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9 **THE SUPERIOR COURT OF CALIFORNIA**
10 **COUNTY OF SANTA CLARA – UNLIMITED JURISDICTION**

11 **SUSANA CRAIG, an individual**

12 Plaintiff,

13 v.

14 **MENINA KAJ FEMME INC., a California**
15 **nonprofit public benefit corporation, formerly**
16 **MEERA KAUL FOUNDATION INC.;**
17 **MEERA KAUL, an individual, and DOES 1**
18 **through 10, Inclusive,**

19 Defendants.

20 **CASE NO.:**

18CV323155

21 **COMPLAINT FOR:**

- 22 1. Failure to Pay Minimum Wage (Labor Code § 1194, Cal. Code Reg. Title 8 § 11040)
- 23 2. Failure to Pay Overtime Compensation (Labor Code §§ 510, 515, IWC Order 4-2001)
- 24 3. Non-Payment of Overtime Wages – Liquidated Damages (29 U.S.C. § 201 *et seq.*)
- 25 4. Breach of Contract
- 26 5. Breach of Implied Covenant of Good Faith and Fair Dealing
- 27 6. Failure to Provide Itemized Wage Statements (Labor Code § 226)
- 28 7. Waiting Time Penalties (Labor Code §§ 201, 202, 203)
- 29 8. Failure to Provide Meal Periods and Rest Periods (Labor Code §§ 226.7, 512 and 8 CCR §§ 11040 *et seq.*)
- 30 9. Fraud – False Promise
- 31 10. Intentional Infliction of Emotional Distress
1. Negligent Infliction of Emotional Distress
2. Quantum Meruit
3. Unjust Enrichment
4. Interference with Prospective Business
5. Defamation
6. Unfair Business Practices (Bus. & Prof. Code §§ 17200 *et seq.*)

DEMAND FOR JURY TRIAL

By Fax

1 **COMPLAINT**

2 Plaintiff SUSANA CRAIG (“Ms. Craig” or “Plaintiff”) hereby alleges against Defendants
3 MENINA KAJ FEMME INC., a California corporation, formerly MEERA KAUL FOUNDATION
4 INC., a California Corporation (“MKF”), and Meera Kaul (“Kaul”) (collectively “Defendants”) and
5 DOES 1 through 10, inclusive, as follows:

6 **PARTIES**

7 1. Plaintiff Susana Craig was at all relevant times a resident of Santa Clara County, in the
8 State of California and employed by MKF which conducted business in Santa Clara and San Mateo
9 Counties.

10 2. Plaintiff alleges, on information and belief, that defendant Menina Kaj Femme Inc.,
11 formerly Meera Kaul Foundation Inc. is now, and at all relevant times herein, was a California nonprofit
12 public benefit corporation, with its principal place of business located in San Mateo County, in the State
13 of California. Plaintiff alleges, on information and belief, that on or about April 28, 2017, Meera Kaul
14 Foundation Inc. amended its articles of incorporation to change its name to Menina Kaj Femme Inc.

15 3. Plaintiff alleges, on information and belief, that defendant Meera Kaul is an individual
16 who, at all times herein, resided in and/or conducted business in the Counties of Santa Clara and San
17 Mateo, in the State of California.

18 4. Plaintiff is ignorant of the true names and capacities of Defendants sued herein as DOES
19 1 through 10, inclusive, and therefore sues these Defendants by such fictitious names. Plaintiff is
20 informed and believes and thereon alleges that each of the Defendants designated herein as a DOE is in
21 some manner responsible for the damages and injuries as are alleged in this Complaint. Upon learning
22 the true identity, nature and capacity of DOE Defendants, Plaintiff will amend this Complaint to allege
23 their true names and capacities.

24 5. Plaintiff alleges, on information and belief, that at all times material herein, each
25 Defendant completely dominated and controlled DOES 1 through 10, each was the agent, representative,
26 and alter ego of the others, and all aided and abetted the wrongful acts of the others. The purposes of this
27 ongoing conspiracy include, but are not limited to, the wrongs alleged in this Complaint. Defendant’s
28 and DOES 1 through 10’s acts and failures to act, as alleged herein, were perpetrated in furtherance of
29 the ongoing conspiracy.

30 6. Plaintiff alleges, on information and belief, that at all times mentioned in this Complaint,
31 Kaul, was and is the alter ego of MKF and that at all times herein mentioned there existed such a unity

1 between Kaul and MKF that any separateness has ceased to exist between them for the following
2 reasons, among others:

3 a. Kaul has used the assets of MKF for her own benefit and has caused assets of the
4 corporations to be transferred to her without adequate consideration;

5 b. Kaul has exercised complete dominance and control over MKF such that MKF is
6 a mere shell and instrumentality for the conduct of a business by Kaul;

7 c. Adherence to the fiction of a separate existence of Kaul and MKF would sanction
8 fraud and permit an abuse of the legal benefits of a true corporation. As a result, Ms. Craig asserts that
9 Kaul is liable for any judgment against MKF arising out of all causes of action pleaded herein.

10 7. Whenever reference is made to individuals who are not named as Defendant in this
11 Complaint but are or were agents of Defendants, or any of them, such references shall be deemed to
12 mean that such individuals at all relevant times acted on behalf of Defendant.

13 **COMMON FACTUAL ALLEGATIONS**

14 **A. Defendants Hire Ms. Craig as an Employee**

15 8. In December 2016, Ms. Craig met Kaul at an event hosted by the Women Inclusive
16 Network (“WIN”). Ms. Craig and Kaul discussed, among other things, Kaul’s business, Meera Kaul
17 Foundation Inc., an organization focused on helping women create opportunities in their chosen fields.
18 As this is an area of which Ms. Craig is passionate, shortly thereafter, she began volunteering on a full-
19 time basis for MKF.

20 9. In late January 2017, after Ms. Craig had worked on a volunteer basis for approximately
21 one month for Kaul and MKF, Plaintiff informed Kaul that she could no longer continue volunteering
22 with MKF because she needed to start looking for paid employment. Kaul requested Ms. Craig's salary
23 requirements for paid employment and subsequently offered Ms. Craig a position with MKF.

24 10. Kaul verbally offered Ms. Craig the salaried position of Chief of Operations with MKF
25 and a compensation package of \$125,000.00 as follows:

- 26 a. compensation would include a base salary and a percentage of sponsorship donations
27 Ms. Craig brought in;
- 28 b. Ms. Craig would be paid \$6,000.00 per month during “Phase 1,” the development and
29 fundraising phase, to begin February 2017 and end May 2017;
- 30 c. Ms. Craig would be paid \$8,000.00 per month during “Phase 2,” the implementation
31 phase expected to occur from May 2017 through September 2017; and

1 d. Ms. Craig would be paid \$10,416.00 per month for the remaining work completed in
2 "Phase 3," the maintenance and new program development portion of the project
3 (collectively, the "Employment Agreement").

4 11. At no time, when Kaul offered Ms. Craig the position, did she condition employment or
5 payment of compensation on any subsequent approval by any board, or represent to Ms. Craig that she
6 did not have the authority to make an offer of employment under said terms.

7 12. In or about early February 2017, Ms. Craig accepted Kaul's offer and commenced work
8 on the development phase of a multi-phased fundraising event of behalf of MKF. Ms. Craig's job duties
9 included, without limitation, planning fundraising events, managing marketing, and recruiting
10 volunteers. Although Kaul promised to provide Ms. Craig a written contract prior to her employment
11 start date that memorialized the terms of employment herein, Defendants failed to provide Ms. Craig a
12 written contract prior to her employment start date with MKF.

13 13. During Ms. Craig's employment, she was expected to work during Kaul's work schedule
14 and whims. Plaintiff regularly worked from 8:00 a.m. to 10:00 p.m. and remained on call for work
15 during nights and weekends.

