
11 Code §§ 1194, 1194.2 and Wage Order No. 4-2001, § 4. Defendants, however, did not pay them for all
12 hours worked, including the nonproductive time mentioned above.

13 38. During the Class Period, Class Members worked at least 3.5 hours or more straight, and
14 Class Members were entitled to a 10-minute paid rest break for every 3.5 hours of continuous work.
15 Defendants knew or should have known that Class Members worked 3.5 hours or more on any given
16 day.

17 39. Because Class Members are piece-rate workers, pursuant to Labor Code §§ 226.2, 1194
18 and Wage Order No. 4-2001, §§ 4, 12, Defendants were required, but failed, to pay Class Members for
19 their time spent on rest breaks separately and apart from the piece.

20 40. In the alternative, if Class Members' compensation is not considered a piece rate, as non-
21 exempt employees Class Members were entitled to off-duty paid rest breaks for 3.5 hours of work or
22 longer, pursuant to Labor Code § 226.7 and Wage Order No. 4-2001, § 12. However, as a matter of
23 policy and/or practice, Defendants failed to authorize and permit Class Members to take off-duty rest
24 breaks, and failed to pay premium pay for missed rest breaks, in violation of Labor Code § 226.7 and
25 Wage Order No. 4-2001, § 12.

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28 because, among other reasons, (a) Defendants are a for-profit entity, and (b) Defendants are not formed
in California. *See* Labor Code § 515.7(a) incorporating Education Code § 66010(b).

1 ***D. Defendants' Compensation Practices Also Resulted in Failure to Issue Accurate Itemized***
2 ***Wage Statements and Pay All Compensation Due Upon Discharge or Separation from***
3 ***Employment***

4 41. During the Wage Statement Subclass Period, Defendants failed to issue accurate
5 itemized wage statements to Plaintiffs and Wage Statement Subclass Members. Because Plaintiffs and
6 Wage Statement Subclass Members are non-exempt employees, under Labor Code § 226(a)(2) and
7 (a)(9) Defendants were required but failed to furnish them with wage statements containing entries for
8 the total hours worked by the employee, and all applicable hourly rates in effect during the pay period
9 and the corresponding number of hours worked at each hourly rate by the employee.

10 42. Additionally, because Plaintiffs and Wage Statement Subclass Members are piece-rate
11 workers, under Labor Code § 226(a)(3) Defendants were required but failed to furnish Plaintiffs and
12 Wage Statement Subclass Members with wage statements that included the number of piece-rate units
13 earned and any applicable piece rate, and under Labor Code § 226.2(a) to furnish them with wage
14 statements that itemized total hours of compensable rest and recovery periods, the rate of compensation,
15 and the gross wages paid for those periods during the pay period.

16 43. Defendants issued wage statements that included lump sum payments without breaking
17 down hours worked, hourly rates, corresponding number of hours worked at each hourly rate, total
18 hours of compensable rest and recovery periods along with the rate of compensation and gross wages
19 paid for those rest periods, or pieces produced and piece-rate. During the Wage Statement Subclass
20 Period, Plaintiffs' wage statements included the headings "hours," "pay rate," and "total hours," but
21 under these headings Defendants either entered "0.0000" or left blanks.

22 44. In addition, Defendants issued only one wage statement per month, whereas Wage
23 Statement Subclass Members were entitled to be paid twice per month under Labor Code § 204(a), so
24 no wage statement was provided for required pay periods.

25 45. Defendants' practices of furnishing Plaintiffs and Wage Statement Subclass Members
26 incomplete and/or inaccurate wage statements in violation of Labor Code §§ 226(a) and 226.2(a) was
27 not an isolated and unintentional payroll error due to a clerical or inadvertent mistake, but rather was
28 willful and intentional and the result of Defendants' regular compensation policies.

1 46. Plaintiffs and Wage Statement Subclass Members could not promptly and easily
2 determine from the wage statements alone, without reference to other documents or information,
3 including wage statements from previous pay periods, their regular hourly rate, the total hours worked at
4 that rate, the total hours worked during a pay period, and number of pieces worked. As a result,
5 Plaintiffs and Wage Statement Subclass Members suffered injury for the purposes of Labor Code
6 § 226(e).

