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**FHIERMAN BUCK LLP** 

7287 Lakeside Drive

**Electronically Filed** 4/20/2018 3:26 PM Steven D. Grierson CLERK OF THE COURT

#### DISTRICT COURT **CLARK COUNTY, NEVADA**

ANTHONY HERNANDEZ, on behalf of himself and all others similarly situated,

Plaintiff,

PJ LAS VEGAS, LLC; SERAZEN, LLC; BLD BRANDS, LLC; BLD VENTURES, LLC; PAPA JOHN'S INTERNATIONAL, INC.; DOUG PAK; and DOES 1 through 50,

Defendant(s).

Case No.: A-17-762477-C

Dept. No.: 17

#### FIRST AMENDED CLASS ACTION COMPLAINT

#### (EXEMPT FROM ARBITRATION **PURSUANT TO NAR 5)**

- 1) Failure to Pay Minimum Wages in Violation of the Nevada Constitution;
- 2) Failure to Pay Wages for All Hours Worked in Violation of NRS 608.016 and 608.140
- 3) Failure to Pay Overtime in Violation of NRS 608.018 and 608.140; and
- 4) Failure to Timely Pay All Wages Due and Owing in Violation of NRS 608.020-050 and 608.140;

#### **LIEN REQUESTED PURSUANT TO NRS** 608.050

JURY TRIAL DEMANDED

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COMES NOW Plaintiff ANTHONY HERNANDEZ, on behalf of himself and all others similarly situated and alleges the following:

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

#### JURISDICTION AND VENUE

- 1. This Court has original jurisdiction over the state law claims alleged herein because the amount in controversy exceeds \$10,000 and a party seeking to recover unpaid wages has a private right of action pursuant to the Nevada Constitution, Article 15 Section 16, and Nevada Revised Statute ("NRS") sections 608.050 and 608.140. See Lucatelli v. Texas De Brazil (Las Vegas) Corp., 2:11-CV-01829-RCJ, 2012 WL 1681394 (D. Nev. May 11, 2012) ("[T]he Nevada Supreme Court recently held that NRS § 608.040 contains a private cause of action because it is "illogical" that a plaintiff who can privately enforce a claim for attorneys' fees under NRS § 608.140 cannot privately enforce the underlying claim the fees arose from."); Busk v. Integrity Staffing Solutions, Inc., 2013 U.S. App. LEXIS 7397 (9th Cir. Nev. Apr. 12, 2013) ("Nevada Revised Statute § 608.140 does provide a private right of action to recoup unpaid wages."); Doolittle v. Eight Judicial Dist. Court, 54 Nev. 319, 15 P.2d 684; 1932 Nev. LEXIS 34 (Nev. 1932) (recognizing that former employees have a private cause of action to sue their employer (as well as third party property owners where the work was performed) for wages and waiting penalties under NRS 608.040 and NRS 608.050).
- Plaintiff also claims a private cause of action to foreclose a lien against the property owner for wages due pursuant to NRS 608.050.
- 3. Plaintiff is seeking to recover unpaid wages pursuant to Nevada statutory authority and pursuant to an agreement (implied by law and fact) to pay for all hours worked and/or under the wage laws of the State of Nevada. Plaintiff therefore has a private right of action pursuant to Nevada Revised Statute ("NRS") Sections 608.040 and 608.140 as well as a claim for at least minimum wages for all hours worked "off-the-clock" pursuant to Section 16 of Article 15 of the

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Nevada State Constitution. Plaintiff made a proper demand for wages due pursuant to NRS 608.140 on January 3, 2017.

4. Venue is proper in this Court because one or more of the Defendants named herein maintains a principal place of business or otherwise is found in this judicial district and many of the acts complained of herein occurred in Clark County, Nevada.

#### **PARTIES**

- 5. Plaintiff ANTHONY HERNANDEZ (hereinafter "Plaintiff" or "HERNANDEZ") is a natural person who is and was a resident of the State of Nevada and has been employed by Defendant as a non-exempt hourly employee from May 2016 to on or about November 2, 2016.
- Defendant PJ LAS VEGAS, LLC is a Nevada Limited Liability Company whose managing member is Doug Pak, located at 1 City Blvd. West Orange, California 92868.
- Defendant SERAZEN, LLC is a foreign Limited Liability Company, formed in 7. the state of Delaware, with its principle place of business located at 20377 SW Acacia Street, 2<sup>nd</sup> Floor, Newport Beach, California 92660.
- 8. Defendant BLD BRANDS, LLC is a California Limited Liability Company whose managing member is BLD VENTURES, LLC, located at 20377 SW Acacia Street, 2<sup>nd</sup> Floor, Newport Beach, California 92660.
- 9. Defendant BLD VENTURES, LLC is a California Limited Liability Company whose managing member is Doug Pak, LLC, located at 20377 SW Acacia Street, 2nd Floor, Newport Beach, California 92660.
- Defendant PAPA JOHN'S INTERNATIONAL, INC. ("PJ's International") is a 10. foreign corporation incorporated in the state of Delaware, with its principle place of business located at 2002 Papa John's Boulevard, Louisville, Kentucky 40299.
- 11. Upon information and belief, individual Defendant DOUG PAK is the sole officer, owner, and managing member of Defendants PJ LAS VEGAS, LLC and SERAZEN, LLC. Defendant Pak is also the sole officer, owner, and managing member of BLD VENTURES, LLC, which is in turn the sole officer, owner, and managing member of BLD BRANDS, LLC. At all relevant times, Defendant Pak exercised direct and indirect control over all operational decisions,

