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ORIGINAL FILED  
SUPERIOR COURT OF CALIFORNIA  
COUNTY OF LOS ANGELES

JUL 10 2013

John A. [Signature], Executive Officer/Clerk  
BY [Signature], Deputy  
Shaunya Wesley

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF LOS ANGELES

BC 514660

11 CHRISTOPHER ALDERSON, on behalf of  
12 herself and all others similarly situated,

13 Plaintiff,

14 vs.

15 KNIGHTED VENTURES, LLC, and DOES  
16 1-50,

17 Defendant.

Case No.:

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 CHRISTOPHER ALDERSON ("Plaintiff"), on behalf of himself, 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 his 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 CHRISTOPHER ALDERSON ("Plaintiff" or "Alderson") is a natural  
15 person who resides in Livermore, California. Plaintiff was employed by Defendant as an hourly  
16 non-exempt employee from on or about January 2012 to on or about January 5, 2013. During  
17 his employment with Defendant, Plaintiff worked as a Third-Party Propositional Player at  
18 Casino 580 in Livermore.

19 4. Defendant KNIGHTED VENTURES, LLC ("Defendant" or "KNIGHED  
20 VENTURES") is a domestic corporation registered in the State of California located at 5900  
21 Hollis Street Suite U, Emeryville, CA 94608. Pursuant to its website, KNIGHTED  
22 VENTURES advertises itself as "California Card Room industry's premier third-party  
23 proposition player services."

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

**FACTUAL ALLEGATIONS**

6. KNIGHTED VENTURES is 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 Casino 580 in Livermore.

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, KNIGHTED VENTURES 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 KNIGHTED VENTURES's money when casino patrons win and collect for KNIGHTED VENTURES's benefit when the other players lose.

12. As part of this arraignment, KNIGHTED VENTURES 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

1 chip transactions. Part of the duties of a Propositional Player employed by KNIGHTED  
2 VENTURES is also to ensure that the games are being played correctly and the payouts are  
3 accurate.

4 13. Plaintiff was a Propositional Player at Casino 580 for approximately one (1)  
5 year. Plaintiff submitted her application for employment with KNIGHTED VENTURES  
6 sometime on or about January 2012. He was hired by KNIGHTED VENTURES a short time  
7 later.

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

14 15. Approximately a month after KNIGHTED VENTURES sent his forms to the  
15 Gambling Control Commission, Plaintiff received his badge and KNIGHTED VENTURES  
16 began deducting \$500 from Plaintiff's paycheck in \$125 increments over 4 pay periods.

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

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

27 / / /

28 / / /

CLASS AND REPRESENTATIVE ACTION ALLEGATIONS

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

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

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

21. Class treatment is appropriate based on the following:

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

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

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

D. Plaintiffs are Adequate Representatives of the Class: Plaintiffs will fairly and adequately represent the interests of Class Members because Plaintiff is a member

1 of the Class, he has common issues of law and fact with all members of the class, and  
2 his claims are typical to other Class Members.

3 E. A Class Action is Superior: A class action is superior to other available  
4 means for the fair and efficient adjudication of this controversy, since individual joinder  
5 of all members of the Class is impractical. Class action treatment will permit a large  
6 number of similarly situated persons to prosecute their common claims in a single forum  
7 simultaneously, efficiently, and without unnecessary duplication of effort and expense.  
8 Furthermore, the expenses and burden of individualized litigation would make it  
9 difficult or impossible for individual members of the Class to redress the wrongs done to  
10 them, while an important public interest will be served by addressing the matter as a  
11 class action. Individualized litigation would also present the potential for inconsistent or  
12 contradictory judgments.

### 13 FIRST CAUSE OF ACTION

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

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

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

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

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

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

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

### 10                           THIRD CAUSE OF ACTION

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

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

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

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

27           37. Defendant generated income as a direct result of the above-mentioned unlawful  
28 and unfair business practices. Plaintiff and the Class Members are therefore entitled to



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1 restitution of any and all monies withheld, acquired, and/or converted by Defendant by means  
2 of the unfair and unlawful practices complained of herein.


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

7 **PRAYER FOR RELIEF**

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

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

23  
24 DATED: July 9, 2013

25  
26   
Mark R. Thierman  
Joshua D. Buck

27 Attorneys for Plaintiff  
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