7 47. As a further consequence of Defendants’ failure to pay wages for all hours worked and
8 failure to pay hourly for nonproductive time, the Waiting Time Penalty Subclass did not receive all
9 compensation due to them in their final paychecks, nor did they receive this compensation within 30
10 days of discharge or separation from their employment with Defendants, in violation of Labor Code
11 §§ 201-202. In addition, when a Class Member completed an assignment without being issued another
12 assignment, the final pay was not paid upon discharge or separation, but rather on the next regularly
13 scheduled payroll date. Thus, Defendants are liable to Waiting Time Penalty Subclass Members for
14 waiting time penalties under Labor Code § 203.

15 ***E. Defendants Failed to Reimburse Class Members for Necessary Business Expenses***

16 48. Defendants did not reimburse Plaintiffs and Class Members for necessary business
17 expenses they incurred, including but not limited to the costs of internet, computers, web cameras, home
18 or cellular telephones, printers, ink toner/cartridges and paper, and other expenses associated with
19 working from a home office, in violation of Labor Code § 2802. In particular, Defendants had a written
20 policy of requiring Class Members, “at their own expense,” to have a personal computer with virus
21 protection and internet access, in violation of Labor Code § 2802.

22 ***F. Defendants’ Labor Code Violations Were Unfair Business Practices***

23 49. Throughout the Class Period, Defendants have adopted and used unfair and/or unlawful
24 business practices to reduce Class Members’ compensation and increase profits. These practices
25 include failing to pay Class Members separately from the piece and hourly for nonproductive time
26 and/or failing to pay wages for all hours worked, failing to pay separately from the piece and hourly for
27 rest breaks and/or failing to authorize and permit off-duty paid rest breaks, failing to pay Class Members
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1 premium pay for missed rest breaks, and failing to reimburse Class Members for necessary business
2 expenses.

3 CLASS ACTION ALLEGATIONS

4 50. Plaintiffs bring this class action pursuant to Cal. Civ. Proc. Code § 382 on behalf of the
5 Class, the Wage Statement Subclass, and the Waiting Time Penalty Subclass. Upon information and
6 belief, there are more than one hundred Class Members, more than fifty Wage Statement Subclass
7 Members, and more than fifty Waiting Time Penalty Subclass Members. The members of the Class and
8 Subclasses are so numerous that joinder of all members is impractical.

9 51. Plaintiffs' claims are typical of the claims of the members of the Class and Subclasses
10 because they were part-time Contributing Faculty members employed and paid pursuant to Assignment
11 Letters and Defendants' Compensation Schedule, and were (a) not paid separately and hourly for
12 nonproductive time and/or not paid wages for all hours worked, (b) not paid separately and hourly for
13 rest breaks and/or not permitted off-duty paid rest breaks, (c) not paid premium pay for missed rest
14 breaks, (d) subject to Defendants' policies and/or practices of not tracking hours worked, (e) subject to
15 Defendants' policies and/or practices of not ensuring compliant rest breaks, (f) not provided an accurate
16 and itemized wage statement for each pay period, (g) not paid all compensation due upon discharge or
17 separation from employment, and (h) not reimbursed for necessary business expenses.

18 52. Plaintiffs will fairly and adequately represent the interests of the Class and Subclasses.
19 Plaintiffs have no conflict of interest with any member of the Class or Subclasses. Plaintiffs have
20 retained competent and experienced counsel in complex class action litigation. Plaintiffs' counsel have
21 the expertise and financial resources to adequately represent the interests of the Class and Subclasses.

22 53. Common questions of law and fact exist as to all members of the Class and the
23 Subclasses and predominate over any questions solely affecting individual members of the Class and
24 Subclasses. Among the questions of law and fact common to Plaintiffs, the Class, and the Subclasses
25 are the following:

- 26 a. Whether Class Members are paid on a piece-rate basis;
- 27 b. Whether Class Members are entitled to separate and hourly pay for nonproductive time
28 under Labor Code §§ 226.2, 1194, 1194.2 and Wage Order No. 4-2001, § 4;