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company policies, wages, and working conditions of Plaintiff and other similarly situated employees. Defendant Pak is a person acting directly or indirectly in the interest of an employer in relation to Plaintiff and other drivers, and is therefore a proper Defendant for purposes of Plaintiff's claims. Defendant Pak exerts sufficient control over the other defendants' pay and employment policies to be held individually liable under Nevada law.

- 12. To the extent Defendants PJ LAS VEGAS, LLC, SERAZEN, LLC, BLD VENTURES, LLC, and BLD BRANDS, LLC (collectively, "the Pak Entities") are business entities separate from Defendant Pak, there exists such a unity of interest and commonality of control, including commingling of funds, lack of adequate capitalization, failure to maintain proper books and records, and additional omissions, that there truly is no separation or distinction between Defendant Pak and the Pak entities. As such, the Pak entities are and were mere instrumentalities, shells, and alter egos of Defendant Pak such that adherence to the fiction of a separate business entity should be ignored and the entities treated as though they were one and the same as Defendant Pak and vice versa.
- 13. At all relevant times, each Defendant was an agent, employee, joint-venturer, shareholder, director, member, co-conspirator, alter ego, master, or partner of each of the other Defendants, and at all times mentioned herein were acting within the scope and course and in pursuance of his, her, or its agency, joint venture, partnership, employment, common enterprise, or actual or apparent authority in concert with each other and the other Defendants.
- 14. At all relevant times, the acts and omissions of Defendants concurred and contributed to the various acts and omissions of each and every one of the other Defendants in proximately causing the complaints, injuries, and damages alleged herein. At all relevant times herein, Defendants approved of, condoned and/or otherwise ratified each and every one of the acts or omissions complained of herein. At all relevant times herein, Defendants aided and abetted the acts and omissions of each and every one of the other Defendants thereby proximately causing the damages as herein alleged.
- 15. The Defendants named herein are the employers of the Plaintiff and all Class Members alleged herein. The Defendants are employers engaged in commerce under the

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provisions of NRS 608.011. The identity of DOES 1-50 is unknown at the time and the Complaint will be amended at such time when the identities are known to Plaintiff. Plaintiff is informed and believes that each Defendants sued herein as DOE is responsible in some manner for the acts, omissions, or representations alleged herein and any reference to "Defendant," "Defendants," or "Papa Johns" herein shall mean "Defendants and each of them."

#### **FACTUAL ALLEGATIONS**

- 16. Defendant PJ's International is an American restaurant franchise company. It runs the third largest take-out and pizza delivery restaurant chain in the United States and franchises over 4,900 establishments worldwide.
- 17. PJ's International is both a direct employer of employees at their various companyowned locations and is a joint-employer with individual franchisees. PJ's International employees, whether direct hires by PJ's International or by individual franchisees, are provided orientation and training designed by the corporate offices of PJ's International. For example, PJ's International trains employees on how to make pizzas, answer phones, and interact with the customers, and also instructs employees regarding company-wide standards for employee conduct and appearance, such as proper uniform attire. These programs are designed to train management and employees regarding standards, compliance and other topics to enable its franchisees to meet PJ's International's expectations at all restaurant locations, whether owned solely by PJ's International or by a franchisee. All employees of PJ's International, whether owned solely by PJ's International or by a franchisee, are required to comply with these policies and meet the expectations set by PJ's International. PJ's International corporate employees regularly visit corporate and franchised restaurant locations to inspect the restaurants and, upon information and belief, to oversee the employee management of each restaurant. These corporate inspections include what PJ's International refers to as "Mission Critical Evaluations" (MCEs), which determine whether a restaurant may continue to operate as a franchise based on, among other things, whether employees are upholding and complying with PJ's International's corporate policies and standards. Ultimately, upon information and belief, PJ's International exercises

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control over the hours and other working conditions of Plaintiff and all similarly-situated hourly employees.

