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Electronically Filed 12/5/2017 5:34 PM Steven D. Grierson CLERK OF THE COURT

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DISTRICT COURT

CLARK COUNTY, NEVADA

ANTHONY WINDOM and ALICIA GLENNY, on behalf of themselves and all others similarly situated,

Plaintiffs,

VS.

THE SPEARMINT RHINO COMPANIES WORLDWIDE, INC.; K-KEL, INC.; and DOES 1 through 50, inclusive,

Defendant(s).

Case No.: A-17-765720-C

Department 24

Dept. No.:

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 Overtime in Violation of NRS 608.018 and 608.140; and
- 3) Failure to Timely Pay All Wages Due and Owing in Violation of NRS 608.020-050 and 608.140;

<u>LIEN REQUESTED PURSUANT TO NRS</u> <u>608.050</u>

JURY TRIAL DEMANDED

- 1 -CLASS ACTION COMPLAINT

Case Number: A-17-765720-C

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COMES NOW Plaintiff ANTHONY WINDOM and ALICIA GLENNY, on behalf of themselves 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 Plaintiffs named herein and their 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).
- Plaintiffs also claim a private cause of action to foreclose a lien against the property owner for wages due pursuant to NRS 608.050.
- 3. 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.

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PARTIES

- Plaintiff ANTHONY WINDOM ("WINDOM") is a natural person who is and was 4. a resident of the State of Nevada and has been employed by Defendant as a non-exempt hourly employee from May 2011 to the present.
- 5. Plaintiff ALICIA GLENNY ("GLENNY") 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 August 2016 until October 2017.
- Defendant THE SPEARMINT RHINO COMPANIES WORLDWIDE, INC. is a domestic Nevada Corporation with a principle place of business located at 1875 Tandem Way, Norco, California, 92860.
- 7. Defendant K-KEL, INC. is a domestic Nevada Corporation with a principle place of business located at 3351 S. Highland Drive #206, Las Vegas, Nevada 89109.
- 8. 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.
- 9. 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.
- 10. 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 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

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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 "Spearmint Rhino" herein shall mean "Defendants and each of them."

FACTUAL ALLEGATIONS

The Named-Plaintiffs

- 11. Plaintiff Windom has been employed by Defendants as a VIP Host/Security since May 2011. He has been classified as an hourly non-exempt employee of Defendants and is currently earning \$7.25 per hour. Plaintiff Windom is regularly scheduled for and regularly works at least 40 hours per workweek.
- 12. Plaintiff Glenny was employed by Defendants as a Cocktail Waitress from August 2016 until October 19, 2017. She has been classified as an hourly non-exempt employee of Defendants and is earned \$7.25 per hour. Plaintiff Glenny was regularly scheduled for and regularly worked at least 40 hours per workweek.

Defendants' Policy of Failuring to Offer or Provide Health Insurance Benefits Less Than 10% of Employees' Total Gross Income

- 13. Defendants maintain an unlawful payment practice of paying Plaintiffs and all other similarly situated employees the lower tier minimum and overtime wage rate even though Defendants do not offer or provide insurance that is less than 10% of the total gross income of Plaintiff and other similarly situated employees.
- 14. For instance, on the pay period ending March 18, 2017 (a true and correct copy of this pay statement is attached hereto as Exhibit A), Defendants paid Plaintiff Windom a total gross taxable income of \$583.48 in minimum and overtime wages (\$577.17 in minimum wages for 79.61 hours worked during the pay period and \$6.31 in overtime wages for .58 overtime hours worked during the pay period). Tips are not included in the calculation of an employee's total gross taxable income. See MDC Restaurants, LLC et al v. The Eighth Judicial Dist. Court, 132 Nev. Op. 76 (Oct. 27, 2016). During that same period of time (and indeed during his entire employment), Plaintiff Windom was not offered or provided with health benefits of less than the 10% maximum percentage for an employer to qualify for the lower-tier minimum wage payment.

- 15. On the pay period ending June 10, 2017 (a true and correct copy of this pay statement is attached hereto as Exhibit B), Defendants paid Plaintiff Glenny a total gross taxable income of \$279.23 in minimum and overtime wages (\$262.33 in minimum wages for 36.17 hours worked during the pay period and \$17.52 in overtime wages for 1.54 overtime hours worked during the pay period). During that same period of time, Plaintiff Glenny paid a total of \$100.76 in premiums for employee health benefits (\$19.99 for Dental and \$80.77 for Medical). The health benefit premiums thus represent 36% of Plaintiff Glenny's total gross taxable income for that time period. Since 36% is well above the 10% maximum percentage for an employer to qualify for the lower-tier minimum wage payment, Defendants failed to compensate Plaintiff Glenny at the correct legal higher tier minimum wage rate of \$8.25 per non overtime hour and \$12.38 per overtime hour worked. Defendants therefore underpaid Plaintiff Glenny \$37.72 during that pay period.
- 16. The policies and practices of Defendants at all relevant times have been substantially similar, if not identical, for all employees. Defendant is legally required to maintain all itemized pay statements that will demonstrate the amount of health insurance premiums paid by Plaintiffs and all putative class member and the resulting amount of wages underpaid to Plaintiff and all members of the putative class during the entire period of time at issue in this case.