- 1 c. Whether Class Members are non-exempt employees, entitled to at least minimum wage
2 for all hours worked under Labor Code § 1194 and Wage Order No. 4-2001, § 4;
- 3 d. Whether Defendants are liable for liquidated damages to Class Members under Labor
4 Code § 1194.2 for failure to pay for nonproductive time;
- 5 e. Whether Class Members are entitled to separate and hourly pay for rest breaks under
6 Labor Code §§ 226.2, 1194 and Wage Order No. 4-2001, §§ 4, 12;
- 7 f. Whether Class Members are non-exempt employees, entitled to timely paid off-duty rest
8 breaks under Labor Code § 226.7 and Wage Order No. 4-2001, § 12;
- 9 g. Whether Defendants violated Labor Code § 226.7 and Wage Order No. 4-2001, § 12 by
10 failing to pay one hour of premium pay to each Class Member for each day that a compliant
11 rest period was not provided;
- 12 h. Whether Defendants failed to establish and/or implement policies applicable to Class
13 Members regarding tracking hours worked and rest breaks;
- 14 i. Whether Defendants violated Labor Code §§ 226(a) and 226.2(a) by failing to issue
15 itemized wage statements to Wage Statement Subclass Members;
- 16 j. Whether Defendants' violations of Labor Code §§ 226(a) and 226.2(a) were knowing
17 and intentional;
- 18 k. Whether Wage Statement Subclass Members suffered injury for the purposes of Labor
19 Code § 226(e);
- 20 l. Whether Defendants violated Labor Code §§ 201-203 by failing to pay the Waiting Time
21 Penalty Subclass for all compensation due to them upon discharge or separation from
22 their employment, including the wages owed to them for their time spent on
23 nonproductive tasks and rest periods, and for failing to pay all wages due on the date of
24 discharge, rather than on the next regularly scheduled payroll date;
- 25 m. Whether Defendants violated Labor Code § 2802 by failing to reimburse Class Members
26 for necessary business expenses;
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- n. Whether Defendants had an unlawful policy requiring Class Members, “at their own expense,” to have a personal computer with virus protection and internet access, in violation of Labor Code § 2802;
- o. Whether these violations constitute unfair, unlawful, and fraudulent business practices, in violation of the UCL, Bus. & Prof. Code §§ 17200 *et seq.*;
- p. Whether Plaintiffs and Class Members are entitled to restitution under Bus. & Prof. Code §§ 17200 *et seq.* for uncompensated hours worked, uncompensated rest periods, unpaid premium pay, and unreimbursed business expenses;
- q. The proper formula(s) for calculating damages, interest, and restitution owed to Plaintiffs, the Class, and the Subclasses;
- r. Whether the Class is entitled to declaratory relief; and
- s. Whether the Class is entitled to injunctive relief.

54. Class action treatment is superior to any alternative to ensure the fair and efficient adjudication of the controversy alleged herein. Such treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and without duplication of effort and expense that numerous individual actions would entail. No difficulties are likely to be encountered in the management of this class action that would preclude its maintenance as a class action, and no superior alternative exists for the fair and efficient adjudication of this controversy. Class Members are readily identifiable from Defendants’ employee rosters and/or payroll records.

55. Defendants’ actions are generally applicable to the entire Class. Prosecution of separate actions by individual members of each Class creates the risk of inconsistent or varying adjudications of the issues presented herein, which, in turn, would establish incompatible standards of conduct for Defendants.

56. Because joinder of all Class Members is impractical, a class action is superior to other available methods for the fair and efficient adjudication of this controversy. Furthermore, the amounts at stake for many members of each Class, while substantial, may not be sufficient to enable them to maintain separate suits against Defendants.

1 **FIRST CAUSE OF ACTION**

2 **Failure to Pay Separately and Hourly for Nonproductive Time and/or**
3 **Failure to Pay Wages for All Hours Worked**
4 **[Labor Code §§ 226.2, 1194, 1194.2; Wage Order No. 4-2001, § 4]**

5 57. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
6 preceding paragraphs.

7 58. Labor Code § 1194(a) provides, in relevant part:

8 “Notwithstanding any agreement to work for a lesser wage, any employee receiving less
9 than the legal minimum wage . . . applicable to the employee is entitled to recover in a civil
10 action the unpaid balance of the full amount of this minimum wage . . . including interest
11 thereon, reasonable attorney’s fees, and costs of suit.”

12 59. Labor Code § 1194.2 provides, in relevant part:

13 “In any action under Section . . . 1194 . . . to recover wages because of the payment of a
14 wage less than the minimum wage fixed by an order of the commission or by statute, an
15 employee shall be entitled to recover liquidated damages in an amount equal to the wages
16 unlawfully unpaid and interest thereon.”