18. Defendant Pak owns and operates Papa John's restaurants in the United States through at least four shell companies: PJ LAS VEGAS, LLC, SERAZEN, LLC, BLD VENTURES, LLC, and BLD BRANDS, LLC. Through his management of BLD VENTURES, LLC, Defendant Pak used BLD BRANDS, LLC to provide "infrastructure" support to the Papa John's restaurants owned and operated by PJ LAS VEGAS, LLC and SERAZEN, LLC. According to BLD BRANDS, LLC's company website:<sup>1</sup>

> BLD Brands currently functions as a shared support, administrative company for Spaghetti Warehouse, Serazen's Papa John's and Hardee's businesses. The company has built a scalable corporate infrastructure built around its proprietary technology designed to operate multi-unit restaurant companies. The following table describes overall capabilities of BLD Brands.

#### **BLD Brands Corporate Functions:**

- Accounting / Payroll
- Finance
- HR Administration
- Risk Management
- Strategic Operations
- Corporate IT / Restaurant IT
- Business Innovation & Technology
- R&D / Purchasing
- Facilities
- Marketing
- Real Estate / Development
- Legal
- 19. BLD Brands, LLC, in conjunction with the remaining Pak Entities and Defendant Pak individually, worked together and acted in unison to control the hours and other working conditions of Plaintiff and all similarly-situated hourly employees and manage employee complaints regarding alleged wage and hour violations.<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> See http://bldbrands.com/?page id=68 (last visited Oct. 2, 2017).

<sup>&</sup>lt;sup>2</sup> See Letter in Response to Employee Complaint, dated September 26, 2017, attached as Exhibit B (showing BLD Brands responding to a complaint regarding wage and hour violations by PJ Las Vegas).

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#### Defendants' Flawed Reimbursement Policy For Delivery Drivers

- 20. The primary function of Defendants' Papa John's restaurants is to sell pizza and other food items to customers, whether they carry out the food or have it delivered.
- 21. Plaintiff has been employed by Defendants as a delivery driver at the Papa Johns located at 3205 W. Tompkins Ave., Las Vegas, Nevada.
- 22. Plaintiff was paid an hourly rate of \$8.25 per hour for all hours he worked. He was not offered, and did not receive, health insurance benefits.
- 23. Plaintiff was compensated for overtime at 1 ½ times his base hourly wage when he worked over 40 hours in a workweek. He was not paid overtime when he worked over 8 hours in a workday.<sup>3</sup>
- 24. Defendants require their delivery drivers to maintain and pay for safe, legallyoperable, and insured automobiles when delivering pizza and other food items.
- 25. Defendants' delivery drivers incur costs for gasoline, vehicle parts and fluids, automobile repair and maintenance services, automobile insurance, and depreciation ("automobile expenses") while delivering pizzas for the primary benefit of Defendants.
- 26. Despite the relative ease of tracking actual miles driven by its drivers, Defendants do not do so. Instead, Defendants reimburse delivery drivers using a set amount for each delivery, regardless of length. Defendants' delivery driver reimbursement policy applies to Plaintiff and all of Defendants' delivery drivers. Defendants set their reimbursement rate at \$1.00 for a single delivery. This method underestimates not only the automobile expenses per mile incurred by Defendants' delivery drivers, but also the number of miles driven by delivery drivers, thereby causing drivers to receive a lower reimbursement rate than even that contemplated by Defendants' flawed reimbursement formula.

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<sup>&</sup>lt;sup>3</sup> In Nevada, employees who make less than 1 ½ times the applicable minimum wage must be paid overtime when they work over 8 hours in a workday. A "workday" in Nevada is defined as "a period of 24 consecutive hours which begins when the employee begins work."

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- During the applicable limitations period, the IRS business mileage reimbursement rate ranged between \$.565 and \$.54 per mile.<sup>4</sup> Likewise, reputable companies that study the cost of owning and operating a motor vehicle and/or reasonable reimbursement rates, including the AAA, have determined that the average cost of owning and operating a vehicle ranged between \$.608 and \$.5705 per mile during the same period.<sup>5</sup> These figures represent a reasonable approximation of the average cost of owning and operating a vehicle for use in delivering pizzas.
- 29. The driving conditions associated with the pizza delivery business cause more frequent maintenance costs, higher costs due to repairs associated with driving, and more rapid depreciation from driving as much as, and in the manner of, a delivery driver. Defendants' delivery drivers further experience lower gas mileage and higher repair costs than the average driver used to determine the average cost of owning and operating a vehicle described above due to the nature of the delivery business, including frequent starting and stopping of the engine, frequent braking, short routes as opposed to highway driving, and driving under time pressures.

2016 \$.54 2015 \$.575 2014 \$.56

2013 \$.565

 $\it See \ https://www.irs.gov/tax-professionals/standard-mileage-rates (last visited Dec. 8, 2016).$ 

<sup>5</sup>See http://newsroom.aaa.com/auto/vour-driving-costs/ (average rate of \$.5705 for sedan vehicle in 2016) (last visited Dec. 8, 2016); http://newsroom.aaa.com/2015/04/annual-costoperate-vehicle-falls-8698-finds-aaa-archive/ (average rate of \$.580 for sedan vehicle in 2015) (last visited Dec. 8, 2016); http://newsroom.aaa.com/tag/aaa-cost-per-mile/ (average rate of \$.592 sedan vehicle in 2014) (last visited Dec. 2016); http://newsroom.aaa.com/2013/04/cost-of-owning-and-operating-vehicle-in-u-s-increasesnearly-two-percent-according-to-aaas-2013-your-driving-costs-study-archive/ (average rate of \$.608 for sedan vehicle in 2013) (last visited Dec. 8, 2016).

