1	Ted Mechtenberg, SBN 219602		
2	Matthew Da Vega, SBN 195443 DA VEGA FISHER MECHTENBERG LLP 1567 Spinnaker Drive, Suite 201 Ventura, CA 93001		
3			
4	Tel: 805.500.6878 Fax: 877.535.9358		
5	Email: ted@mdmflaw.com		
6	Michael A. Strauss, SBN 246718 Andrew C. Ellison, SBN 283884		
7	121 North Fir Street, Suite F	EIVED	
8	Tel: 805.641.6600	PERIOR COURT 3/19	
9	Fax: 805.641.6607 Email: mike@strausslawyers.com		
10	Attorneys for Plaintiff and the Putative Class		
11	GUDEDIOD COUDT OF TH	IE CTATE OF CALIFORNIA	
12	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
13	FOR THE COUN	TY OF VENTURA	
14	LARRY MONTE, an individual,	Case No.: 56-2016-00486848-CU-OE-VTA	
15	Plaintiff,	[Case Assigned to the Hon. Kevin DeNoce, Dept.43]	
16	Traintiti,	CLASS ACTION	
17	V.	STIPULATIONS REGARDING CLASS	
18	IMAGE DISTRIBUTION SERVICES; and DOES 1 through 100, inclusive,	CERTIFICATION AND FILING OF	
19	-	AMENDED COMPLAINT; [PROPOSED] ORDER	
20	Defendants.		
21		Complaint Filed: September 20, 2016	
22	TO ALL INTERESTED PARTIES I	HEREIN AND TO THEIR ATTORNEYS OF	
23	RECORD:		
24	Plaintiff LARRY MONTE, and Defen	dant IMAGE DISTRIBUTION SERVICES, by	
25	through their respective attorneys of record,	enter into the stipulations set forth below in	
26	recognition of the following:	-	
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RECITALS

- WHEREAS, on September 20, 2016, Plaintiff Larry Monte filed the initial Complaint in this matter against Defendant Image Distribution Services (IDS).
- WHEREAS, on October 26, 2016, Plaintiff Monte filed a First Amended 2. Complaint (FAC) against IDS.;
- WHEREAS, on or about November 29, 2016, IDS filed its Answer to Monte's 3. FAC.
- 4. WHEREAS, the FAC included class action allegations against IDS and asserted eight causes of action, as follows: (1) failure to pay overtime premium wages, (2) unauthorized deductions from wages, (3) failure to reimburse job-related expenses, (4) unfair competition, (5) pay stub violations, (6) failure to timely pay final wages, (7) failure to pay minimum wages, and (8) failure to provide legally compliant rest periods.
- WHEREAS, on September 7, 2018, Plaintiff Monte filed a motion for class certification relative to the following causes of action: the Second Cause of Action (unauthorized deductions from wages), the Fourth Cause of Action (for unfair competition), the Fifth Cause of Action (pay stub violations), and the Sixth Cause of Action (failure to timely pay final wages). Plaintiff also requested an order approving mailing of notice of class certification to the class members.
- 6. WHEREAS, on January 7, 2019, the Court heard Plaintiff Monte's motion for class certification and entered a minute order granting the motion with respect to the Second, Fourth, and Sixth Causes of Action. The Court denied without prejudice Plaintiff Monte's request to certify the Fifth Cause of Action (for pay stub violations under Labor Code section 226) "[b]ecause Plaintiff's section 226 claim appears time-barred on its face," and, therefore, "he does not appear to be an adequate class representative with respect to this claim." The Court continued: "This denial is without prejudice to Plaintiff seeking leave to amend the 1st Amended Complaint to cure this issue, if possible, and subsequently seeking class certification of the amended claim." The Court also denied "Plaintiff's request for an order approving mailing of notice to the class, solely on the ground that the question of whether the fifth cause of action

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will be certified for class treatment should be resolved prior to such class notice, and therefore this request is presently premature."

- WHEREAS, Plaintiff Monte intends to cure the adequacy of representation issue raised by the Court in its January 7, 2019 Minute Order by amending the FAC to add current IDS employee Conrad Lund as a co-plaintiff and class representative on the section 226 claim.
- 8. WHEREAS, effective January 1, 2019, IDS has merged with Deluxe Small Business Sales, Inc. (Deluxe), a Minnesota corporation, and Deluxe is the surviving corporation.
- 9. WHEREAS, California Corporations Code section 12550, subdivision (c), provides: "Any action or proceeding pending by or against any disappearing corporation or other party to the merger may be prosecuted to judgment, which shall bind the surviving party to the merger, or the surviving party to the merger may be proceeded against or substituted in its place."
- 10. WHEREAS, pursuant to section 12550, subdivision (c), Plaintiff Monte intends to name Deluxe as a defendant to the within action.
- 11. WHEREAS, the parties agree that Plaintiff Monte may file a Second Amended Complaint, a copy of which is attached hereto, to add Plaintiff Lund as a co-plaintiff and class representative and to name Deluxe as a defendant.
- 12. WHEREAS, the parties agree that Plaintiff Lund is a proper class representative for the section 226 pay stub claim and that the class may be certified with the addition of Mr. Lund as the class representative on that claim.
- 13. WHEREAS, the parties have agreed on the form of a notice of class certification to be mailed to the members of the class and request the Court to approve the content of said notice and the mailing thereof to the class members.

STIPULATION

Wherefore, in light of the foregoing recitals, the parties hereto agree and stipulate, subject to this Court's order approving same, as follows:

This Court shall grant Plaintiff Monte leave to file the attached [Proposed] Second 1. Amended Complaint.