16 14. Ms. Craig's typically spent her morning working from home, looking for speakers to
17 book for events, responding to emails and making follow up calls. Ms. Craig would also work on site at
18 events she was helping to organize. When no event was happening, Kaul expected Ms. Craig to report to
19 Kaul's home office every day. Frequently, when Ms. Craig reported to Kaul's home, she was absent. On
20 those occasions, Ms. Craig would continue to work from home.

21 15. It quickly became evident that Ms. Craig's title of Chief of Operations was in name only
22 and Defendants expected Ms. Craig to perform personal assistant duties for Kaul, in addition to the
23 above described duties. Ms. Craig's personal assistant duties included, without limitation, caring for
24 Kaul's dog, running errands, picking up Kaul's lunch and groceries, cleaning Kaul's home, and doing
25 Kaul's laundry when she spilled wine or other substances on her clothing.

26 16. Plaintiff alleges, on information and belief, that Kaul regularly comingled funds, using
27 MKF's bank account to pay for her domestic and personal needs.

28 17. In early March 2017, Ms. Craig asked Kaul for a written contract in addition to payment
29 of her first month's salary. Although Kaul promised to timely provide Ms. Craig the contract and salary
30 payment, she failed to provide either.

31 ///

1 **B. Defendants Misclassify and Redefine Ms. Craig as an Independent Contractor**

2 18. Defendants provided Ms. Craig a computer to perform her work duties. However, as it
3 was significantly older than Ms. Craig's own computer, she used her own computer.

4 19. Ms. Craig's work was highly directed by Kaul. Kaul insisted that she be cc'd on all
5 emails. Kaul nitpicked emails and insisted that she must review and approve all work performed by Ms.
6 Craig. Ms. Craig never worked independently without supervision by Kaul. At all times relevant herein,
7 MKF and Kaul directed when, where, and how Plaintiff was to perform work.

8 20. At all times relevant herein, Kaul directed how and the methods Ms. Craig was to use to
9 perform work and Kaul reviewed and required her approval of Ms. Craig's work before it went out.

10 21. At all times relevant herein, Ms. Craig's services were integrated into MKF's operations
11 and/or significantly affect the business success of MKF.

12 22. At all times relevant herein, prohibited Ms. Craig from delegating her work to a third
13 party and insisted Ms. Craig perform the services.

14 23. At all times relevant herein, MKF and Kaul hired, supervised, paid and retained control
15 over anyone who assisted Ms. Craig to perform work.

16 24. At all times relevant herein, MKF and Kaul required Ms. Craig to adhere to a schedule
17 dictated by MKF and Kaul, including being on call to perform work at night and on the weekends.

18 25. At all times relevant herein, MKF and Kaul required Ms. Craig daily to report to Kaul's
19 home and work on site, or at a location of Kaul's choosing.

20 26. At all times relevant herein, MKF and Kaul required Ms. Craig to file or provide reports
21 on the status of projects to Kaul.

22 27. At all times relevant herein, MKF and Kaul provided Ms. Craig tools and materials to
23 perform her work.

24 28. At all times relevant herein, Ms. Craig provided her services solely to MKF.

25 29. In March 2017, after Ms. Craig had been working as an employee for more than a month
26 with MKF, again demanded a written contract that memorialized the Employment Agreement.

27 30. On or about March 14, 2017, in response to Kaul's delays in payment of her paycheck,
28 and in desperation to be paid, Ms. Craig followed Ms. Kaul's direction to issue Ms. Kaul an invoice for
29 the work she had completed. At the time Ms. Craig issued the invoice, Ms. Craig also provided a
30 summary of the terms agreed upon in January 2017, to be memorialized in a written agreement.

1 31. Kaul and MKF ignored Ms. Craig's email. Receiving no satisfactory response, Ms. Craig
2 sent Kaul an invoice on or about March 31, 2017, for the work she completed in February and March
3 2017. Kaul replied that she intended to pay Ms. Craig's salary, but the payment would be delayed
4 because her bank account was "frozen" by Wells Fargo.

5 32. Based on Kaul's assurances that Ms. Craig would be paid promptly after the matter
6 regarding the hold on MKF's account was resolved, in good faith, Ms. Craig continued to perform work
7 for MKF.

8 33. In March 2017, Ms. Craig sent Kaul an expense report for planning event costs, t-shirts,
9 stickers, and first month's pay for another individual who was a MKF contractor. Kaul promised to pay
10 Ms. Craig's expenses, however Kaul made no payment and repeatedly told Ms. Craig that her bank
11 account remained frozen.

12 **C. Defendants Continue to Evade Paying Ms. Craig and Eventually Refuse to Pay**

13 34. On or about March 31, 2017, Kaul praised Ms. Craig's work. Kaul continued, revealing
14 to Ms. Craig that MKF had insufficient funds to pay her salary for any future work in April 2017.
15 Because Ms. Craig had still not been paid for the first two months of work, she informed Kaul, via
16 email, that she could not continue to work without the agreed payment.

17 35. The same day, on March 31, 2017, Kaul replied via email that MKF will in fact have
18 funding to pay Ms. Craig in April and "We will send you [a] check as soon as we have our next funds
19 in." Shortly thereafter, Kaul induced Ms. Craig to continue working in April by, again, promising to pay
20 her past-due salary, and promising to pay her for work to be completed in April.

21 36. In response, Ms. Craig sent a second invoice on April 22, 2017. However, Kaul
22 continued to avoid making any payment to Ms. Craig through May 2017 due to "accidents," "falls,"
23 "breaking phones," and funds being held by PayPal, which all purportedly prevented Kaul and MKF
24 from making payment to Ms. Craig.

25 37. On or about May 31, 2017, Kaul represented in an email that she offered Ms. Craig a
26 salary of \$60,000, plus a percentage of the donations that she raised; however, Kaul began disputing Ms.
27 Craig's invoices and work hours, despite repeatedly praising Ms. Craig for her work during said time
28 period in prior communications. Further, Kaul began insisting that MKF's board was required to
29 approve payment. Kaul further disputed that Ms. Craig worked all hours she reported, and finally
30 suggested that payment would likely not be approved.

31

1 38. By the end of May 2017, Ms. Craig was forced to cease working for MKF, as she still
2 had not been compensated for any work performed during the four-month period since Ms. Craig
3 accepted Kaul's offer of a salaried position.

4 39. Ms. Craig is a working mother of four children. After being denied her salary, under
5 duress, and not knowing what to do, Ms. Craig started sending invoices to MKF, sometimes for less than
6 she was owed, because she was desperate to be paid something to support herself and her family. She
7 still has not been paid for her work.

8 **D. Kaul Defames Ms. Craig's Reputation and Work Product and Issues Threats**
9 **to Harm Ms. Craig's Business and Employment Prospects**

10 40. From February 2017 through May 2017, Kaul repeatedly praised Ms. Craig's work,
11 telling her how wonderful she was and commending her. After Ms. Craig's request for a contract
12 memorializing the Employment Agreement was ignored repeatedly and Ms. Craig represented that she
13 could not continue to work for Defendants without being paid, Kaul began to behave erratically, at times
14 yelling at Ms. Craig in front of others, causing humiliation and discomfort to Ms. Craig. When Ms.
15 Craig tried to quit, Kaul cried and begged her to reconsider, saying that what they were doing was so
16 important. Based on Kaul's manipulative and coercive conduct, on multiple occasions Ms. Craig
17 reluctantly agreed to continue working for Defendants after indicating that she could no longer continue
18 to work for Defendants where they refused to pay her as agreed. When it became apparent Ms. Craig
19 would not continue to be manipulated, Kaul went on the offensive, attacking the integrity of Ms. Craig
20 and the quality of her work.

21 41. On or about June 1, 2017, Kaul, via email to Ms. Craig, denigrated Plaintiff's work,
22 contending that Ms. Craig had broken basic confidentiality of her association with MKF and issued a
23 thinly veiled threat that Kaul would make false accusations and/or share Ms. Craig's private information
24 with prospective employers and/or others in the industry in an attempt to professionally injure Ms.
25 Craig, stating "that's something [Ms. Craig] might not want." At no time did Ms. Craig ever sign any
26 confidentiality agreement with Defendants.