<sup>&</sup>lt;sup>4</sup> The reimbursement rates during the relevant time period are as follows:

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- 30. Defendants' reimbursement policy does not reimburse delivery drivers for even their out-of-pocket expenses, much less other costs they incur to own and operate their vehicle, and thus Defendants uniformly fail to reimburse their delivery drivers at any reasonable approximation of the cost of owning and operating their vehicles for Defendants' benefit.
- 31. Defendants' systematic failure to adequately reimburse automobile expenses constitutes a "kickback" to Defendants such that the hourly wages they pay to Plaintiff and Defendants' other delivery drivers are not paid free and clear of all outstanding obligations to Defendants.
- 32. Defendants fail to reasonably approximate the amount of their drivers' automobile expenses to such an extent that their drivers' net wages are diminished beneath both the federal and state minimum wage requirements.
- 33. In sum, Defendants' reimbursement policy and methodology fail to reflect the realities of delivery drivers' automobile expenses.

#### Defendants' Failure to Reimburse Automobile Expenses Causes Minimum Wage Violations

- 34. Regardless of the precise amount of the per-delivery reimbursement, Defendants' reimbursement formula resulted in an unreasonable underestimation of delivery drivers' automobile expenses, causing systematic violations of the federal minimum wage, and also various state minimum wage requirements where Defendants employ delivery drivers.
  - 35. Plaintiff was paid \$8.25 per hour during his employment with Defendants.
- 36. During that time period, the federal minimum wage rate was \$7.25 per hour and the state minimum wage was \$8.25 for employees who were not offered qualified health benefits.
  - 37. Plaintiff drove a 2003 Mercury Sable while delivering pizzas for Defendants.
- 38. During Plaintiff's employment by Defendants, the per delivery reimbursement rate at the store where Plaintiff worked was \$1.00.
- 39. Throughout his employment with Defendants, Plaintiff has experienced an average delivery distance of approximately 3.75 miles.
- 40. Thus, Defendants' average effective reimbursement rate for Plaintiff was at most approximately \$0.27 per mile (\$1.00 per delivery / 3.75 miles per delivery).

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- 41. Attached hereto as Exhibit A is an example of the effective reimbursement rate for Plaintiff in the month of October 2016. As demonstrated by Plaintiff's accounting of the deliveries made and miles driven, Plaintiff was only reimbursed \$135.00.
- 42. During this same time period, the IRS business mileage reimbursement rate was \$.54 per mile, which was a reasonable approximation of the automobile expenses incurred in delivering pizzas. Using the IRS rate as a reasonable approximation of Plaintiff's automobile expenses, every mile driven on the job decreased Plaintiff's net wages by approximately \$0.27 (\$.54 - \$0.27), or \$1.00 per delivery (\$0.27 x 5,131). Thus, Plaintiff "kicked back" to Defendants \$1,354.34.
- 43. Upon information and belief, all of Defendants' delivery drivers had similar experiences to those of Plaintiff. They were subject to the same reimbursement policy; received similar reimbursements; incurred similar automobile expenses; completed deliveries of similar distances and at similar frequencies; and were paid hourly wages at or very near the applicable state or federal minimum wage.
- 44. Based on the allegations set forth above, Defendants' average underreimbursement of automobile expenses over the prior three years has exceeded the difference between hourly wages in each state in which Defendants operate and the federal and state minimum wage during part or all of the limitations period, thereby resulting in company-wide minimum wage violations.
- 45. Defendants' low reimbursement rates were a frequent complaint of Defendants' delivery drivers, including Plaintiff, yet Defendants continued to reimburse at a rate much less than any reasonable approximation of delivery drivers' automobile expenses.
- 46. The net effect of Defendants' flawed reimbursement policy, instituted and approved by company managers, is that they willfully fail to pay the federal minimum wage to their delivery drivers. Further, Defendants willfully fail to pay minimum wages required by state law in the time periods during which individual states' minimum wage laws. Defendants thereby enjoy ill-gained profits at the expense of their employees.

