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6 7 8 9	San Diego, California 92101 Phone: (619) 993-9092 Attorneys for CHRISTOPHER HAO-KEPPE the Aggrieved Employees under PAGA	L and RECEIVED November 13, 2024
10	SUPERIOR COURT OF THE	HE STATE OF CALIFORNIA
11		DIEGO, CENTRAL DIVISION
112	CHRISTOPHER HAO-KEPPEL, an individual,  Plaintiff,  v.  DESERT AUTO GROUP V, LLC,; and DOES 1 through 25, Inclusive,  Defendants.	Case No.: 37-2022-00044571-CU-OE-CTL  [PROPOSED] REVISED FIRST AMENDED COMPLAINT FOR DAMAGES AND PAGA REMEDIES  1. Wage Theft; 2. Failure to Provide Accurate Itemized Wage Statements (Labor Code § 226 et seq.); 3. Demand for Accounting 4. Failure to Reimburse (Labor Code § 2802); 5. Civil Remedies Under the Private Attorney General Act (Labor Code § 2698 et seq.) 6. Unlawful Business Practices (B&P Code § 17200 et seq.);  Trial Date: May 23, 2025 Time: 8:30 am Dept., C-67 Judge: Hon. Michael Smyth
24 25 26 27 28		Jury Trial Demanded Attorneys' Fees Demanded
	FIRST AMEND	1 DED COMPLAINT
- 1	THE THIRD	

Plaintiff, CHRISTOPHER HAO-KEPPEL ("Plaintiff"), on behalf of himself, and as a representative for the State of California, the California Labor and Workforce Development Agency ("LWDA"), and on behalf of all other aggrieved employees, hereby alleges as follows:

I.

#### INTRODUCTION

- 1. This action is both an individual and a representative action brought pursuant to California Labor Code of Civil Procedure section 2698 et seq. on behalf of Plaintiff and all employees of defendants DESERT AUTO GROUP V, LLC, and/or DOES (collectively herein "Defendants") in California.
- 2. Pursuant to the Private Attorney General Act ("PAGA"), incorporated in Labor Code sections 2698, 2699 et seq., Plaintiff brings this representative action against DESERT AUTO GROUP V, LLC, doing business as Chula Vista Ford and Chula Vista Kia, for wage and hour violations of the California Labor Code and the Industrial Welfare Commission Wage Orders (the "IWC Wage Orders"). All current and former DESERT AUTO GROUP V, LLC employees, in California, who worked for Defendants during the PAGA period are aggrieved employees.
- 3. By this action, Plaintiff seeks damages, civil penalties on behalf of himself and other aggrieved employees pursuant to PAGA. Plaintiff also seeks to represent all current and former employees of Defendants, in California, who suffered one or more of the alleged violations ("aggrieved employees") during the period one (1) year and sixty-five (65) days before August 10, 2022, through trial in this matter. ("PAGA Period").

II.

#### **JURISDICTION AND VENUE**

4. Venue as to each Defendant is proper in this judicial district. Defendants conduct business and commit Labor Code violation in San Diego County, and each Defendant or DOE is within California for service of process. The unlawful acts alleged occurred, and

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subsidiary, partnership, associate or otherwise of Defendant DOES 1 through 25, inclusive,

forth more fully within. The true names and capacities, whether individual, corporate,

are presently unknown to Plaintiff who therefore sues Defendants by such fictitious names pursuant to Cal. Civ. Proc. Code § 474. Plaintiff will seek leave to amend this Complaint to allege the true names and capacities of Does 1 through 25, inclusive, when they are ascertained. Plaintiff is informed and believes, and based upon that information and belief alleges, all Defendants named in this Complaint, including DOES 1 through 25, inclusive, are responsible in some manner for one or more of the events and happenings that proximately caused the injuries and damages hereinafter alleged.