27 42. Kaul's erratic behavior made Ms. Craig a nervous wreck. She suffered, without
28 limitation, anxiety, worry, humiliation, shame, mortification, loss of sleep, and severe emotional,
29 mental, and physical distress.

1 43. Ms. Craig has actively looked for a new employment since March 2017 and has been
2 unable to find employment. On multiple occasions when a prospect looked likely to develop, the
3 prospective employer abruptly shifted its position regarding employment of Ms. Craig.

4 44. Plaintiff alleges, on information and belief, that Kaul has been defaming Ms. Craig's
5 character, spreading false statements regarding Plaintiff personally and her work, to Ms. Craig's contacts
6 in the industry and prospective employers. Plaintiff alleges, on information and belief, that Kaul,
7 intentionally and with knowledge the statements were false, represented to such individuals and
8 companies that Ms. Craig tried to take advantage of Kaul while she was working for MKF. Plaintiff
9 alleges, on information and belief, that Kaul issued this statement as well as other defaming comments
10 with the intent to harm Ms. Craig's reputation in the industry and to prevent Ms. Craig from finding
11 suitable employment.

12 **FIRST CAUSE OF ACTION**

13 **(Failure to Pay Minimum Wage (Labor Code § 1194, Cal. Code Reg. Title 8 § 11040)**

14 **Against All Defendants and DOES 1 through 10)**

15 45. Plaintiff incorporates by this reference each and all of the allegations contained in
16 Paragraphs 1 through 44 of this Complaint, as fully as though set forth at length herein.

17 46. California Labor Code § 1194 provides that employees in California shall not be paid less
18 than the minimum wage set by law.

19 47. Labor Code § 1194 provides that an employee who has received less than the legal
20 minimum wage is entitled to recover in a civil action the unpaid balance of the full amount of this
21 minimum wage, including interest thereon, reasonable attorney's fees, and costs of suit. In addition,
22 Labor Code § 1194.2(a) provides that an employee who received less than the minimum wage is entitled
23 to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.
24 The action may be maintained directly against the employer in his name without first filing a claim with
25 the Department of Labor Standards and Enforcement.

26 48. At all times relevant hereto, IWC Wage Order No. 4-2001, 8 CCR §§ 11010 *et seq.*
27 applied, and applies, to Ms. Craig's employment with MKF.

28 49. At all times relevant hereto, the minimum wage in all industries in California, as of
29 January 1, 2017, was remains ten dollars per hour (\$10.00) for employees employed by an employer
30 with 25 or fewer employees. Lab. Code § 1182.12. Furthermore, the minimum wage in the City of Santa
31 Clara is the higher rate of \$11.10 per hour. Every employer shall pay to each employee, on the

1 established payday for the period involved, not less than the applicable minimum wage for all hours
2 worked in the payroll period, whether the remuneration is measured by time, piece, commission, or
3 otherwise.

4 50. Defendants, and each of them, have intentionally and improperly required Plaintiff to
5 come to work without providing her with wages due to her in violation of California Code of
6 Regulations and the guidelines set forth by the Division of Labor Standards and Enforcement.

7 51. At all times relevant hereto, Ms. Craig received no compensation for each day that she
8 worked as an employee of MKF.

9 52. At all times relevant hereto, the Defendants, and each of them, failed to pay to Plaintiff
10 minimum wages for the hours she worked as required by Labor Code § 1194, and the provisions of IWC
11 order No. 4- 2001, Cal. Code Reg. Title 8 §§ 11040 *et seq.*

12 53. By virtue of the Defendants' unlawful failure to pay minimum wages to Plaintiff for
13 hours worked, Plaintiff has suffered, and will continue to suffer, damages in amounts which are
14 presently unknown to Plaintiff, but which exceed the jurisdictional limits of this Court and which will be
15 ascertained according to proof at trial.

16 54. Plaintiff alleges, on information and belief, that Defendants, and each of them, knew or
17 should have known that Ms. Craig was entitled to minimum wages for hours worked and purposely
18 elected not to pay Plaintiff for her labor.

19 55. Ms. Craig requests recovery of owed wages according to proof, interest, attorney's fees
20 and costs pursuant to Labor Code § 1194(a).

21 56. Kaul is liable for any judgment against MKF regarding MKF's failure to pay minimum
22 wage, in violation of California Labor Code § 1194(a), as a result of alter ego liability, as alleged in
23 paragraph 6 above.

24 **SECOND CAUSE OF ACTION**

25 **(Failure to Pay Overtime Compensation (Labor Code §§ 510, 515 and IWC Order 4-2001)**

26 **Against All Defendants and DOES 1 through 10)**

27 57. Plaintiff incorporates by this reference each and all of the allegations contained in
28 Paragraphs 1 through 56 of this Complaint, as fully as though set forth at length herein.

29 58. At all times relevant hereto, Industrial Welfare Commission (IWC) Wage Order 4-2001
30 and Cal. Code of Regulations (CCR) §§ 11040 *et seq.* were in full force and binding on Defendants. The
31 requisite wage order and regulations provide that to classify an employee as exempt, she must be paid

1 twice the state mandated minimum hourly wage, for 40 hours per week, 52 weeks a year. As of January
2 1, 2017, the applicable California minimum hourly wage was ten dollars and fifty cents (\$10.50);
3 therefore, MKF was required to pay Ms. Craig a minimum annual salary of \$43,680 for Ms. Craig to be
4 classified as an exempt employee without entitlement to overtime compensation.

5 59. While MKF and Kaul agreed to pay Ms. Craig \$125,000.00 in annual compensation,
6 Defendants failed to make one payment of wages earned for hours worked. Therefore, wages paid were
7 below the threshold salary and Ms. Craig is entitled to overtime compensation.

8 60. Plaintiff shall not be employed more than eight (8) hours in any workday or more than
9 forty (40) hours in any workweek unless the employee receives one and one-half (1 ½) times his or her
10 regular rate of pay, and shall not be employed more than twelve (12) hours in any workday or more than
11 eight (8) hours on the seventh (7th) consecutive workday in any workweek unless the employee receives
12 double his or her regular rate of pay.

13 61. Labor Code §§ 510, 515 and IWC Wage Order 4-2001, promulgated pursuant to Labor
14 Code § 1198, provide that employees in California shall not be employed more than eight hours in any
15 work day, and/or more than forty hours in any workweek, unless they receive additional compensation
16 beyond their regular wages in amounts specified by law. Work in excess of twelve hours in one day will
17 be compensated by twice the regular rate of pay for an employee. Work in excess of eight hours on the
18 seventh day of the work week will also be compensated at twice the regular rate of the employee's pay.

19 62. California Labor Code § 1194 provides that an employee who has not been paid overtime
20 compensation as required by Wage Order may recover the unpaid balance of the full amount of such
21 overtime compensation, together with costs of suit, and interest thereon, in a civil action. The action may
22 be maintained directly against the employer in his name without first filing a claim with the Department
23 of Labor Standards and Enforcement.

24 63. Plaintiff regularly worked over eight (8) hours per day and over (40) hours per week but
25 Defendants willfully and intentionally refused, and continue to refuse, to pay Plaintiff the required
26 overtime compensation, as required by Labor Code §§ 1194 and 1198 and the provisions of IWC order
27 No. 4-2001, Cal. Code Reg., Title 8 § 11040.

28 64. At all times relevant herein, IWC Wage Order No. 4-2001 applied to Ms. Craig's
29 employment with MKF.

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1 65. Defendants, each of them, have intentionally and improperly refused to pay Plaintiff's
2 wages due, including overtime wages and other benefits in violation of California Code of Regulations
3 and the guidelines set forth by the Division of Labor Standards and Enforcement.

4 66. By virtue of Defendants' unlawful failure to pay Ms. Craig earned wages, including for
5 overtime hours, Plaintiff suffered, and will continue to suffer, damages in amounts which are presently
6 unknown to Ms. Craig, but which exceed the jurisdictional limits of this Court and which will be
7 ascertained according to proof at trial.