CLASS ACTION ALLEGATIONS

- 17. Plaintiffs reallege and incorporate by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 18. Plaintiffs bring this action on behalf of themselves and all other similarly situated employees as a class action under Rule 23 of the Nevada Rules of Civil Procedure.
 - 19. The **Classes** are defined as follows:
 - A. **Minimum Wage Class**: "All hourly paid non-exempt persons employed by Defendants who were paid less than \$8.25 per non-overtime

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hour worked in the state of Nevada within 2 years from the filing of this complaint until judgment."

- В. Overtime Class: "All hourly paid non-exempt persons employed by Defendants who were paid less than \$12.38 per overtime hour worked in the state of Nevada within 3 years from the filing of this complaint until judgment."
- C. Waiting Time Penalty Class: "All members of the Minimum Wage and/or Overtime Wage Classes who are former employees."
- 20. Class treatment is appropriate under Rule 23's class certification mechanism because:
 - Α. The Classes are Sufficiently Numerous: Upon information and belief, Defendants employ, and have employed, in excess 200 Minimum Wage, Overtime, and Waiting Time Penalty Class Members within the applicable time period. Because Defendants are legally obligated to keep accurate payroll records, Plaintiffs allege that Defendants' records will establish the members of these Classes as well as their numerosity.
 - В. 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 Plaintiffs: (1) Whether Defendants can meet their burden of demonstrating that Plaintiffs and Minimum Wage Class Members were only entitled to receive the lower tier minimum wage rate; (2) Whether Defendants can meet their burden of demonstrating that Plaintiffs and Overtime Class Members were only entitled to receive the lower tier overtime wage rate; (3) Whether Plaintiffs 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 Plaintiffs and the Class Members, including, without limitation: Whether Defendants offered health insurance to Plaintiffs and Class Members that was no more than 10% of employees' gross taxable income.
 - D. Plaintiff is Adequate Representative of the Class: Plaintiffs will fairly and adequately represent the interests of the Class because Plaintiffs are members of all the

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Classes, they have issues of law and fact in common with all members of the Classes, and their interests are not antagonistic to Class members. Plaintiffs and their 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.

E. Predominance/Superior Mechanism: Class claims predominate and a class 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 and the Minimum Wage Class Against Defendants)

- 21. Plaintiffs reallege and incorporate by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 22. Article 15 Section 16 of the Nevada Constitution sets forth the requirements the minimum wage requirements in the State of Nevada ("MWA"). The MWA sets forth a two-tiered minimum wage, which were set at \$7.25 and \$8.25 for the relevant time period covered in this action.
- 23. In order to pay the lower tier minimum wage amount, an employer must offer health benefits to its employees and the dependents of the employees "at a total cost to the employee for premiums of not more than 10 percent of the employee's gross taxable income from the employer."
- 24. As alleged herein, Defendants paid Plaintiffs and all other members of the Class at the lower-tier minimum wage rate but have failed to offer health benefits to its employees and

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the employees' dependents at a total costs to the employee for premiums of not more than 10% of the employees' gross taxable income.

- 25. By unlawfully paying Plaintiffs and members of the Class the lower-tier minimum wage rate of \$7.25, instead of the applicable minimum wage rate of \$8.25, Defendants have failed to compensate Plaintiffs and members of the Class at the minimum wage rate for all the hours that they worked pursuant to the Nevada Constitution.
- 26. Wherefore, Plaintiffs demands for themselves and for all other Class Members that Defendants pay Plaintiffs and 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 Overtime Wages in Violation of NRS 608.018 and 608.140 (On Behalf of Plaintiff and the Overtime Class Against Defendants)

- 27. Plaintiffs reallege and incorporate by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 28. NRS 608.140 provides that an employee has a private right of action for unpaid wages.
 - 29. 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 prescribed pursuant to NRS 608.250 works: (a) More than 40 hours in any scheduled week of work; or (b) More than 8 hours in any workday unless by mutual agreement the employee works a scheduled 10 hours per day for 4 calendar days within any scheduled week of work.

30. NRS 608.018(2) 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 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.

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- 31. As alleged herein, Defendants paid Plaintiffs and all other members of the Class at the lower-tier minimum wage rate but have failed to offer health benefits to its employees and the employees' dependents at a total costs to the employee for premiums of not more than 10% of the employees' gross taxable income.
- 32. By unlawfully paying Plaintiffs and members of the Overtime Class the lower-tier minimum wage rate of \$7.25 (with an overtime wage rate of \$10.88), instead of the applicable minimum wage rate of \$8.25 (with an overtime wage rate of \$12.38), Defendants have likewise failed to compensate Plaintiffs and members of the Class at the correct overtime wage rate for all the overtime hours that they worked pursuant to NRS 608.018.
- 33. Wherefore, Plaintiffs demand for themselves and all Overtime Class Members that Defendants pay Plaintiffs and Overtime Class Members one and one half times their legally mandated minimum wage rate of pay for all hours worked in excess of eight (8) hours in a workday and/or in excess of forty (40) hours per workweek during the relevant time period together with attorneys' fees, costs, interest, and punitive damages, as provided by law.

