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ORIGINAL FILED
Superior Court of California
County of Los Angeles

JUL 03 2013

John A. Clarke, Executive Officer/Clerk

By LA TRESE JOHNSON, Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

11 PATHOUMMA SONEPHOM, on behalf of
12 herself and all others similarly situated,

13 Plaintiff,

14 vs.

15 CERTIFIED NETWORK M, INC. and DOES
16 1-50,

17 Defendant.

Case No.: BC514151

**CLASS AND REPRESENTATIVE
ACTION COMPLAINT**

- 1) Failure to Reimburse for Employment Expenses in Violation of Labor Code § 2802;
- 2) Violation of California Private Attorney General Act, Labor Code § 2699, et seq.; and
- 3) Unfair Business Practices pursuant to Cal. Bus. Cal. Bus. & Prof. Code § 17200, et seq.

BY FAX

1 Plaintiff PATHOUMMA SONEPHOM ("Plaintiff"), on behalf of herself, the general
2 public, and all other similarly situated and typical persons, alleges the following:

3 All allegations in this Complaint are based upon information and belief except for those
4 allegations that pertain to the Plaintiff named herein and her counsel. Each allegation in this
5 Complaint either has evidentiary support or is likely to have evidentiary support after a
6 reasonable opportunity for further investigation and discovery.

7 JURISDICTION AND VENUE

8 1. This Court has original jurisdiction over the state law claims alleged herein
9 pursuant to the California Constitution.

10 2. Venue is proper in this Court because one or more of the Defendants named
11 herein maintains a principal place of business or otherwise is found in this judicial district and
12 many of the acts complained of herein occurred in Los Angeles County.

13 PARTIES

14 3. Plaintiff PATHOUMMA SONEPHOM ("Plaintiff" or "Sonephom") is a natural
15 person who resides in Fullerton, California. Plaintiff was employed by Defendant as an hourly
16 non-exempt employee from on or about July 2008 to on or about July 16, 2012. During her
17 employment with Defendant, Plaintiff worked as a Third-Party Propositional Player at the
18 Bicycle Casino in Los Angeles.

19 4. Defendant CERTIFIED NETWORK M, INC. ("Defendant" or "CNM") is a
20 domestic corporation registered in the State of California located at 1100 S. Flower Street
21 #3120, Los Angeles, CA 90015. Pursuant to its website, CNM advertises itself as "one of the
22 leaders of the Third-Party Provider of Propositional Player Services industry."

23 5. The identity of DOES 1-50 is unknown at this time and this Complaint will be
24 amended at such time when the identities are known to Plaintiff. Plaintiff is informed and
25 believes that each of Defendants sued herein as DOE is responsible in some manner for the acts,
26 omissions, or representations alleged herein and any reference to "Defendants," or "CNM"
27 herein shall mean "Defendants and each of them."
28

FACTUAL ALLEGATIONS

6. CNM engaged in the business of operating as a "Third-Party Provider of Propositional Player Service" in the state of California for casinos such as the Bicycle Casino of Los Angeles.

7. For legal reasons, Casinos run by an Indian tribe are run on a different basis than those run by non-Indians and are more akin to Nevada style gaming establishment. Therefore, unless specifically indicated otherwise, the term casino is used to mean non-Indian run casinos, and Indian run casinos are not the subject of this complaint. The term casino includes all non-Indian run casinos, card houses, poker parlors and any other gambling establishments not run directly by the State of California or an Indian tribe but for which a license by the State of California Gambling Control Commission is required.

8. Pursuant to California gaming law and regulations, non-Indian run casinos cannot act as the "bank" or the "house" in the sense that the casino cannot bet against the other players. A non-Indian casino cannot make a profit from the casino customers' losses.

9. In California, non-Indian casinos can only charge a fee for playing at the casino. Instead of the casino operating as the "house" or the "bank", the Casino allows a "Third-Party Provider of Propositional Player Service" to operate as the "house" or the "bank."

10. The profits and losses inherent in gambling are earned by the designated Third-Party Provider of Propositional Player Service, a third-party corporation

11. In all situations relevant to this complaint, CNM hires employees who wear special badges designating them as the Propositional Player for that table or game, and who acts as the casino "bank" or the "house" and who pay out with CNM's money when casino patrons win and collect for CNM's benefit when the other players lose.

12. As part of this arraignment, CNM employs individuals to play the various games at the casino. These individuals are called "Third-Party Propositional Players" (hereinafter referred to as "Propositional Player"). Propositional Players are active participants in a variety of casino games, such as pai gow and blackjack, and handle the casino chip transactions. Part

1 of the duties of a Propositional Player employed by CNM is also to ensure that the games are
2 being played correctly and the payouts are accurate.