8 67. Plaintiff alleges, on information and belief, that Defendants, each of them, knew or
9 should have known that she did not qualify as an exempt employee and purposely elected not to pay Ms.
10 Craig for her overtime labor.

11 68. Plaintiff requests recovery of overtime compensation according to proof, interest,
12 attorney's fees, costs and interest pursuant to Labor Code §§ 218.5, 218.6 and 1194(a) and IWC Wage
13 Order 4-2001, Cal. Code Reg., Title 8 §§ 11040 *et seq.*, as well as any additional sums as provided by
14 the California Labor Code and/or other statutes.

15 69. Kaul is liable for any judgment against MKF regarding MKF's failure to pay overtime
16 compensation, as set forth herein, as a result of alter ego liability, as alleged in paragraph 6 above.
17 *Reynolds, supra*, 36 CA4th at p. 1085.

18 **THIRD CAUSE OF ACTION**

19 **(Non-Payment of Overtime Wages – Liquidated Damages (29 U.S.C. § 201 *et seq.*)**

20 **Against All Defendants and DOES 1 through 10)**

21 70. Plaintiff incorporates by this reference each and all of the allegations contained in
22 Paragraphs 1 through 69 of this Complaint, as fully as though set forth at length herein.

23 71. At all relevant times herein, Plaintiff's employment was subject to the provisions of the
24 Fair Labor Standards Act of 1938, as amended ("FLSA"), 29 U.S.C. §§ 201, *et seq.*, and Plaintiff was an
25 individual employee covered by virtue of their direct engagement in interstate commerce. The FLSA, 29
26 U.S.C. § 207 requires all employees to be paid overtime for work performed in excess of forty hours per
27 week, unless specifically exempted by the law.

28 72. Although Plaintiff was not exempt during employment with Defendants, Defendants
29 knowingly caused and permitted Plaintiff to work in excess of forty hours per week without paying
30 Plaintiff one and one half of Plaintiff's agreed rate of pay.
31

1 73. By not paying overtime wages in compliance with the FLSA, Defendants violated
2 Plaintiff's rights under the FLSA.

3 74. As a direct and proximate result of Defendants' failure to pay proper wages under the
4 FLSA, Plaintiff incurred damages in the form of lost overtime wages.

5 75. Defendants intentionally, with reckless disregard for its responsibilities under the FLSA,
6 and without good cause, failed to pay Plaintiff's proper wages, and thus is liable to Plaintiff for
7 liquidated damages in an amount equal to lost overtime wages, pursuant to 29 U.S.C. § 216(b) of the
8 FLSA.

9 76. Defendants therefore owe Plaintiff the amount of overtime not properly paid to her in an
10 amount to be determined at trial.

11 77. Plaintiff was required to retain legal assistance in order to bring this action and, as such,
12 is entitled to an award of reasonable attorneys' fees and costs pursuant to 29 U.S.C. § 219(b) of the
13 FLSA. Wherefore, Plaintiff prays judgment as set forth herein below.

14 78. Kaul is liable for any judgment against MKF resulting from nonpayment of overtime
15 wages under the FLSA, as a result of alter ego liability, as alleged in paragraph 6 above

16 **FOURTH CAUSE OF ACTION**

17 **(Breach of Contract Against All Defendants and DOES 1 through 10)**

18 79. Plaintiff incorporates by this reference each and all of the allegations contained in
19 Paragraphs 1 through 78 of this Complaint, as fully as though set forth at length herein.

20 80. In early February 2017, Plaintiff and Kaul, on behalf of MKF, entered into an oral
21 agreement, as set forth Employment Agreement, referenced in paragraphs 9 and 10 above.

22 81. Plaintiff, at all times performed all conditions required of her under the Employment
23 Agreement to be entitled to receive the benefits of the agreement.

24 82. MKF materially breached the Employment Agreement by failing to pay Ms. Craig, in
25 whole or in part, the base salary and percentage of sponsorship donations that she brought in, as agreed
26 under the Employment Agreement.

27 83. As a direct and proximate legal result of MKF's conduct and breach of the Employment
28 Agreement, Ms. Craig suffered substantial harm in an amount to be determined at trial that exceeds the
29 minimum jurisdictional limit of this court, plus pre-and post-judgment interest and costs of suit.

30 84. Kaul is liable for any judgment against MKF resulting from the breach of the
31 Employment Agreement, as a result of alter ego liability, as alleged in paragraph 6 above.

1 **FIFTH CAUSE OF ACTION**

2 **(Breach of Implied Covenant of Good Faith and Fair Dealing**
3 **Against All Defendants and DOES 1 through 10)**

4 85. Plaintiff incorporates by this reference each and all of the allegations contained in
5 Paragraphs 1 through 84 of this Complaint, as fully as though set forth at length herein.

6 86. In early February 2017, Plaintiff and Kaul, on behalf of MKF, entered into the
7 Employment Agreement, which was memorialized in Ms. Craig's March 14, 2017 email, and confirmed
8 by Kaul on May 31, 2017.

9 87. Ms. Craig regularly worked on a full-time basis, typically from 8:00 a.m. to 10:00 p.m.,
10 and was further required to remain on call for work on nights and weekends. Ms. Craig performed all,
11 or substantially all, of the obligations required under the Employment Agreement with Defendants or
12 was otherwise excused from performing her obligations under the Employment Agreement.

13 88. MKF had an obligation to act in a competent and honest manner when dealing with Ms.
14 Craig as her employer. A covenant of good faith and fair dealing is contained in every employment
15 agreement in the state of California pursuant to state statute and common law, including persons
16 performing work as an independent contractor.

17 89. MKF owed a duty to refrain from doing any act that would render continued performance
18 of the Employment Agreement impossible, including but not limited to, failing to make payment of the
19 agreed compensation to Ms. Craig, from February 2017 through May 2017.

20 90. MKF materially breached the Employment Agreement by failing to pay Plaintiff the
21 agreed upon compensation under the terms of the Employment Agreement. Instead, Kaul made false
22 promises of payment, contending that such payment would be paid once MKF's account was unfrozen,
23 to induce Ms. Craig to continue performing services for MKF.

24 91. As a direct and proximate legal result of Defendants' conduct, MKF's breach of the
25 Employment Agreement, Ms. Craig suffered substantial harm in an amount to be determined at trial that
26 exceeds the minimum jurisdictional limit of this court, plus pre-and post-judgment interest and costs of
27 suit.

28 92. Kaul is liable for any judgment against MKF resulting from the breach of implied
29 covenant of good faith and fair dealing, as a result of alter ego liability, as alleged in paragraph 6 above.

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1 **SIXTH CAUSE OF ACTION**

2 **(Failure to Provide Itemized Wage Statements (Labor Code § 226)**

3 **Against All Defendants and DOES 1 through 10)**

4 93. Plaintiff incorporates by this reference each and all of the allegations contained in
5 Paragraphs 1 through 92 of this Complaint, as fully as though set forth at length herein.

6 94. Labor Code § 226 requires that, at each time for payment of wages, an employer must
7 furnish each employee with a semi-monthly pay stub reflecting, among other things, the accurate total
8 number of hours worked by the employee and the hourly rate of compensation during that time period.

9 95. From February 2017 through May 2017, MKF required Ms. Craig to work regularly from
10 8:00 a.m. to 10:00 p.m., including on weekends and to be available on call in the evenings and on
11 weekends to work.

12 96. At no time did MKF provide Ms. Craig any itemized wage statement for time worked
13 during the referenced time period.

14 97. At all times relevant herein, Plaintiff's employment with MKF was subject to Labor Code
15 § 226. At all times relevant herein, MKF failed to provide Ms. Craig paystubs that accurately itemized
16 her rate of pay and the hours worked.