THIRD 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 Against Defendants)

- 34. Plaintiffs reallege and incorporate by this reference all the paragraphs above in this Complaint as though fully set forth herein.
- 35. NRS 608.140 provides that an employee has a private right of action for unpaid wages.
- 36. 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."
- 37. 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."

- 38. 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."
- 39. By failing to pay Plaintiffs and the Waiting Time Penalty Class Members their legally mandated minimum and overtime wages, Defendants have failed to timely remit all wages due and owing to Plaintiffs and the Waiting Time Penalty Class Members.
- 40. Despite demand, Defendants willfully refuse and continue to refuse to pay Plaintiffs and Waiting Time Penalty Class Members all the wages that were due and owing upon the termination of their employment.
- 41. Wherefore, Plaintiffs 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, and interest, as provided by law.

PRAYER FOR RELIEF

Wherefore Plaintiffs, by themselves 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;
- 2. For an order appointing Plaintiffs as the Representatives of the Classes and their counsel as Class Counsel;
- 3. 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 and/or over 40 hours in a			
		workweek;			
	5.	For waiting time penalties pursuan	nt to NRS 608.040050 and 608.140;		
	6.	For a lien on the property where I	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 aut	horized by statute;		
	10.	For costs of suit incurred herein;			
	11.	For pre-judgment and post-judgm	ent interest, as provided by law; and		
	s the Court may deem just and proper.				
	DATE	ED: December 4, 2017	Respectfully Submitted,		
			THIERMAN BUCK LLP		
			/s/Joshua D. Buck		
			Joshua D. Buck		
			Mark R. Thierman Leah L. Jones		
			Lean L. Volles		

EXHIBIT A

Earnings Statement			1000			
	Company: 0W423 - K-KEL INC	-KEL INC				
Pay Date: 03/24/2017					Emp 4	Emp #: AOBN
Period Start: 03/05/2017	1875 TANDEM WAY				Dept: COP - CLUB OPERATIONS	RATIONS
Period End: 03/18/2017	NORCO, CA 92860		6)	(951) 371-3788	Pay Basis: Hourly	s: Hourly
Earnings	Rate Hou	rs/Units	Rate Hours/Units Current Period	Year to Date	()	
Regular	7.25	79.61	577.17	3,807.18		
Overtime	10.88	0.58	6.31	60.25		
Chip Red			117.24	517.78		
Chip Tip			351.72	1,553.34In/Out	ut	
DECLARED TIPS			90.00	765.00In/O	Ľ,	
	Gross Pay	80.19	1,142.44	6,703.55		
W/H Taxes	T 20					
(S/1) Federal W/H			116.80	678.13		
Medicare			16.57	97.21		
Social Security			70.83	415.62		
Deductions						
None			0.00	0.00		
	Net Pay		496.52	3,194.25	Check No.: 105054078	
Net Pay Distribution						
Pavroll Net Check			706 52	3 194 25		

EXHIBIT B

Earnings Statement

Earnings Statement

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Day D	经 基本的
Lay nate:	06/16/2017
Period C	12017

Company: 0W423 - K-KEL INC

ALICIA GLENNY

Period	Start: 05/2	8/2012
Perior	End: 06/1	7,2017
	End: 06/1	0/2017

Earnings

1875 TANDEM WAY NORCO, CA 92860

Emp #: A3CK Dept: COP - CLUB OPERATIONS Pay Basis: Hourly

Regula	Regular		Rate Hours/Unite		(951) 371-3788	
Overtime Chip Red Commiss Chip Tip DECLARE	ion	7 25 11.38 Gross Pay	36.17 1.54 37.71	262.23 17.52 0.00 0.00 0.00 0.00	Year to Date 4,938.27 24.94 15.00 1,231.81 45.00 2,159.00	
		Transportation as	37.71	279.75	8,414.02	
Medicare Social Sec Deductions	urity			0.00 2.60 11.10	524.90 104.48 446.71	
DENTAL MEDICAL				0.00 19.99 80.77	19,99 219,89 969,24	
Net Pay Distribution		Net Pay		165.29	3,924.81	

Voucher No.: 75639900DD

Direct Deposit Net Check

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K-KEL'INC 1875 TANDEM WAY NORCO, CA 92860

JPMorgan Chase Bank, N.A.

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COP

This is not a check

This is not a check

39-64/1030

One Hundred Sixty Five And 29/100 Dollars

This is not a check

Direct Deposit Voucher NON-NEGOTIABLE

DEPOSIT TO THE ORDER

ALICIA GLENNY 7227 WINDMILL #173 LAS VEGAS, NV 89113

THE REPERTURE OF THIS DECLINED HAS DETUNDED TO THE OTHER TEATORS.