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#### Defendants' Policy Of Not Paying Daily Overtime

- 47. In addition to Defendants' unlawful minimum wage practices, Defendants also maintained an unlawful policy of not paying daily overtime to non-exempt hourly employees who earned 1 ½ times less than the applicable minimum wage.
- 48. Plaintiff frequently worked over 8 hours in any given workday. On many occasions, Plaintiff would work a night shift until the early morning hours and then return to work a day shift. The number of hours he worked in a workday under Nevada law was over 8 hours in a 24 hour period of time. But despite having worked more than 8 hours in a 24 hour period of time, Defendants failed to compensate Plaintiff at 1 ½ times his regular rate of pay for the overtime hours he worked.
- 49. Upon information and belief, Defendants maintained a company-wide policy and practice of refusing to pay daily overtime wages to Nevada employees who worked over 8 hours in a workday. This "no daily overtime" policy has always been common to all non-exempt hourly paid employees at Defendants' locations in the state of Nevada.

#### Defendants' Policy Of Improperly Discounting Wages

- 50. Defendants paid Plaintiff and other similarly situated employees their final paycheck by depositing their wages onto a pre-paid cash card. Plaintiff and other employees who were paid through the cash cards could not withdraw or spend their wages without incurring a fee for each transaction.
- 51. Nevada Revised Statute 608.130 mandates that "A person engaged in any business or enterprise of any kind in this State shall not issue, in payment of, or as evidence of, any indebtedness for wages due an employee, any order, check, memorandum or other acknowledgment of indebtedness unless it is a negotiable instrument payable without discount, in cash on demand..."
- 52. Defendants did not pay final wages due to Plaintiff and similarly situated individuals in the form of a negotiable instrument, payable in cash, on demand, without discount as required by the above statutes. Instead, Defendants paid Plaintiff and similarly situated

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individuals by depositing payment for their wages onto prepaid cash cards that discounted employees' wages by charging fees for withdrawal or use of the funds.

- 53. By discounting Plaintiff and similarly situated employees' wages, Defendants failed to pay their employees the required minimum, regular rate, and overtime wages for all hours worked.
- 54. The policies and practices of Defendants at all relevant times have been substantially similar, if not identical, for all former employees.

#### **CLASS ACTION ALLEGATIONS**

- 55. Plaintiff realleges and incorporates by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 56. Plaintiff brings this action on behalf of himself and all other similarly situated employees as a class action under Rule 23 of the Nevada Rules of Civil Procedure.
- 57. The Nevada Minimum Wage Class is defined as "All hourly paid delivery drivers employed by Defendants in the state of Nevada at any time within 2 years from January 3, 2017 until judgment.
- 58. The Nevada Wage Deduction Class is defined as "All hourly paid non-exempt persons employed by Defendants in the state of Nevada within 3 years from the filing of this complaint until judgment who were paid using a cash card."
- 59. The **Nevada Overtime Class** is defined as "All hourly paid non-exempt persons employed by Defendants in the state of Nevada who earned less than 1 ½ times the applicable minimum wage and who worked over eight (8) hours in a workday at any time within 3 years from January 3, 2017 until judgment."
- 60. The Waiting Time Penalty Class is defined as "All Nevada Minimum Wage Class. Nevada Wage Deduction Class, and Nevada Overtime Class Members who are former employees."
- 61. Class treatment is appropriate under Rule 23's class certification mechanism because:

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The Classes are Sufficiently Numerous: Upon information and belief, a. Defendants employ, and have employed, in excess of 1,900 Nevada Minimum Wage, Nevada Wage Deduction, Nevada Overtime, and Waiting Time Penalty Class Members within the applicable time period. Because Defendants are legally obligated to keep accurate payroll records, Plaintiff alleges that Defendants' records will establish the members of these Classes as well as their numerosity.

- b. Plaintiff's Claims is Typical to Those of Fellow Class Members: Each Class Member is and was subject to the same practices, plans, or policies as Plaintiff: (1) Whether Defendants' inadequate reimbursement policy deprived Plaintiff and members of the Nevada Minimum Wage Class minimum wages according to Nevada law; (2) Whether Defendants failed to pay Plaintiff and putative class members in the form of a negotiable instrument, payable in cash, on demand, without discount; (3) Whether Defendants compensated Plaintiff and members of the Nevada Overtime Class daily overtime wages when they worked over 8 hours in a workday; (4) Whether Plaintiff and members of the Waiting Time Penalty Class are entitled to waiting time penalties for the failure to pay them minimum, regular, and overtime wages owed.
- c. Common Questions of Law and Fact Exist: Common questions of law and and fact exist and predominate as to Plaintiff and the Class Members, including, without limitation: Whether Defendants' reimbursement policy deprived Plaintiff and Nevada Minimum Wage Class Members the minimum wage guaranteed by Nevada law; Whether Defendants failed to Plaintiff and putative class members in the form of a negotiable instrument, payable in cash, on demand, without discount; Whether Defendants failed to pay Plaintiff and the Nevada Minimum Wage Class Members one and one half times their regular rate for all hours worked in excess of 8 hours a workday; and Whether Defendants failed to pay Plaintiff and the Waiting Time Penalty Class Members all their wages due and owing in violation of NRS 608.020-050.
- d. Plaintiff is Adequate Representative of the Class: Plaintiff will fairly and adequately represent the interests of the Class because Plaintiff is a member of all the

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attorney's fees and costs."