17 60. Labor Code § 226.2(a)(1) states that “[e]mployees shall be compensated for . . . other
18 nonproductive time separate and apart from any piece-rate compensation.”

19 61. As set forth above, during the Class Period, Plaintiffs and Class Members were paid an
20 Assignment Rate, which is a piece rate (*i.e.*, a flat/ascertainable amount per “assignment”), but
21 Defendants did not compensate them separately and apart from the Assignment Rate for time spent on
22 nonproductive tasks separate from delivery of the assignment, including but not limited to online
23 trainings and faculty meetings.

24 62. Accordingly, pursuant to Labor Code §§ 226.2, 1194, 1194.2, and Wage Order No. 4-
25 2001, § 4, Plaintiffs and the Class are entitled to recover, at a minimum, their unpaid hourly wages, plus
26 liquidated damages in an additional amount equal to the total amount of applicable minimum wages
27 unlawfully withheld during the Class Period for Class Members’ nonproductive time.

28 63. Alternatively, under the theory that Plaintiffs and Class Members were not piece-rate
employees, pursuant to Labor Code §§ 1194, 1194.2 and Wage Order No. 4-2001, § 4, Defendants were
required but failed to compensate Plaintiffs and Class Members for all hours worked because they are
non-exempt employees. Thus, Plaintiffs and the Class are entitled to recover, at a minimum, their
unpaid hourly wages, plus liquidated damages in an additional amount equal to the total amount of

1 applicable minimum wages unlawfully withheld during the Class Period for Class Members' unpaid
2 hours worked.

3 64. Plaintiffs, on behalf of themselves and all other Class Members, request relief as
4 described below.

5 **SECOND CAUSE OF ACTION**

6 **Failure to Pay Separately and Hourly for Rest Breaks and/or Failure to Authorize and Permit**
7 **Paid Rest Breaks, and Failure to Pay Missed Rest Break Premiums**
8 **[Labor Code §§ 226.2, 226.7, 1194; Wage Order No. 4-2001, §§ 4, 12]**

9 65. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
10 preceding paragraphs.

11 66. Labor Code § 226.2(a)(1) states that “[e]mployees shall be compensated for rest and
12 recovery periods . . . separate from any piece-rate compensation.”

13 67. Wage Order No. 4-2001, § 12(A) provides:

14 “(A) Every employer shall authorize and permit all employees to take rest periods, which
15 insofar as practicable shall be in the middle of each work period. The authorized rest period
16 time shall be based on the total hours worked daily at the rate of ten minutes net rest time
17 per four hours or major fraction thereof. However, a rest period need not be authorized for
18 employees whose total daily work time is less than three and one-half (3 1/2) hours.
19 Authorized rest period time shall be counted as hours worked for which there shall be no
20 deduction from wages.”

21 68. Labor Code § 226.7(b) provides, “[a]n employer shall not require an employee to work
22 during a . . . rest or recovery period mandated pursuant to an applicable statute . . . or order of the
23 Industrial Welfare Commission.”

24 69. As set forth above, during the Class Period, Plaintiffs and Class Members regularly
25 worked 3.5 consecutive hours or more in a workday.

26 70. Because Class Members were piece-rate workers, Defendants violated Labor Code
27 § 226.2 by failing to compensate them for their time spent on rest breaks separately and apart from the
28 Assignment Rate. As a result, Defendants also violated Labor Code § 1194 for failing to pay wages for
all hours worked.

71. Alternatively, even if Plaintiffs and Class Members were not paid a piece-rate, they were
non-exempt employees because they earned too little to qualify for exemption, and Defendants therefore
were required but failed to authorize and permit them to take timely paid off-duty rest breaks. As a

1 result, Defendants were required but failed to pay premium pay pursuant to Labor Code § 226.7 and
2 Wage Order No. 4-2001, § 12.

3 72. Plaintiffs, on behalf of themselves and all other Class Members, request relief as
4 described below.

5 **THIRD CAUSE OF ACTION**
6 **Failure to Issue Accurate Itemized Wage Statements**
7 **[Labor Code §§ 226(a), (e); 226.2(a)]**

8 73. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
9 preceding paragraphs.