17 98. MKF's failure to furnish proper pay stubs to Ms. Craig was a knowing and willful
18 violation of Labor Code § 226(a) entitling Plaintiff to recover the greater of all actual damages incurred
19 by Plaintiff or statutory penalties of \$50 for the initial pay period violation and \$100 for each subsequent
20 pay period violation up to a total aggregate penalty of \$4,000.00.

21 99. As a direct, proximate and foreseeable result of the aforementioned acts and omissions,
22 the Defendants, each of them, have been unjustly enriched at the expense of Plaintiff. Accordingly,
23 Defendants are liable to Ms. Craig for the provided in Labor Code § 226(e), according to proof at trial,
24 as well as attorneys' fees and costs of suit.

25 100. Kaul is liable for any judgment against MKF resulting from the failure to provide
26 itemized wage statements, as a result of alter ego liability, as alleged in paragraph 6 above.

27 **SEVENTH CAUSE OF ACTION**

28 **(Waiting Time Penalties (Labor Code §§ 201, 202, 203**

29 **Against All Defendants and DOES 1 through 10)**

30 101. Plaintiff incorporates by this reference each and all of the allegations contained in
31 Paragraphs 1 through 100 of this Complaint, as fully as though set forth at length herein.

1 102. At the time Plaintiff terminated her employment with MKF, Defendant owed Plaintiff
2 certain unpaid wages.

3 103. Failure to pay wages owed at an employee's termination as required by Labor Code §§
4 201 and 202 subjects the employer to the payment of a penalty equaling up to 30 days' wages, as
5 provided for in Labor Code § 203.

6 104. As of this date, MKF failed and refused, and continues to fail and refuse, to pay the
7 amount due, thus making Defendants liable to Plaintiff for penalties equal to 30 days' wages.

8 105. As a direct, proximate and foreseeable result of the aforementioned acts and omissions,
9 the Defendants, each of them, have been unjustly enriched at the expense of Plaintiff. Accordingly,
10 Defendants are liable to Ms. Craig for the amounts provided in Labor Code § 203, according to proof at
11 trial, as well as attorneys' fees and costs of suit.

12 106. Kaul is liable for any judgment against MKF for waiting time penalties, as a result of
13 alter ego liability, as alleged in paragraph 6 above.

14 **EIGHTH CAUSE OF ACTION**

15 **(Failure to Provide Meal Periods and Rest Periods (Labor Code §§ 226.7, 512**
16 **and 8 CCR §§ 11040 et seq.) Against All Defendants and DOES 1 through 10)**

17 107. Plaintiff incorporates by this reference each and all of the allegations contained in
18 Paragraphs 1 through 103 of this Complaint, as fully as though set forth at length herein.

19 108. At all relevant times herein, Plaintiff's employment with MKF was subject to the
20 provisions of Labor Code § 226.7 and IWC Wage Order 4-2001, 8 CCR §§ 11040 et seq., which require
21 employers to provide non-exempt employees a thirty-minute unpaid meal break for every five hours
22 worked.

23 109. During her employment with MKF, Defendants failed to pay Plaintiff a salary that meets
24 the threshold requirements for an exempt employee. As a non-exempt employee Defendants were
25 required to provide Plaintiff meal periods and rest periods as required by law.

26 110. As a non-exempt employee, at all relevant times herein, Plaintiff's employment with
27 MKF was subject to the provisions of Labor Code § 226.7, IWC Wage Order 4-2001, and 8 CCR §§
28 11040 et seq., including Section 11040, which require employers to provide their non-exempt employees
29 a ten-minute unpaid rest period for every four hours worked and a meal period on days an employee
30 worked more than five hours in the workday.

31 ///

1 111. Defendants, and each of them, have intentionally and improperly denied meal periods to
2 Ms. Craig in violation of California Labor Code § 226.7 and IWC Wage Order 4-2001 and Cal. Code of
3 Reg., Title 8, § 11040 and other regulations and statutes.

4 112. California Labor Code § 226.7 and IWC Wage Order 4-2001, Cal. Code of Reg., Title 8,
5 § 11040 provides that if an employer fails to provide an employee meal periods in accordance with this
6 section, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of
7 compensation for each workday that the meal period is not provided.

8 113. California Labor Code § 226.7 and IWC Wage Order 4-2001, Cal. Code Reg., Title 8, §§
9 11040 *et seq.*, provides that if an employer fails to provide an employee rest periods in accordance with
10 this section, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of
11 compensation for each workday that the rest period is not provided.

12 114. At all times relevant herein, Ms. Craig worked more than five hours in a workday.

13 115. During her employment with MKF, Plaintiff was not provided all of the rest periods as
14 required by law.

15 116. At all times relevant herein, Defendants, and each of them, failed to provide meal periods
16 and rest periods as required by California Labor Code § 226.7 and Cal. Code of Reg., Title 8, §§ 11040
17 *et seq.*

18 117. By virtue of Defendants', each of them, unlawful failure to provide meal periods to Ms.
19 Craig, she suffered, and will continue to suffer, damages in amounts which are presently unknown to
20 Ms. Craig but which exceeds the jurisdictional limits of this Court and which will be ascertained
21 according to proof at trial.

22 118. Plaintiff alleges, on information and belief, that Defendants, each of them, knew or
23 should have known that Ms. Craig was entitled to meal periods and rest periods and Defendants
24 purposely elected not to provide the required meal periods and rest periods.

25 119. Ms. Craig requests recovery of meal period and rest period compensation pursuant to
26 Labor Code § 226.7 and IWC Wage Order 4-2001, 8 CCR §§ 11040 *et seq.* Plaintiff was required to
27 retain legal assistance in order to bring this action and, as such, Plaintiff is also entitled to payment of
28 her attorneys' fees and costs of suit incurred in recovering the additional compensation pursuant to Labor
29 Code § 218.5 and interest on the amount due pursuant to Labor Code § 218.6.

30 120. Kaul is liable for any judgment against MKF for failure to provide meal periods and rest
31 periods, as a result of alter ego liability, as alleged in paragraph 6 above.

1 **NINTH CAUSE OF ACTION**

2 **(Fraud – False Promise Against All Defendants and DOES 1 through 10)**

3 121. Plaintiff incorporates by this reference each and all of the allegations contained in
4 Paragraphs 1 through 120 of this Complaint, as fully as though set forth at length herein.

5 122. In January 2017, Ms. Craig informed Kaul that she could no longer afford to work full
6 time for free and needed to look for a paying position. While Ms. Craig believed in her work with MKF,
7 she had four children to support, and did not have the resources to continue to give her time to MKF,
8 without remuneration.

9 123. Knowing that Ms. Craig would quit providing her time for free, and seek employment
10 opportunities elsewhere to provide for her family, Kaul verbally offered Ms. Craig the position of Chief
11 of Operations with an enticing salary of \$125,000.00 per year.

12 124. Kaul knew that given Ms. Craig’s family circumstances and love of her work, that the job
13 title and substantial salary would be a strong inducement to gain Ms. Craig’s consent to continue
14 working for MKF.

15 125. At the time Kaul make this verbal offer of employment, Defendants knew they had no
16 intention of ever paying Ms. Craig for her services and only ever intended to squeeze as much work out
17 of Ms. Craig—and acquire as many sponsorship donations as possible from her efforts—before she
18 realized that MKF had no intention of ever paying her for her services. Had Ms. Craig known that Kaul
19 and MKF never intended to pay her for her services, she would have ceased providing services to MKF
20 and actively sought other gainful avenues of employment in January 2017.

21 126. At the time Kaul made the verbal offer, in late January 2017, Ms. Craig requested a
22 formal written contract that memorialized the terms of the Employment Agreement, as alleged in
23 paragraph 10 above. While Kaul agreed, she never provided a written contract to Ms. Craig.

24 127. In good faith, Ms. Craig began working as a salaried employee of MKF in early February
25 2017.

26 128. In March 2017 Ms. Craig again requested a written contract that confirmed the terms of
27 the Employment Agreement, and further sent an email with a summary of said terms on March 14, 2017.
28 All such communications were ignored by Kaul and MKF.