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- Defendants IDS and Deluxe shall have thirty (30) days from the date the Second 2. Amended Complaint (SAC) is filed to file their response thereto.
- Notwithstanding and subject to Defendants' opposition and objections contained in Defendant's Opposition to Motion for Class Certification and supporting papers, filed November 9, 2018, the Court shall grant class certification of the SAC's Fifth Cause of Action for pay stub penalties under Labor Code section 226 on the grounds that: (i) the proposed class is sufficiently ascertainable and numerous; (ii) common issues of law and fact predominate over individualized ones; in particular, the common issue of the legality of Defendants' policies with respect to the providing of pay check stubs predominate over the individualized issues; (iii) Plaintiff Lund's claims are typical of the proposed class; (iv) Plaintiff Lund and his counsel are adequate class representatives; and (v) the class action mechanism procedure is preferable to individual actions due to the apparently relatively modest individual monetary recovery and the substantial factual and legal commonality. No further hearing on class certification is necessary. Cal. Rule of Court 3.764, subd. (e).
- 4. Pursuant to Cal. Rules of Court 3.764, subdivision (a), and 3.765, subdivision (a), the Court's shall amend the Class Definition as follows: "All persons employed by Image Distribution Solutions and Deluxe Small Business Sales, Inc. as Account Executives at any location in California at any time since September 20, 2012" (hereafter, the "Class").
- 5. The Court shall direct Class Counsel to provide, to those persons who meet the definition of the Class set forth herein, notice of this order and of their ability to request exclusion from the Class.
- The Court shall approve the Notice of Class Certification attached hereto as Exhibit B and the mailing of said Notice to all persons in the Class. The cost of the mailing shall be borne by Plaintiffs and Class Counsel.
- 7. The parties shall select an experienced third-party claims administrator (the "Claims Administrator") to perform the mailing of the Class Notice.
- 8. Defendants IDS and Deluxe shall provide the Claims Administrator with the names and last-known contact information, including addresses, phone numbers, and email

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addresses of the members of the Class (the "Contact Information"), within 10 calendar days of the date of this Order.

- 9. The Claims Administrator shall have no more than 10 calendar days from its receipt of the names and Contact Information of the members of the Class to effectuate its mailing of the Class Notices to the members of the Class.
- 10. Prior to the mailing of the Class Notice to the members of the Class, the Claims Administrator shall check the members' last-known home addresses against the National Change of Address Database to verify their correctness.
- 11. Each member of the Class who decides to request exclusion from the Class must send a letter to the Claims Administrator requesting to be excluded from the class action ("Opt-Out Letter") and must postmark said Opt-Out Letter within 30 days from the date of the Claims Administrator's mailing of the Class Notice (the "Opt-Out Period"). Any member of the Class who sends a timely Opt-Out Letter to the Claims Administrator shall be excluded from the Class.
- 12. A member of the Class who submits an untimely Opt-Out Letter will not be considered to have opted out of the class action.
- 13. The Claims Administrator will provide Class Counsel with a list of names and last-known Contact Information of all members of the Class within 14 days after the expiration of the Opt-Out Period.
- 14. Plaintiffs, on behalf of themselves and the Class, reserve all rights and claims herein, and their agreement to stipulate as set forth herein shall not be construed as any admission or waiver of any and all rights at law or equity.
- 15. Defendant IDS and Deluxe reserve all rights and claims herein, and their agreement to stipulate as set forth herein shall not be construed as any admission or waiver of any and all rights at law or equity.

IT I S SO STIPULATED.

[signatures on following page]

Ventura Superior Court Accepted through eDelivery submitted 04-03-2019 at 02:11:29 PM

[PROPOSED] ORDER

Pursuant to the stipulation of the parties, and good cause appearing, the Court here by ORDERS as follows:

- 1. This Court grants Plaintiffs leave to file the [Proposed] Second Amended Complaint attached hereto as Exhibit A.
- 2. Defendants IDS and Deluxe have thirty (30) days from the date the Second Amended Complaint (SAC) is filed to file their response thereto.
- 3. Notwithstanding and subject to Defendants' opposition and objections contained in Defendant's Opposition to Motion for Class Certification and supporting papers, filed November 9, 2018, the Court grants class certification of the SAC's Fifth Cause of Action for pay stub penalties under Labor Code section 226 on the grounds that: (i) the proposed class is sufficiently ascertainable and numerous; (ii) common issues of law and fact predominate over individualized ones; in particular, the common issue of the legality of Defendants' policies with respect to the providing of pay check stubs predominate over the individualized issues; (iii) Plaintiff Conrad Lund's claims are typical of the proposed class; (iv) Plaintiff Lund and his counsel are adequate class representatives; and (v) the class action mechanism procedure is preferable to individual actions due to the apparently relatively modest individual monetary recovery and the substantial factual and legal commonality. No further hearing on class certification is necessary. Cal. Rule of Court 3.764, subd. (e).
- 4. Pursuant to Cal. Rules of Court 3.764, subdivision (a), and 3.765, subdivision (a), the Court's amends the Class Definition as follows: "All persons employed by Image Distribution Solutions and Deluxe Small Business Sales, Inc. as Account Executives at any location in California at any time since September 20, 2012."
- 5. The Court approves the Notice of Class Certification attached hereto as Exhibit B and the mailing of said Notice to all persons who meet the Class Definition by first class mail.
- 6. The Court shall approve the Notice of Class Certification attached hereto as Exhibit B and the mailing of said Notice to all persons in the Class. The cost of the mailing shall be borne by Plaintiffs and Class Counsel.