10 74. During the Wage Statement Subclass Period, Defendants failed to furnish Plaintiffs and
11 Wage Statement Subclass Members with accurate itemized wage statements containing total hours
12 worked by the employee, and all applicable hourly rates in effect during the pay period and the
13 corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code
14 § 226(a).

15 75. Additionally, Defendants failed to furnish Plaintiffs and Wage Statement Subclass
16 Members with accurate wage statements itemizing the number of piece-rate units earned and any
17 applicable piece rate; total hours of compensable rest and recovery periods, the rate of compensation,
18 and the gross wages paid for those periods during the pay period, in violation of Labor Code §§ 226(a)
19 and 226.2(a).

20 76. Defendants also failed to issue wage statements twice per month despite being required
21 to pay Wage Statement Subclass Members twice per month under Labor Code § 204(a).

22 77. Defendants' failure to furnish accurate itemized wage statements to Plaintiffs and Wage
23 Statement Subclass Members was knowing and intentional.

24 78. Wage Statement Subclass Members suffered injury as a result of Defendants' knowing
25 and intentional failure to comply with Labor Code §§ 226(a) and 226.2(a).

26 79. As a result, pursuant to Labor Code § 226(e) Plaintiffs and Wage Statement Subclass
27 Members are entitled to recover \$50 for each initial pay period with a violation and \$100 for each
28 subsequent pay period with a violation, up to an amount not exceeding an aggregate penalty of \$4,000,
for each Wage Statement Subclass Member.

1 preceding paragraphs.

2 88. Under Labor Code § 2802, “[a]n employer shall indemnify his or her employee for all
3 necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his
4 or her duties.”

5 89. Defendants did not reimburse Plaintiffs and Class Members for necessary business
6 expenses, including but not limited to the costs of internet, computers, web cameras, home or cellular
7 telephones, printers, ink toner/cartridges and paper, and other expenses associated with working from a
8 home office, in violation of Labor Code § 2802.

9 90. Defendants required Class Members to incur these expenses to perform their duties. In
10 particular, Defendants had a written policy that required Plaintiffs and Class Members, “at their own
11 expense,” to have personal computers with virus protection and internet access. This policy violated
12 Labor Code § 2802.

13 91. Plaintiffs, on behalf of themselves and all other Class Members, request relief as described
14 below.

15 **SIXTH CAUSE OF ACTION**
16 **Violation of Unfair Competition Laws**
17 **[Cal. Bus. & Prof. Code §§ 17200 *et seq.*]**

18 92. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
19 preceding paragraphs.

20 93. The UCL prohibits any unlawful, unfair, or fraudulent business practices. Labor Code
21 § 90.5(a) states that it is the public policy of California to vigorously enforce minimum labor standards
22 in order to ensure employees are not required to work under substandard and unlawful conditions, and
23 to protect employers who comply with the law from those who attempt to gain competitive advantage at
24 the expense of their workers by failing to comply with minimum labor standards. Through their actions
25 alleged herein, Defendants have engaged in unfair competition within the meaning of the UCL, because
26 Defendants’ conduct has violated state wage and hour laws as herein described.

27 94. Throughout the Class Period, Defendants committed, and continue to commit, acts of
28 unfair competition, as defined in the UCL by failing to pay Class Members separately and hourly pay

1 for nonproductive time and/or failing to pay for all hours worked, failing to pay separately and hourly
2 for rest break time and/or failing to authorize and permit off-duty paid rest breaks, failing to pay
3 premium pay for missed rest breaks, and failing to reimburse necessary business expenses, in violation
4 of Labor Code §§ 226.2, 226.7, 1194, 2802 and Wage Order No. 4-2001, §§ 4, 12.

5 95. By its actions and omissions, Defendants have substantially injured Plaintiffs and Class
6 Members. Defendants' conduct as herein alleged has damaged Plaintiffs and Class Members and was
7 substantially injurious to them.

8 96. The harm to Plaintiffs and Class Members resulting from Defendants' Labor Code
9 violations outweighs the utility, if any, of Defendants' policies and practices. Therefore, Defendants'
10 actions described herein constitute an unfair business practice or act within the meaning of the UCL.

11 97. Plaintiffs, on behalf of themselves and all other Class Members, request relief as
12 described below.