Classes, he has issues of law and fact in common with all members of the Classes, and his interests are not antagonistic to Class members. Plaintiff and his counsel are aware of their fiduciary responsibilities to Class Members and are determined to discharge those duties diligently by vigorously seeking the maximum possible recovery for Class Members.

Predominance/Superior Mechanism: Class claims predominate and a class e. action is superior to other available means for the fair and efficient adjudication of this controversy. Each Class Member has been damaged and is entitled to recovery by reason of Defendants' illegal policy and/or practice of failing to compensate its employees in accordance with Nevada wage and hour law. The prosecution of individual remedies by each Class Member will tend to establish inconsistent standards of conduct for Defendants and result in the impairment of Class Members' rights and the disposition of their interest through actions to which they were not parties.

#### FIRST CAUSE OF ACTION

Failure to Pay Minimum Wages in Violation of the Nevada Constitution (On Behalf of Plaintiff, the Nevada Minimum Wage Class, and Nevada Wage Deduction Class)

- 62. Plaintiff realleges and incorporates by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 63. Article 15 Section 16 of the Nevada Constitution sets forth the requirements the minimum wage requirements in the State of Nevada and further provides that "[t]he provisions of this section may not be waived by agreement between an individual employee and an employer. An employee claiming violation of this section may bring an action against his or her employer in the courts of this State to enforce the provisions of this section and shall be entitled to all remedies available under the law or in equity appropriate to remedy any violation of this section, including but not limited to back pay, damages, reinstatement or injunctive relief. An employee who prevails in any action to enforce this section shall be awarded his or her reasonable

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- 64. As alleged herein, Defendants have and continue to uniformly reimburse delivery drivers less than the reasonably approximate amount of their automobile expenses to such an extent that it diminishes these employees' wages beneath Nevada's minimum wage provisions.
- 65. Defendants knew or should have known that their reimbursement policy and methodology fails to compensate delivery drivers at the federal minimum wage.
- 66. Plaintiff and all similarly situated delivery drivers are victims of a uniform and employer-based compensation policy. This uniform policy, in violation of the Nevada Constitution, has been applied, and continues to be applied, to all delivery driver employees in Defendants' Nevada restaurants.
- 67. Plaintiff and all similarly situated employees are entitled to damages equal to the minimum wage minus actual wages received after deducting reasonably approximated automobile expenses within two years from the date of filing this action.
- 68. By improperly discounting employees' final wages (i.e., paying Plaintiff and Nevada Wage Deduction Class Members through prepaid cash cards that charged fees for withdrawal or use of the funds), Defendants failed to pay Plaintiff and Nevada Class Members their minimum wages pursuant to the Nevada Constitution.
- 69. Wherefore, Plaintiff demands for himself and for all other Nevada Minimum Wage Class Members and Nevada Wage Deduction Class Members that Defendants pay Plaintiff and Nevada Minimum Wage Class Members and Nevada Wage Deduction Class Members their unpaid minimum wages for all hours worked during the relevant time period alleged herein together with attorneys' fees, costs, interest, and punitive damages, as provided by law.

#### SECOND CAUSE OF ACTION

## Failure to Pay Wages for All Hours Worked in Violation of NRS 608.016 and 608.140 (On Behalf of Plaintiff and the Nevada Wage Deduction Class)

- 70. Plaintiff realleges and incorporates by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 71. NRS 608.140 provides that an employee has a private right of action for unpaid wages.

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- 72. NRS 608.016 states that "An employer shall pay to the employee wages for each hour the employee works." "Wages" means: "The amount which an employer agrees to pay an employee for the time the employee has worked, computed in proportion to time." NRS 608.012.
- 73. By improperly discounting employees' final wages (i.e., paying Plaintiff and Nevada Wage Deduction Class Members through prepaid cash cards that charged fees for withdrawal or use of the funds), Defendants failed to pay Plaintiff and Nevada Wage Deduction Class Members the agreed upon amount for all hours worked in violation of NRS 608.140 and 608.016.
- 74. Wherefore, Plaintiff demands for himself and for all Nevada Wage Deduction Class Members payment by Defendants at the regular hourly rate of pay for all hours worked during the during the relevant time period alleged herein together with attorneys' fees, costs, and interest as provided by law.

#### THIRD CAUSE OF ACTION

Failure to Pay Overtime Wages in Violation of NRS 608.018 and 608.140 (On Behalf of Plaintiff, the Nevada Wage Deduction Class, and the Nevada Overtime Class)

- 75. Plaintiff realleges and incorporate by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 76. NRS 608.140 provides that an employee has a private right of action for unpaid wages.
  - 77. NRS 608.018(1) provides as follows:

An employer shall pay 1 1/2 times an employee's regular wage rate whenever an employee who receives compensation employment at a rate less than 1 1/2 times the minimum rate prescribed pursuant to NRS 608.250 works: (a) More hours in any scheduled week of work; or (b) More than 8 hours in workday unless by mutual agreement the employee works a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.