11. On information and belief, at all relevant times each of the Defendant, including DOE Defendants (collectively, Defendants), was the agent or employee of each of the other Defendants, and at all times each Defendant was acting within the scope and authority of said agency or employment, and were joint employers of Plaintiff and liable for damages pursuant to Labor Code §558.1.

IV.

### EXHAUSTION OF ADMINISTRATIVE REMEDIES/PROCEDURAL HISTORY

- 12. On August 10, 2022, Plaintiff, through his counsel, gave online written notice of his employer's violations of various provisions of the California Labor Code as alleged in this complaint to the Labor and Workforce Development Agency ("LWDA") and sent that written notice *via* certified mail to his employer. The written notice specified the aggrieved employees' facts and legal theories of what policies and practices were being complained of. Plaintiff also paid the appropriate filing fee with the LWDA.
- 13. The LWDA did not provide notice of its intention to investigate Defendants for their Labor Code violations within the applicable statutory period. (Cal. Lab. Code § 2699.3(a)(2)(A)). The filing fee to the LWDA has been paid on behalf of Plaintiff. More than 65 days have passed since Plaintiff gave notice to the LWDA of these claims.
  - 14. Plaintiff has exhausted his administrative remedies under Labor Code § 2698 et seq.
- 15. On or about November 3, 2022, Plaintiff filed this action seeking PAGA remedies on behalf of all Aggrieved Employees as defined herein. This case was assigned case number 37-2022-00044571-CU-OE-CTL.

- 16. On or about December 21, 2022, Plaintiff demanded arbitration of his individual claims against Defendants by filing his claims with JUDICIAL ARBITRATION and MEDIATION SERVICES [JAMS], pursuant to an arbitration agreement with Defendants with a fee waiver pursuant to California Code of Civil Procedure §1284.3. A true and correct copy of Plaintiff's Complaint in Arbitration is attached to this Complaint and incorporated by reference as though fully set forth herein.
- 17. On or about January 24, 2023, Defendant DAG V filed a "Response to Demand for Arbitration" with JAMS. However, Defendant failed and refused to pay JAMS the arbitration fee and abandoned arbitration.
- 18. Plaintiff now demands both individual and representative remedies by this single action in the San Diego Superior Court.

#### **V. GENERAL ALLEGATIONS**

- 19. Plaintiff re-alleges and incorporates herein by reference each and every allegation in the preceding and subsequent paragraphs. Plaintiff and other employees of Defendants were hired to staff Defendants' car dealerships in Chula Vista. Defendants operated Chula Vista Ford and Chula Vista Kia as one dealership. Defendants sold new Ford and Kia vehicles as well as used vehicles of various makes to the general public. Plaintiff and other employees worked as car salespersons, finance personnel, lot porters, assistant managers, DMV staff, and other positions. Defendants promised Plaintiff and other employees they would earn commissions and that Defendants would obey California labor law.
- 20. However, Defendants failed and refused to live up to their promises by one or more of the following violations: Defendants failed to pay their commissioned employees all commissions owed, failed to secure written contracts where required by Labor Code §2751, or secured written agreements that were incomplete, incoherent, ambiguous, void *ab initio*, or simply ignored by Defendants.
- 21. Plaintiff and all aggrieved employees fulfilled their duties as promised by selling cars, financing cars, cleaning and tracking inventory and other required duties.

  Oftentimes, Plaintiff and commissioned employees were required to spend hours

performing non-sales duties such as training, meetings and record-keeping, during which they were not separately compensated. Defendants failed and refused to pay their commissioned employees for all hours worked at the correct rate.