The parties shall select an experienced third-party claims administrator (the 7. "Claims Administrator") to perform the mailing of the Class Notice. Defendants IDS and Deluxe shall provide the Claims Administrator with the names and last-known contact information, including addresses, phone numbers, and email

addresses of the members of the Class (the "Contact Information"), within 10 calendar days of

the date of this Order. The Claims Administrator shall have no more than 10 calendar days from its 9. receipt of the names and Contact Information of the members of the Class to effectuate its

mailing of the Class Notices to the members of the Class.

- Prior to the mailing of the Class Notice to the members of the Class, the Claims Administrator shall check the members' last-known home addresses against the National Change of Address Database to verify their correctness.
- Each member of the Class who decides to request exclusion from the Class must send a letter to the Claims Administrator requesting to be excluded from the class action ("Opt-Out Letter") and must postmark said Opt-Out Letter within 30 days from the date of the Claims Administrator's mailing of the Class Notice (the "Opt-Out Period"). Any member of the Class who sends a timely Opt-Out Letter to the Claims Administrator shall be excluded from the Class.
- A member of the Class who submits an untimely Opt-Out Letter will not be 12. considered to have opted out of the class action.
- The Claims Administrator will provide Class Counsel with a list of names and last-known Contact Information of all members of the Class within 14 days after the expiration of the Opt-Out Period.

IT IS SO ORDERED.

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DATED: 6/5, 2019

Hon. Kevin DeNoce Judge of the Superior Court

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1	Ted Mechtenberg, SBN 219602 Matthew Da Vega, SBN 195443 EXHIBIT A		
2	Ted Mechtenberg, SBN 219602 EXHIBIT A Matthew Da Vega, SBN 195443 DA VEGA FISHER MECHTENBERG LLP 1500 Palma Drive, 2 nd Floor Vertexas CA 02003		
3	Ventura, CA 93003 Tel: 805.500.6878		
4	Fax: 877.535.9358 Email: ted@mdmflaw.com		
5	Michael A. Strauss, SBN 246718		
6	Andrew C. Ellison, SBN 283884 STRAUSS & STRAUSS, APC		
7	121 North Fir Street, Suite F Ventura, CA 93001 Tel: 805.641.6600		
8	Fax: 805.641.6607 Email: mike@strausslawyers.com		
9	Attorneys for Plaintiff and the Putative Class		
10	Attorneys for Flamum and the Futative Class		
11	SUPERIOR COURT OF THE STATE OF CALIFORNIA		
12	FOR THE COUN	NTY OF VENTURA	
13	I ADDY MONTE on individual	Case No.	
14	LARRY MONTE, an individual,		
15	Plaintiff,	<u>CLASS ACTION</u>	
16	v.	[PROPOSED] SECOND AMENDED	
17	IMAGE DISTRIBUTION SERVICES;	COMPLAINT	
18 19	DELUXE SMALL BUSINESS SALES, INC.; and DOES 1 through 100, inclusive,		
20		Complaint Filed: Sept. 20, 2016	
21	Defendants.		
22			
23	TO ALL INTERESTED PARTIES	HEREIN AND TO THEIR ATTORNEYS OF	
24	RECORD:		
25	COME NOW, PLAINTIFFS LARR	Y MONTE AND CONRAD LUND (herein	
26	collectively "Plaintiffs") and the Putative Class, and submit the following Second Amended		
27	Complaint against IMAGE DISTRIBUTION	N SERVICES, DELUXE SMALL BUSINESS	

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SALES, INC., and DOES 1 through 100, inclusive, (collectively "Defendants"), and each of

them as follows:

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GENERAL ALLEGATIONS

- At all times herein mentioned, Plaintiff Larry Monte ("MONTE") was an employee of Defendants, working in the state of California, within the four (4) years preceding the filing of the original complaint in this action on September 20, 2016.
- 2. At all times herein mentioned Plaintiff MONTE was an individual residing in the County of Ventura, in the State of California.
- At all times herein mentioned, Plaintiff Conrad Lund ("LUND") was an employee of Defendants, working in the state of California, within the four (4) years preceding the filing of the original complaint in this action on September 20, 2016.
- 4. At all times herein mentioned Plaintiff LUND was an individual residing in the County of San Bernardino, in the State of California.
- 5. At all times herein mentioned, Plaintiffs are informed and believe and, based on such information and belief, thereon allege that IMAGE DISTRIBUTION SOLUTIONS ("IMAGE"), was a California corporation that did business in the County of Ventura, California. IMAGE maintained its principal business premises in Irvine, California.
- 6. On or about December 20, 2018, IMAGE merged with defendant DELUXE SMALL BUSINESS SALES, INC. ("DELUXE"), a Minnesota corporation that does business in the County of Ventura, California.
- 7. The true names and capacities, whether individual, corporate, associate, representative or otherwise, of the defendants identified herein as Does 1 through 100, inclusive, are unknown to Plaintiffs, who therefore sue these defendants by said fictitious names. Plaintiffs will amend this Complaint to allege the true names and capacities of Does 1 through 100 when they have been ascertained. Does 1 through 100 are in some manner legally responsible for the wrongs and injuries alleged herein.
- 8. Each of the Defendants acted as the agent or employee of the others and each acted within the scope of that agency or employment. The Defendants, and each of them, directly or indirectly, or through an agent or any other person, engaged, suffered, or permitted Plaintiff

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and/or the Putative Class to work or exercised control over the wage, hours, or working conditions of Plaintiff and the Putative Class.

Venue is appropriate in the Ventura County Superior Court because the unlawful employment practices complained of herein caused injury to Plaintiff MONTE and the putative class within Ventura County, California.