13 **SEVENTH CAUSE OF ACTION**

14 **Civil Penalties**

15 **[Labor Code §§ 2698 *et seq.*]**

16 98. Plaintiffs re-allege and incorporate by reference each and every allegation set forth in the
17 preceding paragraphs.

18 99. Plaintiffs are "Aggrieved Employees" under the PAGA because they were employed by
19 Defendants during the applicable statutory period and suffered one or more of the Labor Code violations
20 alleged herein. As such, Plaintiffs seek to recover, on behalf of themselves and all other currently and
21 formerly employed Aggrieved Employees of Defendants, civil penalties under the PAGA, plus
22 reasonable attorneys' fees and costs.

23 100. Plaintiffs seek to recover PAGA penalties through a representative action as permitted by
24 the PAGA and the California Supreme Court in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009).
25 Therefore, class certification of the PAGA claims is not required, but Plaintiffs may choose to seek
26 certification of the PAGA claims.

27 101. Plaintiffs seek PAGA penalties on behalf of themselves and Aggrieved Employees
28 against Defendants for the following violations:

1 ***Unpaid Nonproductive Time and/or Unpaid Wages***

2 102. During the PAGA Period, Defendants did not compensate Aggrieved Employees
3 separately and hourly for nonproductive time and/or did not compensate Aggrieved Employees for all
4 hours worked, as required under Labor Code §§ 226.2, 1194 and Wage Order No. 4-2001, § 4.

5 103. Pursuant to Labor Code § 2699(a), Aggrieved Employees are entitled to one hundred
6 dollars (\$100) per employee per pay period for each initial violation and two hundred fifty dollars
7 (\$250) per employee per pay period for each subsequent violation, in accordance with Labor Code
8 § 1197.1(a)(1)-(2).

9 104. Alternatively, Aggrieved Employees are entitled to the default PAGA penalty under
10 Labor Code § 2699(f)(2) of one hundred dollars (\$100) per employee per pay period for each initial
11 violation and two hundred dollars (\$200) per employee per pay period for each subsequent violation.

12 ***Rest Break Claims***

13 105. During the PAGA Period, Defendants failed to pay separately and hourly for rest breaks
14 and/or failed to authorize and permit paid rest breaks and pay premium pay for missed rest breaks, in
15 violation of Labor Code §§ 226.2, 226.7, 1194 and Wage Order No. 4-2001, §§ 4, 12.

16 106. Pursuant to Labor Code § 2699(a), Aggrieved Employees are entitled to one hundred
17 dollars (\$100) per employee per pay period for each initial violation and two hundred fifty dollars
18 (\$250) per employee per pay period for each subsequent violation, in accordance with Labor Code
19 § 1197.1(a)(1)-(2).

20 107. Alternatively, Aggrieved Employees are entitled to the default PAGA penalty under
21 Labor Code § 2699(f)(2) of one hundred dollars (\$100) per employee per pay period for each initial
22 violation and two hundred dollars (\$200) per employee per pay period for each subsequent violation.

23 ***Failure to Issue Accurate Itemized Wage Statements***

24 108. During the PAGA Period, Defendants failed to issue accurate itemized wage statements
25 that included: (1) gross wages earned; (2) total hours worked; (3) number of piece-rate units earned and
26 any applicable piece rate; (4) net wages earned; (5) applicable hourly rates and the corresponding
27 number of hours worked at each hourly rate; (6) total hours, rate of compensation, and gross wages paid
28

1 for compensable rest and recovery periods; and (7) total hours, rate of compensation, and gross wages
2 paid for nonproductive time. Thus, Defendants violated Labor Code §§ 226(a), 226.2.

3 109. Pursuant to Labor Code § 2699(a), Aggrieved Employees are entitled to two hundred
4 fifty dollars (\$250) per employee per initial violation and one thousand dollars (\$1,000) per employee
5 per subsequent violation, in accordance with Labor Code § 226.3.

6 110. Alternatively, Aggrieved Employees are entitled to the default PAGA penalty under
7 Labor Code § 2699(f)(2) of one hundred dollars (\$100) per employee per pay period for each initial
8 violation and two hundred dollars (\$200) per employee per pay period for each subsequent violation.