- 22. Additionally, Defendants would regularly fail to credit Plaintiff and all aggrieved, commissioned employees with all the commissions they earned by one or more of the following methods: by shifting sales to other workers, by exaggerating and inflating reconditioning costs, chargebacks, by fabricating other costs and then deducting those unlawful costs against the promised commissions, by deliberately failing to credit aggrieved employees for all sales they were owed.
- 23. Furthermore, Defendants would routinely modify timecards of the aggrieved employees and/or failed to keep timecards at all. Defendants reduced the number of regular hours and eliminated overtime hours reflected on the timecards of the aggrieved employees. Defendants then paid Plaintiff and the aggrieved employees fewer wages, at a lesser rate than promised, and in any case, below minimum wage.
- 24. Additionally, Defendants made unlawful deductions from the paychecks of Plaintiff and aggrieved employees, without their express, written consent. California Labor Code §221 forbids any employer from making deductions from wages without written consent, with the exception of tax withholdings.
- 25. Codified in California Labor Code section 2810.5, California's Wage Theft Protection Act requires employers to provide employees with basic information at the time of hiring and when changes occur to their employment. The Wage Theft Protection Act provides that an employee must be furnished with written notice of, at the time of hiring: rate of pay (including overtime), whether paid by hour, salary, piece-rate, shift, day, week, commission, or otherwise, and allowances claimed such as meal or lodging. This notice must include a statement that the employee can accrue and use sick leave, has the right to request and use paid sick leave, may not be terminated or retaliated against for requesting or using paid sick leave, and has the right to file a complaint against any employer who does so retaliate.

- 32. As set forth more fully herein, Defendants did not pay Plaintiff and all aggrieved employees at least minimum wage for all hours they worked for them and/or remained under their control.
- 33. Plaintiff is entitled to, and hereby demands, liquidated damages [LC §1194.2] equivalent to one hours' pay at Plaintiff's regular rate of pay, for each hour of unpaid minimum wage Defendants owe Plaintiff and all aggrieved employees, in an amount according to proof.
- 34. Furthermore, California Labor Code §2751 requires all employers who pay employees a commission to furnish the employees with a sales compensation plan [pay plan] detailing how and when sales commissions are calculated and paid. Defendants' pay plan had one or more of the following deficiencies: The pay plan was not furnished timely, was not specific enough to fully inform the employee of their commission rate, was unintelligible, was subject to unilateral changes by the employer, and/or was not followed by Defendants. By failing to provide Plaintiff and all aggrieved employees with all commissions they earned and due to the aforementioned deficiencies with Defendant's pay plan, Defendants breached Labor Code §204.1 and §221 by deducting amounts from the paychecks of Plaintiff and all aggrieved employees who were promised commissions.
- 35. More than 30 days have passed since Plaintiff separated his employment with Defendants. Similarly, more than 30 days have passed since other aggrieved employees have separated their employment with Defendants. In all cases, Defendants failed and refused to pay Plaintiff and all employees all wages they were owed within 24 hours in the case of employees who were terminated, or within 72 hours in the case of employees who quit. Defendants' failure to pay all wages upon separation was willful and intentional based upon the facts set forth herein. Labor Code §203 authorizes civil penalties equal to one days' pay for each day Defendants failed to pay Plaintiff and all aggrieved employees, capped at 30 days' pay, in an amount according to proof.

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#### SECOND CAUSE OF ACTION:

### FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

### **By Plaintiff Against All Defendants**

- 36. Due to the foregoing violations, Defendants also failed to provide Plaintiff and all aggrieved employees with legally compliant itemized wage statements. Labor Code §226 requires employers furnish their employees with itemized wage statements showing, inter alia, the correct number of hours worked, wages owed and all deductions. Defendants failed to follow LC §226 in numerous respects including but not limited to, failed to set forth the correct name of the employer, accurate rates of pay and hours worked, missed rest and meal periods, as well as commissions earned. Therefore, Defendants owe civil penalties to Plaintiff in an amount according to proof.
- 37. Plaintiff is entitled to, and hereby demands interest, civil penalties, costs of suit, attorneys' fees pursuant to Labor Code 226, 226 (e] 1, 226.7.