CLASS ACTION ALLEGATIONS

- 10. Plaintiffs bring this action on their own behalf and on behalf of all persons similarly situated. The class consists of all persons employed by Image Distribution Solutions and Deluxe Small Business Sales, Inc. as Account Executives at any location in California at any time during the period of September 20, 2012 through the present (hereinafter the "Putative Class"). The Putative Class represents over 25 persons and is so numerous that the joinder of each member of the putative class is impracticable.
- 11. There is a well-defined community of interest in the questions of law and fact affecting the class Plaintiffs represent. Plaintiffs' and the Putative Class members' claims against Defendants involve questions of common or general interest, in that each:
 - Was employed by Defendants, a.
- Was not exempt from overtime premium pay under the commissioned salesperson exemption for one half of each month due to Defendants' policy and practice of paying Putative Class members their commissions on a monthly basis in violation of California Supreme Court authority, Peabody v. Time Warner Cable, Inc., 59 Cal. 4th 662, 670 (2014), requiring that commissions be paid each pay period in order for such exemption to apply;
- Was not paid all wages owed based on the same policy and practice of making unauthorized, illegal deductions from the Putative Class members' wages;
- Was not fully reimbursed for work-related expenses such as cell phones, d. mileage, and meals;
- Was denied accurate paycheck stubs, which did not reflect the number of e. hours worked by Putative Class members each pay period, among other defects;
 - f. Was willfully denied all wages due at the conclusion of their employment;

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- Was not paid the minimum wage for all hours worked; and g.
- Was not provided with legally compliant rest periods as required by h. California law.
- 12. These questions are such that proof of a state of facts common to the members of the Putative Class will entitle each member to the relief requested in this complaint.
- 13. The members of the Putative Class that Plaintiffs represent have no plain, speedy or adequate remedy at law against Defendants, other than by maintenance of this class action, because Plaintiffs are informed and believe, and on such information and belief allege, that the damage to each member of the Putative Class is relatively small and diminishing within applicable statutory timeframes, and that it would be economically infeasible to seek recovery against Defendants other than by a class action.
- 14. Plaintiffs will fairly and adequately represent the interest of the Putative Class, because Plaintiffs are members of the Putative Class, and Plaintiffs' claims are typical of those in the Putative Class.

FIRST CAUSE OF ACTION

Failure To Pay Overtime Premium Wages

(Action Brought By Plaintiff Monte On Behalf Of Himself

And The Putative Class Against All Defendants)

- 15. Plaintiff Monte incorporates by reference and re-alleges each and every one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein.
- 16. California law requires payment of overtime premium pay for all hours worked by non-exempt employees in excess of eight in one day or 40 hours in one week and for the first eight hours on the seventh-straight day of work in one workweek. Lab. Code § 510.
- 17. Plaintiff Monte and Putative Class regularly worked hours for which they were not paid overtime premium wages. Defendants' overtime wage violations include, but are not limited to, the failure to pay overtime premium wages whatsoever to Plaintiff Monte and the Putative Class for one half of each month (i.e., that part of the month when Defendants did not

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pay Plaintiff Monte and the Putative Class any commissions earnings). During those time periods, Plaintiff Monte and the Putative Class worked overtime hours whether measured on a daily, weekly, or seventh-day basis, as those terms are used in Labor Code section 510, without receiving required overtime premiums therefor.

- 18. Plaintiff Monte and the Putative Class seek such overtime premium wages owed to them for the statutory period measured backward from the date of the filing of the initial Complaint in this matter.
- The exact amount of overtime premium wages owed will not be fully ascertained 19. until discovery is completed. Until Defendants produce the necessary documents for an accounting, Plaintiff Monte will be unable to determine the exact amount of overtime premium wages owed.
- 20. Labor Code section 218.6 states, "[I]n any action brought for the nonpayment of wages, the court shall award interest on all due and unpaid wages at the rate of interest specified in subdivision (b) of Section 3289 of the Civil Code, which shall accrue from the date that the wages were due and payable ..." Plaintiff Monte seeks such interest on all overtime premium wages owed to him and the Putative Class for the statutory period measured backward from the date of the filing of the initial Complaint in this matter. Plaintiff Monte additionally seeks interest on such wages pursuant to Labor Code section 1194.
- 21. Pursuant to Labor Code section 1194, Plaintiff Monte requests the Court to award Plaintiff' reasonable attorney's fees and costs incurred in this action.

SECOND CAUSE OF ACTION

Unauthorized Deductions from Wages

(Action Brought By Plaintiffs On Behalf Of Themselves

And The Putative Class Against All Defendants)

- 22. Plaintiffs incorporate by reference and re-allege each and every one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein.
 - 23. Labor Code section 221 provides: "It shall be unlawful for any employer to collect

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or receive from an employee any part of wages theretofore paid by said employer to said employee."

- Labor Code section 223 provides: "Where any statute or contract requires an 24. employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or by contract."
- IWC Wage Order 7-2001, section 8 provides that the only circumstance under 25. which an employer can make a deduction from an employee's wage due to cash shortage, breakage, or loss of equipment is if the employer can show that the shortage, breakage, or loss was the result of the employee's gross negligence or dishonest or willful act.
- 26. These and related statutes, along with California's fundamental public policy protecting wages and wage scales, prohibit employers from subjecting employees to unanticipated or unpredicted reductions in their wages; making employees the insurers of their employer's business losses; otherwise passing the ordinary business losses of the employer onto the employee; taking deductions from wages for business losses unless the employer can establish that the loss was caused by a dishonest or willful act, or gross negligence of the employee; or taking other unpredictable deductions that may impose a special hardship on employees.
- 27. Defendants have violated California Labor Code sections 221, 223 and IWC Wage Order 9, section 8, by unlawfully taking deductions from the compensation of Plaintiffs and the Putative Class to cover certain ordinary business expenses of Defendants, including but not limited to credit card fees and storage costs, and for losses attributable to actions by third parties (and without any gross negligence or willful or dishonest acts on the part of the Plaintiffs and/or the Putative Class).
- 28. Because Defendants took unlawful deductions from the compensation owed to Plaintiffs and the Putative Class, Defendants are liable to Plaintiffs and the Putative Class for the compensation that should have been paid but for the unlawful deductions, pursuant to Labor Code sections 202, 204, 221 and 221 and IWC Wage Order 7-2001, section 8.
 - 29. By unlawfully deducting wages and failing to pay Plaintiffs and other similarly

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situated persons, Defendants are also liable for penalties, reasonable attorneys' fees, and costs under Labor Code sections 218.5 and 1194.