29 129. When pressed for payment on or about March 31, 2017, when Ms. Craig sent an invoice
30 for work performed in February and March 2017, Kaul responded, praising Ms. Craig’s work, indicating
31 that Ms. Craig was priceless. Ms. Kaul attempted to convince Ms. Craig to stay longer, representing that

1 MKF would have funding by April 2017 and Kaul would send Ms. Craig a check as soon as the funds
2 were received.

3 130. Based on Kaul's assurances that Ms. Craig would be paid promptly after the matter
4 regarding the freezing of MKF's account was resolved, in good faith Ms. Craig continued to perform
5 work for Kaul and MKF, including Kaul personal tasks.

6 131. From April 2017 through May 2017, MKF continued to avoid making any payment to
7 Ms. Craig based on a series of unfortunate events purportedly experienced by Kaul, including, without
8 limitation, "accidents," "falls," "breaking phones," and held funds by various banking facilities which all
9 purportedly prevented Kaul from making any payment to Ms. Craig.

10 132. Kaul's promise, on behalf of MKF, to Ms. Craig regarding the compensation to be paid,
11 as set forth in paragraph 10 above, was important to Ms. Craig's decision to continue to provide services
12 for MKF. However, while Defendants intended that Ms. Craig rely on their promises, Defendants did
13 not intend to perform on any promise made to Ms. Craig between February 2017 and May 2017.

14 133. As a result of MKF's promise, and Ms. Craig's respect for Kaul and developed
15 relationship with Kaul while Plaintiff volunteered her services to MKF, Ms. Craig reasonably relied on
16 the MKF's offer of employment as a full-time employee and on the initial and subsequent promises to
17 pay her the compensation as agreed in the Employment Agreement. Only in May 2017, after repeat
18 excuses for an inability to pay Ms. Craig the compensation due, did Ms. Craig discover that MKF had
19 no intention to perform and indeed did not perform on its promise, made through Kaul—representing
20 that the board would probably not approve any payment for the four months of services provided.

21 134. Ms. Craig's reliance on MKF's and Kaul's promises related to promised compensation
22 has been and continues to be a substantial factor in causing her the injuries as alleged herein, while MKF
23 and Kaul, as its alter ego, has profited from their wrongful conduct.

24 135. MKF's conduct was malicious, fraudulent, and oppressive, as defined in Civil Code §
25 3294, evidencing despicable conduct toward Ms. Craig. As a result of said conduct, Ms. Craig is entitled
26 to punitive and exemplary damages, in excess of minimal jurisdictional limits of this court, against MKF
27 in accordance with applicable standards of justice, including an appropriate relationship to MKF's
28 respective net worth so as to deter future conduct of this type, to set a public example so as to deter
29 similar conduct from being undertaken by others, as well as to punish MKF for its despicable conduct in
30 an amount according to proof at time of trial, plus pre-and post-judgment interest and costs of suit.

1 this Court the exact amount to be proven at the time of trial, together with prejudgment interest as
2 authorized by law.

3 144. MKF's conduct was malicious, fraudulent, and oppressive, as defined in Civil Code §
4 3294, evidencing despicable conduct toward Ms. Craig. As a result of said conduct, Ms. Craig is entitled
5 to punitive and exemplary damages, in excess of minimal jurisdictional limits of this court, against MKF
6 in accordance with applicable standards of justice, including an appropriate relationship to MKF's
7 respective net worth so as to deter future conduct of this type, to set a public example so as to deter
8 similar conduct from being undertaken by others, as well as to punish MKF for its despicable conduct in
9 an amount according to proof at time of trial, plus pre-and post-judgment interest and costs of suit.

10 145. Kaul is liable for any judgment against MKF for intentional infliction of emotional
11 distress, as a result of alter ego liability, as alleged in paragraph 6.

12 **ELEVENTH CAUSE OF ACTION**

13 **(Negligent Infliction of Emotional Distress Against All Defendants and DOES 1 through 10)**

14 146. Plaintiff incorporates by this reference each and all of the allegations contained in
15 Paragraphs 1 through 145 of this Complaint, as fully as though set forth at length herein.

16 147. Plaintiff alleges, on information and belief, that MKF, through Kaul, its officers, agents,
17 representatives, and/or employees, was negligent, as alleged in paragraphs 9 through 44 above,
18 including, without limitation, promising to pay Ms. Craig when MKF knew that it did not and would not
19 have the funds to pay Ms. Craig; making a series of coincidental excuses regarding accidents, health
20 issues and the like to avoid making payment; and threatening to harm Ms. Craig's career.

21 148. The conduct of MKF caused Ms. Craig to suffer severe anxiety and emotional distress.

22 149. MKF knew or reasonably should have known that its actions would result in significant
23 mental and emotional injury to Ms. Craig, but MKF acted with a conscious and reckless disregard of the
24 consequence to Ms. Craig.

25 150. MKF's negligence was a substantial factor in causing Ms. Craig's emotional distress.

26 151. As a direct, proximate and foreseeable result of MKF's negligent conduct, Ms. Craig
27 sustained general and special damages in amounts to be determined at trial, plus pre-and post-judgment
28 interest and costs of suit.

29 152. Kaul is liable for any judgment against MKF for negligent infliction of emotional
30 distress, as a result of alter ego liability, as alleged in paragraph 6.

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1 **TWELFTH CAUSE OF ACTION**

2 **(Quantum Meruit Against All Defendants and DOES 1 through 10)**

3 153. Plaintiff incorporates by this reference each and all of the allegations contained in
4 Paragraphs 1 through 152 of this Complaint, as fully as though set forth at length herein.

5 154. MKF requested that Ms. Craig provide certain services to MKF, including, without
6 limitation, planning fundraising events, managing marketing, and recruiting volunteers in return for the
7 payment of a base salary and a percentage of sponsorship donations brought in by Ms. Craig to MKF.

8 155. Despite Ms. Craig working on a full-time basis, typically from 8:00 a.m. to 10:00 p.m.,
9 and remaining on call for work on nights and weekends, further performing service as described herein,
10 and bringing in sponsorship donations, MKF has made no payment of base salary or a percentage of
11 sponsorship donations to Ms. Craig.

12 156. MKF benefited from Ms. Craig's services and received compensation from the
13 sponsorship donations that Ms. Craig brought to MKF.

14 157. Equity requires that Ms. Craig be compensated by MKF for the reasonable value of the
15 services performed in February 2017 through May 2017, according to proof at trial.

16 158. Kaul is liable for any judgment against MKF, based on the doctrine of quantum meruit,
17 as a result of alter ego liability, as alleged in paragraph 6 above.

18 **THIRTEENTH CAUSE OF ACTION**

19 **(Unjust Enrichment Against**

20 **All Defendants and DOES 1 through 10)**

21 159. Plaintiff incorporates by this reference each and all of the allegations contained in
22 Paragraphs 1 through 159 of this Complaint, as fully as though set forth at length herein.

23 160. MKF has been unjustly enriched by utilizing the efforts of Ms. Craig which resulted in
24 development and planning of MKF's event and additional revenue paid to MKF from sponsorship
25 donations brought in by Ms. Craig for which MKF has refused to pay the percentages earned by Ms.
26 Craig.

27 161. Equity requires that MKF disgorge these ill-gotten gains, and remit to Ms. Craig the
28 moneys realized by MKF for sponsorship donations secured by Ms. Craig on MKF's behalf.

29 162. Equity requires that MKF disgorge these ill-gotten gains, and remit to Ms. Craig the
30 moneys realized by MKF in a sum of the salary owed to her for work performed from early February
31 2017 through May 2017.

1 163. Equity further requires that MKF be ordered to maintain a constructive trust in favor of
2 Ms. Craig over these ill-gotten gains.

3 164. As a direct, proximate and foreseeable result of the aforementioned acts and omissions,
4 MKF and Kaul, as it's alter ego, have been unjustly enriched at the expense of Plaintiff. Accordingly,
5 MKF is liable to Ms. Craig for the amounts due for work performed, as promised, according to proof at
6 trial, including pre- and post-judgment interest.