### THIRD CAUSE OF ACTION:

### **DEMAND FOR ACCOUNTING**

### By Plaintiff Against All Defendants

- 38. Plaintiff re-alleges and incorporates herein by reference each and every allegation in the preceding and subsequent paragraphs.
- 39. As stated herein, Defendants agreed to pay Plaintiff and other aggrieved employees on a commission basis. Defendants routinely shorted Plaintiff and other aggrieved employees out of commissions they were promised, by the methods set forth herein. Each vehicle, new and used, was given a sales contract that showed the sales amount. Each finance agreement also bore the terms thereof. Both documents can and should be used to accurately calculate commissions earned by Plaintiff and all aggrieved employees. However, Defendants never provided Plaintiff and its' workers with an accurate accounting of the number and cost of cars they sold, nor with documents supporting Defendants' deductions, in order to conceal Defendants' failure to fully credit Plaintiff and all aggrieved employees for all sales.

40. The exact amount Defendants owe Plaintiff and aggrieved employees cannot be ascertained without an examination of all sales contracts, deductions, invoices and financing agreements. Plaintiff hereby demands to see all sales contracts, deductions, invoices and financing agreements so that damages may be calculated.

### FOURTH CAUSE OF ACTION:

#### FAILURE TO REIMBURSE EMPLOYEE EXPENSES

#### LABOR CODE §2802

#### **By Plaintiff Against All Defendants**

- 41. Plaintiff re-alleges and incorporates herein by reference each and every allegation in the preceding and subsequent paragraphs.
- 42. Plaintiff and all aggrieved employees were required to provide their cell phone numbers to Defendants as part of their job duties. Defendants relied upon their workers' cell phones in that the workers, including Plaintiff and all aggrieved employees used their personal cell phones to conduct Defendants' business. The phones were used to communicate between workers to coordinate sales, locate inventory, pricing and the like. The use of their phones was known to Defendants who enjoyed benefits including increased sales and profits.
- 43. Plaintiff and all aggrieved employees incurred the cost of the use of their phones on behalf of Defendants. Defendants failed and refused to reimburse Plaintiff and all aggrieved employees for the cost of their cell phones. In doing so, they violated California Labor Code §2802 and see Cochran v. Schwann's Home Service 228 Cal. App. 4th 1137.
- 44. Plaintiff now seeks reimbursement of a reasonable amount of his cell phone bill as well as reasonable attorneys' fees and court costs, and civil penalties under PAGA as set forth herein.

## action.

#### FIFTH CAUSE OF ACTION

# Remedies Under the Private Attorneys' General Act

#### Lab.Code §2699 et seq.

### By Plaintiff and All Aggrieved Employees

### **Against All Defendants**

- 45. Plaintiff re-alleges and incorporates herein by reference each and every allegation in the preceding and subsequent paragraphs.
- 46. Plaintiff also bring this action to recover civil penalties on behalf of all Aggrieved Employees. Aggrieved Employees are defined as all employees of Defendants in California who worked for Defendants at any time between June 6, 2021 to the present date [PAGA Period] and suffered one or more of the violations set forth in Plaintiff's letter to the Labor and Workforce Development Agency on August 10 2022. A true and correct copy of Plaintiff's "PAGA Letter" is attached to this Complaint and is incorporated by reference as though fully set forth herein.
- 47. Plaintiff sent a notice correspondence showing compliance with *Cal. Lab. Code §* 2699.3 to the LWDA and Defendants on August 10, 2022. This notice demonstrates that Plaintiff is an aggrieved employee and has standing to bring a representative action on behalf of the LWDA and as a private attorney general. No notice of cure by Defendants and/or DOES was provided and no notice of investigation was received from the LWDA in the statutorily proscribed sixty-five (65) day period since the mailing of the notice of the action.
- 48. During the PAGA PERIOD alleged herein, Plaintiffs and all Aggrieved Employees suffered one or more of the following Labor Code Violations: 201, 202, 203, 204, 204.1, 210, 218.5, 221, 226, 226.2, 226.7, 233, 234, 246, 246.5, 510, 512, 1102.5, 1120, 1174, 1174.5, 1194, 1194.5, 1197.1, 1199, 2802 and others as set forth in Plaintiff's letter to the LWDA, which is hereby incorporated by reference as though fully set forth herein.
- 49. On information and belief Plaintiff and all other employees are Aggrieved Employees. Aggrieved Employees is defined as all employees who were employed by

wages due at time of termination, failure to pay all wages due twice per month, and failure to adopt a legally compliant sick pay policy, unlawful payroll deductions, as alleged herein, constitutes unlawful activity prohibited by California Business and Professions Code section 17200, et seq.