THIRD CAUSE OF ACTION

Failure To Reimburse Job-Related Expenses

(Action Brought By Plaintiffs On Behalf Of Themselves

And The Putative Class Against All Defendants)

- 30. Plaintiffs incorporate by reference and re-allege each and every one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein.
- 31. Labor Code section 2802 and interpreting case law provides that California employees must be reimbursed for their employment-related expenses, including mileage reimbursement, cell phone costs, meals and other such expenses incurred for business purposes.
- 32. Section 2802 of the Labor Code states in pertinent part: "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful."
- 33. Defendants violated section 2802 by not fully reimbursing Plaintiffs and the Putative Class for use their personal vehicles and fuel for work-related purposes, cell phone costs, and meals without reimbursement. By these and similar acts, the Defendants have violated section 2802.
- 34. Plaintiffs and those similarly situated employees of Defendants incurred substantial expenses in order to perform their jobs and for the benefit of the defendant employers, which were not fully reimbursed.
- 35. Plaintiffs have sustained economic damages and losses in the amount of the actual costs of purchases made for the necessary discharge of his duties.
- 36. Labor Code section 2802(c) provides that the employee may recover all reasonable costs, including attorneys' fees, for enforcing the employee's right under this section.

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Plaintiffs have incurred costs and attorneys' fees, and will continue to incur costs and attorneys' fees to enforce their rights and the rights of similarly situated employees of Defendants under section 2802. Plaintiffs are entitled to recover their reasonable attorneys' fees and costs in an exact amount to be proven at trial.

FOURTH CAUSE OF ACTION

Unfair Competition

(Action Brought By Plaintiffs On Behalf Of Themselves

And The Putative Class Against All Defendants)

- 37. Plaintiffs incorporate by reference and re-allege each and every one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as though fully set forth herein.
- 38. This cause of action is being brought pursuant to California Business and Professions Code section 17200 et seq. and California case law including *Cortez v. Purolator Air Filtration Products Co.* (2000) 23 Cal.App.4th 163.
- 39. It is alleged herein that Defendants failed to pay Plaintiffs and the Putative Class overtime and minimum wages and rest period premiums and for all business-related expenses and made impermissible deductions from the commissions earned by Plaintiffs and the Putative Class. The failures to pay such earned wages and premium wages and to reimburse such expenses constitute unfair business practices under California Business and Professions Code section 17200.
- 40. As a result of the conduct of Defendants, Defendants profited from breaking the law. Plaintiffs and the Putative Class seek disgorgement of Defendants' unlawfully obtained benefits (plus interest thereon) for the full period measured backward from the date of filing of the initial Complaint in this matter.
- 41. California Business and Professions Code section 17203, under the authority of which a restitutionary order may be made, provides, in relevant part:

Any person who engages, has engaged, or proposes to engage in unfair competition may be enjoined in any court of competent

jurisdiction. The court may make such orders or judgments, including the appointment of a receiver, as may be necessary to prevent the use of employment by any person of any practice which constitutes unfair competition, as defined in this chapter, or as may be necessary to restore to any person in interest any money or property, real or personal, which may have been acquired by means of such unfair competition. Any person may pursue representative claims or relief on behalf of others only if the claimant meets the standing requirements of Section 17204 and complies with Section 282 of the Code of Civil Procedure....

- 42. As a result of the alleged aforesaid actions, Plaintiffs and the Putative Class have suffered injury in fact and have lost money as a result of such unfair competition.
 - 43. In this case, it is requested that this Court order such restitution.

FIFTH CAUSE OF ACTION

Pay Stub Violations

(Action Brought By Plaintiff LUND On Behalf Of Himself

And The Putative Class Against All Defendants)

- 44. Plaintiff Lund incorporates by reference and re-alleges each and every one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein.
- 45. Labor Code section 226 sets forth the requirements for what must appear on the itemized wage statements (i.e., paycheck stubs) of California employees. These requirements include, but are not limited to, the employee's (1) gross wages earned, (2) total hours worked, (3) all deductions, provided, that all deductions made on written orders of the employee may be aggregated and shown as one item, (4) net wages earned, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.
- 46. In this case, Defendants have failed to provide such wage deduction statements to Plaintiff Lund and the Putative Class in that their wage deduction statements do not include, without limitation, all hours worked, or all applicable hourly rates in effect during the pay period, all deductions made to their wages, and the corresponding number of hours worked at each hourly rate by the employee.

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- 47. Pursuant to Labor Code section 226(e), damages are appropriate. At this time, Plaintiff Lund believes and alleges that he and the Putative Class are owed the maximum allowable penalty under section 226(e) because Defendants knowingly and intentionally failed to provide adequate paycheck stubs.
- However, the exact amount of damages under Labor Code section 226(e) will not 48. be fully ascertained until discovery is completed. Until Defendants produce the necessary documents for an accounting, Plaintiff Lund will be unable to determine the exact amount of damages under Labor Code section 226(e).
- 49. Pursuant to Labor Code section 226(e), Plaintiff Lund requests the Court to award Plaintiff's reasonable attorney's fees and the costs incurred by Plaintiff in this action.