7 165. Kaul is liable for any judgment against MKF, based on the doctrine of unjust enrichment,
8 as a result of alter ego liability, as alleged in paragraph 6 above.

9 **FOURTEENTH CAUSE OF ACTION**

10 **(Interference with Prospective Business Against**
11 **All Defendants and DOES 1 through 10)**

12 166. Plaintiff incorporates by this reference each and all of the allegations contained in
13 Paragraphs 1 through 166 of this Complaint, as fully as though set forth at length herein.

14 167. Ms. Craig terminated her work with MKF in May 2017 and continued to request payment
15 for services from February 2017 through May 2017, from MKF.

16 168. Ms. Craig began searching for new employment prospects in March 2017.

17 169. On or about June 1, 2017, Kaul made a thinly veiled threat that she would spread false
18 accusations about Ms. Craig's work performance and/or share Ms. Craig's personal information in a
19 manner that would cause harm to Ms. Craig, that Kaul represented Ms. Craig would not want shared.

20 170. Plaintiff alleges, on information and belief, that MKF, through Ms. Craig's
21 communications with Kaul, was aware that Ms. Craig was looking for gainful employment after leaving
22 her position with MKF.

23 171. Plaintiff alleges, on information and belief, that MKF, through Kaul, intended to and
24 knowingly spread false accusations about Ms. Craig's work performance and/or shared Ms. Craig's
25 personal information without her knowledge or consent with prospective employers and/or others who
26 wished to retain Ms. Craig's services as an independent contractor.

27 172. Ms. Craig has experienced and continues to experience a difficult time securing a new
28 employment situation or other business opportunity since leaving MKF.

29 173. Plaintiff alleges, on information and belief, that MKF, through Kaul, has spread false
30 accusations regarding poor work performance, that Ms. Craig was a liar and that she tried to take
31 advantage of Kaul, and/or revealed Ms. Craig's confidential information to prospective employers or

1 others who wish to retain Ms. Craig's services as an independent contractor, with the intent to
2 embarrass, humiliate, and cause Ms. Craig emotion distress.

3 174. Plaintiff alleges, on information and belief, that MKF, through Kaul, spread such
4 accusations, defamatory statements, and/or Ms. Craig's confidential information with the intent to
5 disrupt any prospective employment or business opportunity.

6 175. Plaintiff alleges, on information and belief, that such statements made by Kaul, as a
7 representative and alter ego of MKF, were made to retaliate against Ms. Craig for seeking the payment
8 she was owed under the Employment Agreement after terminating her relationship with MKF.

9 176. Plaintiff alleges, on information and belief, that such statements were made to
10 prospective employers or third parties considering retaining Ms. Craig's services as an independent
11 contractor, in order to interfere with Ms. Craig's ability to obtain gainful employment and/or other
12 business opportunities in her chosen industry.

13 177. Plaintiff alleges, on information and belief, that such comments made by MKF, through
14 Kaul, included false accusations regarding Ms. Craig's work performance and that such comments were
15 defamatory and cast doubt on her integrity as well as her ability to perform her job.

16 178. Ms. Craig suffered substantial emotional distress, anxiety, and humiliation as a result of
17 having to worry if MKF's defamatory statements, made by Kaul, were successful in undermining Ms.
18 Craig's prospective employment and/or other business opportunities.

19 179. Plaintiff alleges, on information and belief, that Kaul's defamatory statements were a
20 substantial factor in causing Ms. Craig's harm and interfering with her prospective employment and/or
21 business relationships.

22 180. Kaul is liable for any judgment against MKF for interference with prospective business
23 relations, as a result of alter ego liability, as alleged in paragraph 6.

24 **FIFTEENTH CAUSE OF ACTION**

25 **(Defamation Against All Defendants and DOES 1 through 10)**

26 181. Plaintiff incorporates by this reference each and all of the allegations contained in
27 Paragraphs 1 through 181 of this Complaint, as fully as though set forth at length herein.

28 182. At the time Ms. Craig terminated her employment with MKF, had developed a number of
29 high quality sponsors for MKF's events and speakers. Ms. Craig used her good reputation to bring in
30 such persons and entities.

1 183. Plaintiff alleges, on information and belief, that Kaul has made false representations to
2 persons in the industry known to Plaintiff, including, without limitation, current business contacts, and
3 prospective employers.

4 184. Plaintiff alleges, on information and belief, that Kaul denigrated her work performance to
5 such persons and entities and made statements that Ms. Craig “was a liar” and that she tried to take
6 advantage of Kaul. Plaintiff alleges, on information and belief, that Kaul has intimated to others that Ms.
7 Craig committed a crime or engaged in unlawful conduct.

8 185. Plaintiff alleges, on information and belief, that Kaul and MKF made such statements out
9 of revenge for Ms. Craig leaving, with the intent to prevent Ms. Craig from obtaining gainful
10 employment and to harm Ms. Craig’s reputation in the industry.

11 186. Plaintiff has sought employment with many companies in the industry since March 2017,
12 when MKF failed to pay Plaintiff her first paycheck. These efforts have continued through the present
13 time. Plaintiff has been unable to get an interview or a call back from prospective employers.

14 187. Plaintiff alleges, on information and belief, that Kaul and MKF have maliciously told Ms.
15 Craig’s industry contacts, speakers, and/or prospective employers false information in order to harm Ms.
16 Craig, defame her and prevent her from obtaining employment in her chosen industry, setting up her
17 own company, and/or securing speakers for events.

18 188. Kaul and MKF also threatened to reveal purported “confidential information” about Ms.
19 Craig to such individuals in the industry that Ms. Craig would not want know to try to intimidate Ms.
20 Craig. As Kaul and MKF are not in possession of any confidential information beyond standard
21 information provided for employment purposes, any statements that Kaul and MKF contend they would
22 reveal that Ms. Craig would not want revealed (in an embarrassing context, as alluded to by Kaul in
23 email) is false.

24 189. The recipients of said defamatory statements, as set forth above, reasonably understood
25 that said statements were about Ms. Craig.

26 190. The facts and circumstances known to the recipients to the statements were such that said
27 statements tended to injure Ms. Craig in her occupation and/or exposed her to hatred, contempt, ridicule,
28 or shame and discouraged others from associating with her.

29 191. The statements by Kaul and MKF were false and Kaul and MKF failed to use reasonable
30 care to determine the truth or falsity of the statements.

31

1 192. Ms. Craig has suffered harm to her property, business, profession and/or occupation as a
2 result of the statements and said statements were a substantial factor in causing Plaintiff's harm. The
3 harm caused by said statements includes, but is not limited to, the following: harm to Ms. Craig's
4 reputation, lost income and business opportunities, shame, mortification and hurt feelings.

5 193. MKF's conduct was malicious, fraudulent, and oppressive, as defined in Civil Code §
6 3294, evidencing despicable conduct toward Ms. Craig. As a result of said conduct, Ms. Craig is entitled
7 to punitive and exemplary damages, in excess of minimal jurisdictional limits of this court, against MKF
8 in accordance with applicable standards of justice, including an appropriate relationship to MKF's
9 respective net worth so as to deter future conduct of this type, to set a public example so as to deter
10 similar conduct from being undertaken by others, as well as to punish MKF for its despicable conduct in
11 an amount according to proof at time of trial, plus pre-and post-judgment interest and costs of suit.

12 194. Kaul is liable for any judgment against MKF for defamation, as a result of alter ego
13 liability, as alleged in paragraph 6.

14 **SIXTEENTH CAUSE OF ACTION**

15 **(Unfair Business Practices (Bus. & Prof. Code §§ 17200 *et seq.*)**

16 **Against All Defendants and DOES 1 through 10)**

17 195. Plaintiff incorporates by this reference each and all of the allegations contained in
18 Paragraphs 1 through 195 of this Complaint, as fully as though set forth at length herein.