- 56. The actions of Defendants and/or DOES in failing to pay Plaintiffs and all Aggrieved Employees in a lawful manner, as alleged herein, constitutes false, unfair, fraudulent and deceptive business practices, within the meaning of California Business and Professions Code section 17200, et seq.
- 57. As set forth above, Defendants regularly modified timecards, failed and refused to pay workers for commissions and wages they earned and failed to permit meal, rest and recovery periods. Defendants unlawfully deducted money from Plaintiffs' paychecks without their consent. Workers and wage-earners rely upon their paychecks to support themselves and their families, a difficult endeavor in California. Therefore, Defendants' failures constitute unlawful and unfair business practices.
- 58. As a result of their unlawful acts, Defendants and/or DOES have reaped and continue to reap unfair benefits at the expense of Plaintiffs and the Aggrieved Employees. Defendants and/or DOES should be enjoined from this activity and made to disgorge these ill-gotten gains and restore Plaintiffs pursuant to Business and Professions Code section 17203. Plaintiffs are informed and believe, and thereon allege, that Defendant and/or DOES are unjustly enriched through their policy of not paying all wages owed to Plaintiffs.
- 59. Furthermore, Defendants' practices of wage-theft serves to unlawfully and unfairly increase Defendants' profit margin at the expense of Plaintiffs.
- 60. As a direct and proximate result of the unfair business practices of Defendants and/or DOES, and each of them, Plaintiffs are entitled to equitable and injunctive relief, including full restitution and/or disgorgement of all wages, commissions, deductions and premium pay which have been unlawfully withheld from Plaintiffs as a result of the

1	business acts and practices described herein and enjoining Defendants and/or DOES from		
2	engaging in the practices described herein.		
3	61. The illegal conduct alleged herein is continuing, and there is no indication that		
4	Defendants and/or DOES will cease and desist from such activity in the future. Plaintiffs		
5	allege that if Defendants and/or DOES are not enjoined from the conduct set forth in this		
6	Complaint, they will continue the unlawful activity discussed herein.		
7	62. WHEREFORE, Plaintiffs request relief as described below.		
8	PRAYER FOR RELIEF		
9	WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:		
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11	1. On the First Cause of Action:		
12	a. For economic damages including back wages;		
13	b. For liquidated damages pursuant to Labor Code §1194.2 and civil and statutory		
14	penalties as allowed by law;		
15	c. For waiting time penalties pursuant to Labor Code §203 et seq.		
16	d. For costs, expert fees, and attorney's fees pursuant to Labor Code §218.5 and		
17	§1194;		
18	e. For interest at the legal rate pursuant to <u>Labor Code</u> §218.6;		
19	f. Recovery of civil penalties as prescribed by the Private Attorneys General Act of		
20	2004; including Labor Code §2699 (f)(2) and (g)(1) et seq and,		
21	g. An award of attorneys' fees and costs of suit, as allowable under the law,		
22	including Labor Code § 2699 (g)(1) et seq. and		
23	2. On the Second Cause of Action:		
24	a. For economic damages		
25	b. For civil and statutory penalties as authorized by Labor Code §226 (e) 1		
26	c. For an accounting of all wages earned by Plaintiff		
27	d. For costs, expert fees, and attorney's fees pursuant to Labor Code §226 (e) 1;		
28	e. For interest at the legal rate pursuant to <u>Labor Code</u> §218.6		