SIXTH CAUSE OF ACTION

Failure to Timely Pay Final Wages

(Action Brought By Plaintiff Monte On Behalf Of Himself

And The Putative Class Against All Defendants)

- 50. Plaintiff Monte incorporates by reference and re-alleges each and every one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein.
- 51. Labor Code section 201 provides, "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code section 202 provides generally that wages earned and unpaid at the time of an employee's resignation must be paid within 72 hours thereof (unless the employee gives notice of greater than 72 hours of his intent to resign). See Lab. Code § 202. Defendants did not pay immediately all wages earned and unpaid to Plaintiff Monte and the Putative Class upon discharge or resignation. Defendants have refused and continue to refuse to pay said wages.
- 52. Pursuant to Labor Code section 203, Defendants have willfully failed to pay without abatement or reduction, in accordance with Labor Code sections 201 and 202 all of the overtime and commissions wages of the Plaintiff Monte and the Putative Class, as herein alleged. Defendants are aware that they owe the wages claimed by Plaintiff Monte and the

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Putative Class, yet Defendants willfully failed to make payment. As a result, Plaintiff Monte seeks wages and waiting-time penalties pursuant to Labor Code section 203 on behalf of himself and the putative class. These penalties consist of up to 30 days of pay for Plaintiff Monte and the Putative Class at their regular rates of pay.

- Plaintiff Monte and the Putative Class have been available and ready to receive 53. wages owed to them.
- 54. Plaintiff Monte and the Putative Class have never refused to receive any payment, nor have they been absent from their regular places of residence.
- 55. Defendants' failure to pay wages due and owing Plaintiff Monte, as indicated in prior paragraphs, was willful; Defendants have knowingly refused to pay any portion of the amount due and owing Plaintiff Monte.

SEVENTH CAUSE OF ACTION

Failure to Pay Minimum Wages

(Action Brought By Plaintiff Monte On Behalf Of Himself And The Putative Class Against All Defendants)

- 56. Plaintiff Monte incorporates by reference and re-alleges each and every one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein.
- 57. Section 1197 of the Labor Code establishes California's minimum wage. Until July 1, 2014, the minimum wage in California was \$8.00 per hour, and it increased to \$9.00 on that date; it increased to \$10 per hour on January 1, 2016. Lab. Code § 1182.12.
- 58. Labor Code section 1194 creates a cause of action for employees to recover unpaid wages from an employer who fails to pay them at the legal minimum wage or overtime rate.
- 59. Labor Code section 1194.2 allows an employee to recover liquidated damages for a violation of Labor Code section 1194 as it pertains to unpaid minimum wages. "In any action under Section ... 1194 ... to recover wages because of the payment of a wage less than the minimum wage fixed by an order of the commission or by statute, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest

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- 60. Plaintiff Monte seeks unpaid minimum wages and liquidated damages on behalf of himself and the Putative Class pursuant to Labor Code sections 1194, 1194.2, and 1197. Plaintiff Monte's minimum wage claim stem from the fact that Defendants paid Plaintiff Monte and the Putative Class on a commission-only basis. This payment structure violates California's minimum wage laws. An employer must compensate its nonexempt employees at a rate of no less than the minimum wage for every hour worked in a pay period. *Armenta v. Osmose, Inc.*, 135 Cal. App. 4th 314, 324 (2005). An employee who works inside the employer's office more than half of the time and is paid on a commission-only basis cannot qualify for any minimum wage exemption. *See* 8 Cal. Code Regs. § 11070, subds. 1(A)(1)(f), 1(A)(2)(g), 1(A)(3)(d) (requiring payment of a monthly salary to qualify for administrative, executive, and professional exemptions), 1(C), 2(J) (defining "outside salesperson" exemption and limiting it to those who work more than half of the working time outside the office), and 3(D) (limiting commission salesperson exemption to wage order's overtime provisions and then only for pay periods when the employee's earnings exceed one and one-half times the minimum wage).
- 61. Thus, for inside salespersons like Plaintiff Monte and the Putative Class, California law requires the payment of at least the minimum wage for all hours worked. An employer cannot attribute commission wages paid in one pay period to other pay periods in order to satisfy California's compensation requirements. *Peabody v. Time Warner Cable, Inc.*, 59 Cal. 4th 662, 669 (2014) ("[P]ermitting wages paid in one pay period to be attributed to a different pay period would be inconsistent with the Labor Code."). Because Defendants paid commissions to Plaintiff Monte and the Putative Class on a once-a-month basis, there was one pay period each month during which Defendants paid nothing to these individuals. (Occasionally, Defendants paid these individuals a draw, which did not always cover Defendants' minimum wage obligations.) Hence, for such pay periods when Defendants paid nothing (or an insufficient amount to cover its minimum wage obligations), Defendants violated California's minimum wage laws.
 - 62. Defendants also violated California's minimum wage laws by not paying Plaintiff

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Monte and the Putative Class members for each of their ten-minute rest periods, which are required by California law. Employees are entitled to "a paid 10-minute rest period per four hours of work." Bluford v. Safeway Stores, Inc., 216 Cal. App. 4th 864, 871 (2013). Under the rule of Armenta v. Osmose, Inc., 135 Cal. App. 4th at 323, rest periods must be separately compensated in a piece-rate system. Bluford, 216 Cal. App. 4th at 872. "[A] piece-rate compensation formula that does not compensate separately for rest periods does not comply with California minimum wage law." Id.; Balasanyan v. Nordstrom, Inc., 294 F.R.D. 550, 567 (S.D. Cal. 2013) (applying *Bluford* to commission-only pay structure). Hence, Defendants were obligated to pay Plaintiff Monte and the Putative Class ten minutes of pay at a rate of no less than the minimum wage for each rest period Defendants provided. Defendants' failure to do so results in minimum wage liability, and Plaintiff Monte seeks such amounts for unpaid minimum wages and liquidated damages for all unpaid rest periods.