78. NRS 608.018(2) provides as follows:

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An employer shall pay 1 1/2 times an employee's regular wage rate receives whenever an employee who compensation employment at a rate not less than 1 1/2 times the minimum rate prescribed pursuant to NRS 608.250 works more than 40 hours in any scheduled week of work.

- 79. As described above, Defendants maintained a policy and/or practice of illegal shift jamming (i.e., refusing to pay daily overtime when Plaintiff and members of the Nevada Overtime Class worked over 8 hours in a workday). As a result, Plaintiff and Nevada Overtime Class Members have been denied overtime compensation according to Nevada law.
- 80. By improperly discounting employees' final wages (i.e., paying Plaintiff and Nevada Wage Deduction Class Members through prepaid cash cards that charged fees for withdrawal or use of the funds), Defendants also failed to pay Plaintiff and Nevada Wage Deduction Class Members overtime for all overtime hours worked in violation of NRS 608.140 and 608.018.
- 81. Wherefore, Plaintiff demands for himself and all Nevada Overtime Class Members that Defendants pay Plaintiff and Nevada Overtime Class Members one and one half times their "regular rate" of pay for all hours worked in excess of eight (8) hours in a workday during the relevant time period together with attorneys' fees, costs, interest, and punitive damages, as provided by law.

#### FOURTH CAUSE OF ACTION

### Waiting Time Penalties Pursuant to NRS 608.020-.050 and 608.140 (On Behalf of Plaintiff and the Waiting Time Penalty Class)

- 82. Plaintiff realleges and incorporates by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 83. NRS 608.140 provides that an employee has a private right of action for unpaid wages.
- 84. NRS 608.020 provides that "[w]henever an employer discharges an employee, the wages and compensation earned and unpaid at the time of such discharge shall become due and payable immediately."

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- 85. NRS 608.040(1)(a-b), in relevant part, imposes a penalty on an employer who fails to pay a discharged or quitting employee: "Within 3 days after the wages or compensation of a discharged employee becomes due; or on the day the wages or compensation is due to an employee who resigns or quits, the wages or compensation of the employee continues at the same rate from the day the employee resigned, quit, or was discharged until paid for 30-days, whichever is less."
- 86. NRS 608.050 grants an "employee lien" to each discharged or laid-off employee for the purpose of collecting the wages or compensation owed to them "in the sum agreed upon in the contract of employment for each day the employer is in default, until the employee is paid in full, without rendering any service therefore; but the employee shall cease to draw such wages or salary 30 days after such default."
- 87. By failing to pay Plaintiff and the Waiting Time Penalty Class Members their minimum, regular, and overtime wages in violation of state and federal law, Defendants have failed to timely remit all wages due and owing to Plaintiff and the Waiting Time Penalty Class Members.
- 88. Despite demand, Defendants willfully refuse and continue to refuse to pay Plaintiff and Waiting Time Penalty Class Members all the wages that were due and owing upon the termination of their employment.
- 89. Wherefore, Plaintiff and the Waiting Time Penalty Class Members demand thirty (30) days of pay as waiting penalties under NRS 608.040 and 608.140, and thirty (30) days of pay as waiting penalties under NRS 608.050 and 608.140, together with attorneys' fees, costs, interest, and punitive damages, as provided by law.

#### **PRAYER FOR RELIEF**

Wherefore Plaintiff, by himself and on behalf of Class Members, pray for relief as follows relating to their class action allegations:

1. For an order certifying this action as a class action on behalf the proposed Classes and providing notice to all Class Members so they may participate in this lawsuit;

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- 2. For an order appointing Plaintiff as the Representative of the Classes and his counsel as Class Counsel;
- For damages according to proof for minimum rate pay under the Nevada Constitution for all hours worked;
- 4. For damages according to proof for overtime compensation under NRS 608.018 and 608.140 for all hours worked over 8 hours per day;
- 5. For waiting time penalties pursuant to NRS 608.040-.050 and 608.140;
- 6. For a lien on the property where Plaintiff and all Nevada Class Members labored pursuant to NRS 608.050;
- 7. For interest as provided by law at the maximum legal rate;
- 8. For punitive damages;
- 9. For reasonable attorneys' fees authorized by statute;
- 10. For costs of suit incurred herein;
- 11. For pre-judgment and post-judgment interest, as provided by law; and
- 12. For such other and further relief as the Court may deem just and proper.