3 13. Plaintiff was a Propositional Player at the Bicycle Casino for approximately four
4 (4) years. Plaintiff submitted her application for employment with CNM sometime on or about
5 July 2008. She was hired by CNM a short time later.

6 14. Immediately after being hired, CNM facilitated the process of getting Plaintiff a
7 Player Registrant badge. At CNM's direction, Plaintiff underwent a Live Scan and submitted
8 various forms to the State of California Gambling Control Commission. At that point, CNM
9 informed Plaintiff that she was required to pay a \$500 badge fee to CNM every two years in
10 order to acquire and maintain her badge.

11 15. Approximately a month after CNM sent her forms to the Gambling Control
12 Commission, Plaintiff received her badge and CNM began deducting \$500 from Plaintiff's
13 paycheck in \$125 increments over 4 pay periods. During her employ with CNM, Plaintiff had to
14 renew her badge and pay another \$500 fee to CNM on at least on one other occasion.

15 16. Unlike an attorney whose bar license is unique and personal to the attorney (and
16 not the employing firm or organization) Plaintiff's badge was not personal to her. She could not
17 take the badge to another employer and start work immediately. The badge was specific to
18 CNM. Indeed, CNM was specifically listed on the front and back of the badge. The only way
19 Plaintiff could work for another Third-Party Provider of Propositional Player Service was if she
20 paid yet another fee to transfer her badge.

21 17. The costs and expenses of acquiring and maintaining a badge were not unique to
22 Plaintiff. All gaming employees of CNM were similarly required to expend significant costs
23 and expenses to perform work for CNM. CNM has not, and will not, reimburse Plaintiff these
24 fees.

25 CLASS AND REPRESENTATIVE ACTION ALLEGATIONS

26 18. Plaintiff realleges and incorporates by this reference all the paragraphs above in
27 this Complaint as though fully set forth herein.
28

1 19. Plaintiff bring this action on behalf of herself, the general public, and other
2 similarly situated and typical employees as a true class action and a representative action under
3 California law on behalf of all aggrieved employees.

4 20. Plaintiff seeks to represent the following Class ("Class Members"): All persons
5 employed by Defendant in California at any time within four years prior to the original filing of
6 this complaint who were required to pay for the cost and expenses of acquiring and maintaining
7 a Third-Party Provider of Propositional Player's badge from the California Gambling Control
8 Commission and/or any other governmental agency.

9 21. Class treatment is appropriate based on the following:

10 A. The Class is Sufficiently Numerous: Upon information and belief,
11 Defendants employ, and have employed, in excess of 100 Class Members within the
12 applicable statute of limitations.

13 B. Common Questions of Law and Fact Exist: Common questions of law
14 and fact exist and predominate as to Plaintiff and the Class Members, including, without
15 limitation: Whether under California law the costs and expenses of acquiring and
16 maintaining a badge must be paid by the employer and/or reimbursed by the employer if
17 paid by the employee.

18 C. Plaintiff's Claims are Typical to Those of Fellow Class Members:
19 Plaintiff was required to pay out of her own pocket the costs and expenses of a badge
20 every two (2) years she was employed by Defendant. Upon information and belief,
21 Defendant forced all other employees who were required to have a badge to pay for the
22 costs and expenses of acquiring and maintain that badge.

23 D. Plaintiff's an Adequate Representative of the Class: Plaintiff will fairly
24 and adequately represent the interests of Class Members because Plaintiff is a member
25 of the Class, they have common issues of law and fact with all members of the class, and
26 their claims are typical to other Class Members.

27 E. A Class Action is Superior: A class action is superior to other available
28 means for the fair and efficient adjudication of this controversy, since individual joinder

1 of all members of the Class is impractical. Class action treatment will permit a large
2 number of similarly situated persons to prosecute their common claims in a single forum
3 simultaneously, efficiently, and without unnecessary duplication of effort and expense.
4 Furthermore, the expenses and burden of individualized litigation would make it
5 difficult or impossible for individual members of the Class to redress the wrongs done to
6 them, while an important public interest will be served by addressing the matter as a
7 class action. Individualized litigation would also present the potential for inconsistent or
8 contradictory judgments.

9 FIRST CAUSE OF ACTION

10 (Failure to Reimburse in Violation of Labor Code § 2802)

11 22. Plaintiff realleges and incorporates by this reference all the paragraphs above in
12 this Complaint as though fully set forth herein.

13 23. Labor Code § 2802 provides "An employer shall indemnify his or her employee
14 for all necessary expenditures or losses incurred by the employee in direct consequence of the
15 discharge of his or her duties"

16 24. Here, the gaming badge was specific to CNM and for its sole and exclusive
17 benefit. See Cal. Code Regs. tit. 4, § 12200.3(g) ("[B]adges are specific to the primary
18 owner"). The term primary owner refers to the employer. The process for acquiring the badge
19 was facilitated by CNM; the cost of the badge paid by CNM but the amount of the cost of the
20 badge was withheld from employees' paychecks; CNM was specifically identified on the badge;
21 and the badge was nontransferable from one employer to the next.