- Plaintiff Monte seeks all minimum wages owed to himself and the putative class 63. under the aforementioned theories. Plaintiff Monte also seeks liquidated damages pursuant to Labor Code section 1194.2.
- 64. Plaintiff Monte seeks all attorney's fees and costs incurred and interest on all minimum wages owed. See Lab. Code §§ 218.6 and 1194, subd. (a).

EIGHTH CAUSE OF ACTION

Failure to Provide Legally Compliant Rest Periods (Action Brought By Plaintiff Monte On Behalf Of Himself

- And The Putative Class Against All Defendants)
- 65. Plaintiff Monte incorporates by reference and re-alleges each and every one of the allegations contained in the preceding and foregoing paragraphs of this Complaint as if fully set forth herein.
- 66. Employees are entitled to "a paid 10-minute rest period per four hours of work." Bluford, 216 Cal. App. 4th at 871 (emphasis added); 8 Cal. Code Regs. § 11070, subd. 12(A).
- 67. "If an employer fails to provide an employee a ... rest ... period in accordance with a state law..., the employer shall pay the employee one additional hour of pay at the

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employee's regular rate of compensation for each workday that the ... rest ... period is not provided." Lab. Code § 226.7(c).

- 68. By not paying Plaintiff Monte and the Putative Class for their rest periods, Defendants did not provide rest periods in accordance with California law. Plaintiff Monte therefore seeks one additional hour of pay at each employee's regular rate of compensation for each workday that such paid rest period was not so provided, pursuant to section 226.7.
- 69. Plaintiff Monte seeks interest pursuant to law on all amounts owed for rest period premiums under section 226.7.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and all members of the Putative Class, pray for relief as follows:

- For certification of the above-described class as a class action, pursuant to law;
- For class notice to be provided to all Putative Class members;
- For all wages and premium wages owed under California law according to proof;
- For liquidated damages pursuant to Labor Code section 1194.2; 4.
- For prejudgment interest pursuant to Labor Code sections 218.6 and 1194 and Civil Code sections 3288 and 3291 on all amounts claimed;
- 6. For attorney's fees and costs pursuant to Labor Code sections 218.5, 226, 1194, and 2802;
 - 7. For waiting-time penalties under Labor Code section 203;
 - For statutory penalties under Labor Code section 226;
- For an equitable order, ordering Defendants to pay all Putative Class members all wages and premium wages, unreimbursed expenses, and interest they are owed;
- 10. For an appointment of a receiver to perform an accounting of all monies owed to these employees;
- 11. For a declaratory judgment declaring that Defendants have willfully and wrongfully violated their statutory and legal obligations and deprived Plaintiff and all others who are similarly situated of their rights, privileges, protections, compensation, benefits, and

2	12.	For a complete and accura-	te accountir	ng of all the compensation to which the
3	Plaintiff and	ntiff and all others who are similarly situated are entitled;		
4	13.	For costs of suit; and		
5	14.	For any other and further rel	ief that the	Court considers just and proper.
6	DATED:	, 2019	S	TRAUSS & STRAUSS, APC
7			By:	
8			•	Michael A. Strauss Andrew C. Ellison
9				Attorneys for Plaintiff and the
10				Putative Class
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entitlements under the law, as alleged herein;

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EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF VENTURA

LARRY MONTE, an individual,

Plaintiffs,

v.

IMAGE DISTRIBUTION SERVICES; and DOES 1 through 100, inclusive,

Defendants.

Case No.: 56-2016-00486848-CU-OE-VTA [Case Assigned for All Purposes to the Hon. Kevin DeNoce, Dept. 43]

CLASS ACTION

[PROPOSED] NOTICE OF CLASS ACTION

TO: All persons employed by Image Distribution Solutions and Deluxe Small Business Sales, Inc. as Account Executives at any location in California at any time since September 20, 2012.

THIS NOTICE MAY AFFECT YOUR LEGAL RIGHTS. PLEASE READ IT CAREFULLY. PLEASE DO NOT CONTACT THE COURT OR THE COURT CLERK REGARDING THIS ACTION.

NOTICE OF PENDENCY OF CLASS ACTION

This Notice pertains to a class action lawsuit which is currently pending against Image
Distribution Services (IDS) and Deluxe Small Business Sales, Inc. (Deluxe) in the Ventura County
Superior Court regarding Account Executives' claims for recovery of wages related to deductions from
commissions, interest, and penalties. This notice concerns claims made in the suit that are based upon
California law. You may be a member of the class of workers for whom relief is being sought. This
Notice is given to the class of All persons employed by Image Distribution Solutions and Deluxe Small
Business Sales, Inc. as Account Executives at any location in California at any time since September
20, 2012.

On	, the Court determined that this lawsuit	may be maintained as a class action.
It has also been determined t	hat you may be a member of this class.	You do not need to take any further
action at this time if you wis	h to be included in this class action.	

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If you do not wish to be included, you may exclude yourself ("opt out") by following the procedures described below. DO NOT CALL THE COURT. DO NOT DISCUSS THIS LAWSUIT AT WORK OR WITH ANY MANAGER. For more information about this lawsuit you may contact the Class Counsel listed below. The Court has not ruled on the merits of these claims and the decision to certify the class in this case should not be viewed as a prediction that Plaintiffs or the class will ultimately prevail on the merits of the action.