DATED: April 20, 2018

Respectfully Submitted,

#### THIERMAN BUCK LLP

/s/Joshua D. Buck Joshua D. Buck Mark R. Thierman Leah L. Jones

# **EXHIBIT A**

September		(	October 2016			November
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday  1  Number of Deliveries:
2	3	4	5	6	7	MR Paid: 11.00 Daily Miles: 51 Mileage Due: 16.54
Number of Deliveries:	Number of Deliveries:	Number of Deliveries:	<i>5</i>	O	Number of Deliveries:	Number of Deliveries:
4 MR Paid: 4.00 Daily Miles: 28 Mileage Due: 11.12	10 MR Paid: 10.00 Daily Miles: 48 Mileage Due: 15,92	4 MR Paid: 4.00 Daily Miles: 29 Mileage Due: 11.66	Day Off	Day Off	8 MR Paid: 8.00 Daily Miles: 38 Mileage Due: 12.52	9 MR Paid: 9.00 Daily Miles: 55 Mileage Due: 20.7
9	10	11	12	13	14	15
Number of Deliveries:	Number of Deliveries:	Number of Deliveries:	12	10	Number of Deliveries:	Number of Deliveries:
5 MR Paid: 5.00 Daily Miles: 30	5 MR Paid: 5.00 Daily Miles: 38	9 MR Paid: 9.00 Daily Miles: 39	Day Off	Day Off	8 MR Paid: 8.00 Daily Miles: 35	10 MR Paid: 10.00 Daily Miles: 49
Mileage Due:	Mileage Due: 15.52	Mileage Due: 12.06			Mileage Due: 10.9	Mileage Due: 16.46
16	17	18	19	20	21	22
Number of Deliveries: 3 MR Paid: 3.00 Daily Miles: 14 Mileage Due: 4.56	Number of Deliveries:  4  MR Paid: 4.00  Daily Miles: 31  Mileage Due: 12.74	Number of Deliveries: 2 MR Paid: 2.00 Daily Miles: 16 Mileage Due: 6.64	Day Off	Day Off	Number of Deliveries:  6  MR Paid: 6.00  Daily Miles: 30  Mileage Due: 10.2	Number of Deliveries: 13 MR Paid: 13.00 Daily Miles: 91 Mileage Due: 36.14
23	24	25	26	27	28	29
Number of Deliveries: 6 MR Paid: 6.00 Daily Miles: 43 Mileage Due: 17.22	Day Off	Number of Deliveries: 5 MR Paid: 5.00 Daily Miles: 21 Mileage Due: 6.34	Day Off	Day Off	Number of Deliveries: 8 MR Paid: 8.00 Daily Miles: 34 Mileage Due: 10.36	Number of Deliveries: 5 MR Paid: 5.00 Daily Miles: 42 Mileage Due: 17.68
30	31					
Day Off	Day Off					

# **EXHIBIT B**





20377 SW Acacia St., 2<sup>nd</sup> Fl. Newport Beach, CA 92660 Tel: 714.450.7660 http://www.bldbrands.com

September 26, 2016

Ms. Malia Ervin
Compliance/Audit Investigator
Office of the Labor Commissioner
State of Nevada
555 E. Washington Ave., Ste. 4100
Las Vegas, NV 89101

Dear Ms. Ervin:

I am in receipt of your letter dated September 15, 2016 regarding a complaint that PJ Las Vegas is in violation of certain wage and hour laws. PJ Las Vegas LLC is one of several companies under the BLD Brand with a total of 150 locations throughout the US. We pride ourselves in providing a great place to work, as well as ensuring our employees are treated fairly and paid in accordance with the various state and federal laws.

Below is a response to each complaint as respects our general policies and procedures:

<u>Payment for all hours worked and overtime</u>: It is expected that all employees clock in and out of our POS for all hours worked, regardless of whether overtime is incurred or not. We emphasize the importance of accurate time records in our Handbook and specifically state that any requests to work 'off the clock' should be reported to their District Manager immediately. I'm not certain if the complaint about overtime has to do with working off the clock or the calculation of overtime, but we do process payroll through ADP so do know for certainty that it is being calculated correctly in accordance with the daily overtime regulations in the State of NV and California.

<u>Employee Uniforms</u>: All employees are provided with at least 1-2 Papa John's shirts at no cost, depending upon whether they are part or full time. If they ask for additional shirts, we generally do provide them without cost, and we do replace any worn out shirts as necessary. If they would like to order additional shirts or colors, they can go on line and order them through the Papa John's store.

Additionally, we conduct HR and wage and hour training at least once per year to ensure our General Managers understand the law and our standards. The Human Resources phone number is posted throughout the restaurant and in the Handbook should employees have a complaint or concern. Complaints that are received in this office are immediately investigated and if it happens to involve a wage and hour complaint, we immediately resolve the issue, get the employee paid, and take appropriate action against the General Manager or Shift Leader.

I hope this answers any questions you may have regarding the complaint. If I can answer any other questions or if you do have the name of a specific employee, I will be more than happy to assist. I can be reached at 714-450-7652.

Sincerely,

Jan Miller

VP, Human Resources