9 ***Failure to Pay Wages Twice Monthly***

10 111. During the PAGA Period, Defendants failed to provide compensation and wage
11 statements to Aggrieved Employees twice each month within specified time periods, in violation of
12 Labor Code § 204(a).

13 112. Under Labor Code § 2699(f)(2), Aggrieved Employees are entitled to one hundred
14 dollars (\$100) per employee per pay period for each initial violation and two hundred dollars (\$200) per
15 employee per pay period for each subsequent violation.

16 ***Failure to Pay Compensation Due Upon Discharge from Employment***

17 113. During the PAGA Period, Defendants failed to pay all compensation due to Plaintiff
18 Harris and Aggrieved Employees upon separation or discharge from their employment with Defendants,
19 in violation of Labor Code §§ 201-203.

20 114. Under Labor Code § 2699(f)(2), Plaintiff Harris and Aggrieved Employees are entitled to
21 one hundred dollars (\$100) per employee per pay period for each initial violation and two hundred
22 dollars (\$200) per employee per pay period for each subsequent violation.

23 ***Failure to Reimburse Necessary Business Expenses***

24 115. During the PAGA Period, Defendants failed to reimburse Aggrieved Employees for
25 necessary business expenses, including but not limited to the cost of internet, computers, web cameras,
26 home or cellular telephones, printers, ink toner/cartridges and papers, and other expenses associated
27 with working from a home office, in violation of Labor Code § 2802.

1 E. On the Fourth Cause of Action: That the Court find and declare that Defendants have
2 violated Labor Code §§ 201-203, and award Waiting Time Penalty Subclass Members waiting time
3 penalties in the amount of 30 days' wages per Subclass Member.

4 F. On the Fifth Cause of Action: That the Court find and declare that Defendants have
5 violated Labor Code § 2802 by failing to reimburse Plaintiffs and Class Members for necessary business
6 expenses, and award Plaintiffs and the Class reimbursement of such expenses.

7 G. On the Sixth Cause of Action: That the Court find and declare that Defendants have
8 violated the UCL by failing to pay Plaintiffs and Class Members separately and apart from the
9 Assignment Rate for nonproductive time; failing to pay wages for all hours worked; failing to pay
10 separately and apart from the Assignment Rate for rest breaks; failing to authorize and permit compliant
11 rest breaks; failing to pay premium pay for missed rest breaks; failing to reimburse necessary business
12 expenses; and award restitution to Plaintiffs and the Class in the amount of unpaid compensation; and
13 that the Court enjoin Defendants from continuing to enforce policies and practices that violate Labor
14 Code §§ 226.2, 226.7, 1194, and 2802.

15 H. On the Seventh Cause of Action: That the Court award PAGA civil penalties, as well as
16 attorneys' fees and costs, as provided under Labor Code § 2699.

17 I. That the Court award attorneys' fees and costs of suit to the extent permitted by law,
18 including, but not limited to, Labor Code §§ 226(e), (h), 1194, 2802 and Cal. Civ. Proc. Code § 1021.5.

19 J. All other relief as this Court deems proper.

20 **JURY DEMAND**

21 Plaintiffs hereby demand trial by jury of all claims against Defendants alleged herein.

22
23 Dated: April 4, 2022

Respectfully submitted,

24 THE JHAVERI-WEEKS FIRM, P.C.

25 
26 William C. Jhaveri-Weeks

27 *Attorneys for Plaintiffs and the Putative Class*

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PROOF OF SERVICE

Cheryl Burleigh and Chad Harris v. Walden Univ., LLC and Laureate Educ., Inc.
Alameda County Superior Court, Case No. RG21106062

I, Ally N. Girouard, am counsel of record for Plaintiffs in this matter and am a member in good standing of the California Bar. My business address is The Jhaveri-Weeks Firm, P.C., 351 California Street, Suite 700, San Francisco, CA 94104. On the date of signature, below, I served the following document:

FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT

on the Defendants in this action by causing a true copy thereof to be distributed as follows:

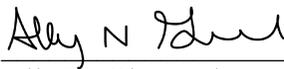
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✓ **By E-Mail or Electronic Transmission:** I caused the document to be sent by e-mail to the persons at the e-mail addresses listed above, pursuant to California Rules of Court, Rule 2.251 and California Code of Civil Procedure section 1010.6.

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

Executed on April 19, 2022, at San Francisco, California.



Ally N. Girouard