22 25. Accordingly, CNM violated Labor Code § 2802 by deducting the cost and
23 expense of acquiring and maintaining a badge from Plaintiff and all Class Members' pay.

24 26. Wherefore, Plaintiff demands for herself and all Class Members that Defendant
25 reimburse Plaintiff and Class Members the costs of acquiring and maintaining a gaming badge
26 during their employment with Defendant for four years from the date of filing this complaint
27 until the date of judgment in this action together with attorneys' fees, costs, and interest as
28 provided by law.

SECOND CAUSE OF ACTION

(Violation of California Private Attorney General Act, Labor Code § 2699, et seq.)

27. Plaintiff realleges and incorporates by this reference all the paragraphs above in this Complaint as though fully set forth herein.

28. Labor Code § 2699(a) states:

Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees pursuant to the procedures specified in Section 2699.3.

29. Plaintiff and Class Members are "aggrieved employees" as that term is defined in the California Labor Code Private Attorney General Act of 2004, because they are current or former employees of the alleged violator and against whom one or more of the alleged violations was committed.

30. Plaintiff has met all the notice requirements set forth in Labor Code § 2699.3 necessary to commence a civil action.

31. Plaintiff brings this action on behalf of herself and all members of the Class who were subject to Defendant's failure to reimburse Plaintiff and all other aggrieved employees the cost and expense of acquiring and maintaining a gaming badge.

32. Plaintiff thus, on behalf of herself and in a representative capacity on behalf of all members of the Class, demands restitution of all sums collected from employees for the acquiring and maintaining a gaming badge during their employment with Defendant plus the maximum civil penalty specified in Labor Code § 2699 in the amount of one hundred dollars (\$100) for Plaintiff and each aggrieved member of the Class per period for the initial violation and two hundred dollars (\$200) per pay period for each subsequent violation for violations of Labor Code § 2802.

33. These penalties are recoverable in addition to any other civil penalty separately recoverable by law.

THIRD CAUSE OF ACTION

(Unfair Business Practices pursuant to Cal. Bus. Cal. Bus. & Prof. Code § 17200, et seq.)

34. Plaintiff realleges and incorporates by this reference all the paragraphs above in this Complaint as though fully set forth herein.

35. By the conduct described throughout this Complaint, Defendant has violated the provisions of the California Labor Code as specified and have engaged in unlawful, deceptive, and unfair business practices prohibited by California Business & Professions Code § 17200, et seq. Defendant's use of such practices resulted in greatly decreased labor costs and constitutes an unfair business practice, unfair competition, and provides an unfair advantage over Defendants' competitors.

36. The unlawful and unfair business practices complained of herein are ongoing and present a threat and likelihood of continuing against Defendant's current employees as well as other members of the general public. Plaintiff and Class Members are therefore entitled to injunctive and other equitable relief against such unlawful practices in order to prevent future damage and to avoid a multiplicity of lawsuits. Accordingly, Plaintiff and the Class Members request a preliminary and permanent injunction prohibiting Defendant from the unfair practices complained of herein.

37. Defendant generated income as a direct result of the above-mentioned unlawful and unfair business practices. Plaintiff and the Class Members are therefore entitled to restitution of any and all monies withheld, acquired, and/or converted by Defendant by means of the unfair and unlawful practices complained of herein.

38. As a result, Plaintiff and Class Members seek restitution for the cost and expense of acquiring and maintaining a gaming badge, in addition to interest, attorneys' fees, and costs, as necessary and according to proof. Plaintiff seeks the appointment of a receiver, as necessary, to establish the total monetary relief sought from Defendants.

PRAYER FOR RELIEF

Wherefore Plaintiff, individually and on behalf of all Class Members and all others similarly situated and aggrieved employees, prays for relief as follows relating to her class and representative action allegations:

1. For an order certifying this action as a class action on behalf of the proposed Class;
2. For an order appointing Plaintiff as the Representative of the Class and her counsel as Class Counsel;
3. For damages according to proof for reimbursement of costs and expenses for acquiring and maintaining a gaming badge;
4. For civil penalties;
5. For interest as provided by law at the maximum legal rate;
6. For reasonable attorneys' fees authorized by statute;
7. For costs of suit incurred herein;
8. For pre-judgment and post-judgment interest, as provided by law, and
9. For such other and further relief as the Court may deem just and proper.

DATED: July 3, 2013



Mark R. Thierman
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Attorneys for Plaintiff