19 196. Plaintiff alleges that MKF, in doing the acts alleged hereinabove, has engaged in unfair
20 and unlawful business practices and has thereby acquired money rightfully belonging to Plaintiff by
21 engaging in such unfair business practices, thereby inducing and causing Plaintiff to suffer "injury in
22 fact" and to lose money as a result of such unfair acts, in violation of the Act, including, but not
23 necessarily limited to, California Business and Professions Code §§ 17200 *et seq.*, which prohibits
24 unlawful, unfair, and/or fraudulent business practices.

25 197. Plaintiff is a "person" within the meaning of Business and Professions Code § 17204.
26 Plaintiff therefore has standing to bring this suit for restitution, disgorgement, and other appropriate
27 equitable relief.

28 198. Defendants, each of them, are "persons" as defined under Bus. & Prof. Code § 17021.

29 199. MKF and Kaul, as its alter ego, engaged in false, unfair and misleading business
30 practices, consisting of acts and omissions that include, but are not limited to, inducing Plaintiff to work
31 for MKF with no intention of paying Ms. Craig and continuing to make false promises of future

1 payment to further induce Ms. Craig to continue to provide her valuable services as long as she
2 continued to believe MKF intended to pay her.

3 200. As a direct and proximate result of the above-referenced acts of MKF and Kaul, as its
4 alter ego, Plaintiff sustained “injury in fact” and lost money as a result of such unfair acts and is
5 therefore entitled to restitution of compensation lost.

6 201. Moreover, as an employee misclassified as an independent contractor, at all times
7 relevant herein, Ms. Craig regularly worked more than eight (8) hours in a workday, and/or more than
8 forty (40) hours in a workweek, as a non-exempt employee of MKF. MKF failed to make any payment
9 of wages to Ms. Craig over the entire four-month period of employment.

10 202. At all times relevant herein, MKF failed to keep detailed records of the hours worked by
11 Ms. Craig.

12 203. At all times relevant herein, Ms. Craig was regularly denied meal periods by MKF.

13 204. At all times relevant herein, Ms. Craig was regularly denied rest breaks by MKF.

14 205. At all times relevant herein, MKF failed to pay Ms. Craig any wages, including overtime
15 wages.

16 206. Defendants, as set forth in this Complaint, *supra*, engaged in false, unfair and misleading
17 business practices, consisting of acts and omissions that include, but are not limited to:

18 a. The fact that Defendants, each of them, falsely and intentionally misrepresented
19 to Ms. Craig that she was an independent contractor;

20 b. The fact that Defendants, each of them, required Ms. Craig, as a non-exempt
21 employee, to work more than four hours per day without rest period, and more than five hours a day
22 without a meal period, including up to fourteen hour a day without required rest breaks and/or meal
23 periods;

24 c. the fact that Defendants failed to provide Ms. Craig a pay stub;

25 d. the fact that Defendants, each of them, refused to pay Ms. Craig wages or
26 overtime wages when due; and

27 e. whether Defendants’, each of them, activities related to their failure to disclose
28 material and relevant information constitutes violations of Bus. & Prof. Code §§ 17200 *et seq.*

29 207. Defendants, and each of them, in misclassifying Ms. Craig as independent contractor
30 have failed to pay federal and state authorities wages earned by Ms. Craig, and, therefore, have not paid
31 state and federal taxes, employer matching funds, unemployment premiums, Social Security, Medicare

1 and Worker's Compensation premiums due as required for work performed as an employee by Plaintiff.
2 The aforesaid conduct constitutes unfair or unlawful business practices and is actionable under Bus. &
3 Prof. Code §§ 17200 *et seq.*

4 208. Defendants', each of them, practices are unfair, unlawful, deceptive, misleading and/or
5 misleading within the meaning of Business & Professions Code §§ 17200, *et seq.*, including, without
6 limitation, violations of Labor Code and violation of Wage Orders promulgated by the California
7 Industrial Welfare Commission, thereby depriving Plaintiff of rights, benefits, and privileges guaranteed
8 to all employees under California law.

9 209. As a direct and proximate result of these acts and omissions, Ms. Craig alleges, on
10 information and belief, that Defendants, each of them, were able to unfairly compete with other
11 restaurant chains in the state of California by not paying overtime and wages in violation of Bus. & Prof.
12 Code Chapter 5, *et al.* Due to this unfair business practice, MKF has been able to charge lower prices for
13 its goods and services than the prices charged by other comparable restaurants doing business in the
14 state of California.

15 210. Plaintiff alleges, on information and belief, that Defendants, each of them, performed the
16 above-mentioned acts with the intent of gaining an unfair competitive advantage and thereby injuring
17 Ms. Craig, other competitors, and the general public.

18 211. By and through the conduct described above, Ms. Craig has been deprived of her right to
19 be paid wages for work performed, including overtime compensation, earned by virtue of her
20 employment with MKF at regular intervals, in accordance with the requirements of Labor Code § 204.

21 212. By and through their unfair, unlawful and/or fraudulent business practices described
22 herein, MKF, has obtained valuable property, money and services Ms. Craig, and has deprived Ms.
23 Craig of valuable rights and benefits guaranteed by law, all to her detriment.

24 213. Ms. Craig has suffered injury-in-fact as a result of Defendants' conduct. Moreover Ms.
25 Craig has lost money as a direct result of Defendants' unfair, unlawful, deceptive and fraudulent
26 conduct.

27 214. All of the acts described herein as violations of, among other things, the California Labor
28 Code and Industrial Welfare Commission Wage Orders, are unlawful and in violation of public policy;
29 and in addition are immoral, unethical, oppressive, fraudulent and unscrupulous, and thereby constitute
30 unfair, unlawful and/or fraudulent business practices in violation of Cal. Bus. & Prof. §§ 17200 *et seq.*
31

1 215. As a direct, proximate and foreseeable result of the aforementioned acts and omissions,
2 MKF and Kaul, as its alter ego, has been unjustly enriched at the expense of Plaintiff who has sustained
3 an "injury in fact", and Plaintiff is entitled to restitution in an amount to be proven at trial, in excess of
4 the minimum jurisdictional limit, plus pre- and post-judgment interest.

5 216. Kaul is liable for any judgment against MKF resulting unfair and/or fraudulent trade
6 practices in violation of Cal. Bus. & Prof. Code §§ 17200 *et seq.*, as a result of alter ego liability, as
7 alleged in paragraph 6 above.

8 **PRAYER FOR RELIEF**

9 WHEREFORE, Ms. Craig prays judgment against MKF and Kaul, as its alter ego, as follows:

- 10 1. For unpaid wages and such general and special damages as may be appropriate;
- 11 2. For compensatory damages, according to proof at trial;
- 12 3. For punitive or exemplary damages, according to proof;
- 13 4. For restitution of sums to Plaintiff for past failure to pay overtime and/or meal breaks,
14 withholding taxes, matching funds, social security, Medicare, unemployment and workers'
15 compensation premiums, and compensation for missed meal and work breaks in an amount according to
16 the proof, plus failure to keep adequate time records and to provide adequate pay stubs pursuant to Bus.
17 & Prof. Code §§ 17200 *et seq.*;
- 18 5. For damages for failure to provide accurate wage statements pursuant to Labor Code §
19 226(e);
- 20 6. For damages resulting from emotional distress, according to proof;
- 21 7. For reasonable attorneys' fees and interest thereon, pursuant to Labor Code §§ 1218.5,
22 1218.6 and California Civil Code 1021.5, 1194(a), 1717.5;
- 23 8. For costs of the suit herein, plus pre- and post-judgment interest; and
- 24 9. For such other and further relief as the Court may deem appropriate.

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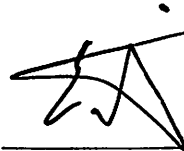
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DEMAND FOR JURY TRIAL

Plaintiff Susana Craig demands a jury trial in this action on all claims so triable.

DATED: February 8, 2018

LAW OFFICE OF JULIAN DAVIS



Eamon Jafari
Attorney for Plaintiff SUSANA CRAIG

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