Why Should I Read This Notice?

The purpose of this Notice is to inform you that there is now pending in this Court a class action on behalf of certain employees who worked for IDS and Deluxe at any time since September 20, 2012. Your rights may be affected by this class action. You should read this Notice to determine whether your rights are affected and to decide whether you wish to participate in the class action.

What is a Class Action?

A class action is a type of lawsuit in which one or a few named plaintiffs bring suit on behalf of all of the members of a similarly situated group to recover damages for all of the group without the necessity of each member filing an individual lawsuit or appearing as an individual plaintiff. Class actions are used by the courts where the claims raise basic issues of law or fact that are common, making it fair to bind all class members to the orders and the judgment in the case, without the necessity of hearing essentially the same claims over and over again. Use of a class action eliminates the necessity of filing multiple suits, and assures that all class members are bound by the results of the lawsuit.

Because you may be a member of a class of plaintiffs whose rights may be affected by this litigation, this Notice is being sent to you. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of any claims or defenses of either side in this litigation, but is sent for the sole purpose of informing you of the pendency of this litigation so that you may make appropriate decisions as to what steps you may wish to take in relation to this lawsuit.

Description of the Action

The above-entitled action has been brought by individuals who worked in California for IDS and Deluxe ("Defendants") as Account Executives. Plaintiffs contend that Defendants made illegal deductions from commission wages pursuant to California law, failed to pay all wages due at the conclusion of the Account Executives' employment related to these deductions, and, in doing so, violated provisions of the Labor Code and the Business and Professions Code. Plaintiffs also allege that Defendants intentionally failed to provide paycheck stubs that were compliant with California law. Plaintiffs seek unpaid wages, interest, restitution, and penalties under California law. Defendants assert that they complied with the law and do not owe any wages, interest, restitution, or penalties to its Account Executives in California.

Status of the Lawsuit and the Class

On ______, the Court has ruled that this lawsuit may be maintained as a class action on behalf of specific past and present employees of Defendants.

Information Regarding the Case

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This case is currently being litigated in the Ventura County Superior Court as case number 56-2016-00486848-CU-OE-VTA.

Information Concerning Class Counsel

The Class is represented by the following lawyers and law firms:

Ted Mechtenberg, Esq. DA VEGA FISHER MECHTENBERG LLP

1567 Spinnaker Drive, Suite 201 Ventura, CA 93001 Telephone: (805) 500-6878 Facsimile: (877) 535-9358

E-mail: ted@mdmflaw.com

Michael A. Strauss, SBN 246718 STRAUSS & STRAUSS, APC

121 North Fir Street, Suite F Ventura, CA 93001

Telephone: (805) 641-6600 Facsimile: (805) 641-6607 E-mail: mike@strausslawyers.com

NO RETALIATION

No one may retaliate against you because of your decision to remain in the class or opt-out.

Rights Regarding Exclusion from the Class

If you are a member of the class above and would like to be included in this case, you do not **need to take any further action**. You will be automatically included in this lawsuit. Any member of the class described above may exclude himself/herself from the class ("opt-out") by sending a letter to the Claims Administrator requesting to be excluded from the class action ("Opt-Out Letter") and must postmark said Opt-Out Letter within 30 days from the date of the Claims Administrator's mailing of the Class Notice (the "Opt-Out Period"). Any member of the Class who sends a timely Opt-Out Letter to the Claims Administrator shall be excluded from the Class.

If you desire to exclude yourself, the Opt-Out Letter must be postmarked no later than 2019, and should be mailed to the Class Administrator, XXX, XXX XXX Street, XXX, CA XXXXX.

If you opt out of this case, you will have no right to recover any money under any judgment or settlement in this lawsuit concerning any of the state-based claims and will not be bound by any such judgment or settlement. Any member of the class who does not timely exercise the right to exclusion will be included in this class action lawsuit and will be bound by any judgment in this lawsuit, favorable or unfavorable. A Class member may, if the member so desires, enter an appearance in this lawsuit through an attorney other than Class Counsel.

Dated:, 2019	
	Hon. Kevin DeNoce
	Judge of the Superior Court

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PROOF OF SERVICE

I am a resident of the State of California, over the age of eighteen years, and not a party to the within action. My business address is STRAUSS & STRAUSS, APC, 121 N. Fir Street, Suite F, Ventura, California 93001. On April 3, 2019, I served the within documents:

STIPULATION REGARDING CLASS CERTIFICATION AND FILING OF AMENDED COMPLAINT; [PROPOSED] ORDER

 by transmitting via facsimile the document(s) listed above to the fax number(s) set forth
below on this date before 5:00 p.m.

_X	by placing the document(s) listed above in a sealed envelope with postage thereon fully
	prepaid, in the United States mail at Ventura, California addressed as set forth below.

by electronically mailing the document(s) listed above to the e-mail address(es) set forth above, or as stated on the attached service list per agreement in accordance with the Code of Civil Procedure §1010.6.

SEE ATTACHED MAILING LIST

 by placing the document(s) listed above in a sealed envelope and depositing for pick-
up in a designated FedEx box via FedEx Overnight delivery at Ventura, California
addressed as set forth below.

by personally delivering the document(s) listed above to the person(s) at the address(es)
set forth below.

I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

<u>X</u>	(State) I declare under penalty of perjury under the laws of the State of California that
	the above is true and correct.

 (Federal) I declare that I am employed in the office of a member of the bar of this court
at whose direction the service was made.

Executed on April 3, 2019, at Ventura, California.

