ELECTRONICALLY FILED Superior Court of California, County of Orange 1 DESAI LAW FIRM, P.C. 03/18/2019 at 10:19:12 AM Aashish Y. Desai, Esq. (SBN 187394) Clerk of the Superior Court Adrianne De Castro, Esq. (SBN 238930) 2 By Georgina Ramirez, Deputy Clerk 3200 Bristol St., Suite 650 Costa Mesa, CA 92626 3 Telephone: (949) 614-5830 4 Facsimile: (949) 271-4190 aashish@desai-law.com 5 adrianne@desai-law.com 6 Attorneys for Plaintiffs 7 SUPERIOR COURT OF CALIFORNIA 8 COUNTY OF ORANGE, CIVIL COMPLEX CENTER 9 NICOLE CORREA on behalf of herself and all 10 CASE NO.: 30-2019-01057872-CU-OE-CXC others similarly situated, Judge Peter Wilson 11 Plaintiffs. **CLASS ACTION COMPLAINT FOR:** 12 V. (1) Unlawful Deductions of Wages 13 California Labor Code §§ 221, 2802; ZILLOW GROUP, INC., a Washington (2) Failure to Pay Minimum Wage, 14 Corporation, and DOES 1-10, inclusive, California Labor Code §§ 1194, 15 Defendants. 226.2: (3) Failure to Pay Overtime Wages, Cal. 16 Lab. Code §§ 510, 558 and Wage Order 5: 17 (4) Failure to Furnish and Timely and Accurate Itemized Wage Statements, 18 Cal. Lab. Code § 226: (5) Failure to Keep Required Payroll 19 Records, Cal. Labor Code §§ 226 and 1174; 20 (6) Failure to Pay all Compensation Due 21 Upon Discharge, Cal. Lab. Code §§ 201-203. 22 23 DEMAND FOR JURY TRIAL 24 CX-102 25 26 27 28 COMPLAINT

Plaintiff Nicole Correa ("Plaintiff"), by her attorneys, brings this action on behalf of herself and similarly aggrieved employees of Defendants Zillow Group, Inc. ("Zillow") and DOES 1 through 100. Plaintiff hereby alleges as follows:

NATURE OF THE ACTION:

Plaintiff brings this action on behalf of herself, and on behalf of all similarly situated employees, of Defendants pursuant to the California Labor Code. Plaintiff alleges that Zillow engaged in violations of the Labor Code with regard to its commission wage practices and policies as described below. These violations apply to Plaintiff and other similarly situated Zillow employees (i.e. "class members"), including individuals who worked for Zillow's inside salesforce which includes Sales Executives (including Senior Sales Executives) (collectively "SEs") and Business Consultants (including Senior Business Consultants, Business Consultants I and II) (collectively "BCs"). Plaintiff further alleges that such violations are ongoing and continuing. By this action Plaintiff seeks penalties and attorneys' fees and costs.

THE PARTIES

- 1. Plaintiff is a California resident and a natural person. Plaintiff is informed and believes thereon and on that basis alleges that Zillow was and is at all times herein mentioned a corporation doing business in the State of California and within the County of Orange.
- 2. The names and capacities of Defendants sued as Does 1 through 100 are presently not known to Plaintiff. Plaintiff therefore sues said Defendants by such fictitious names pursuant to § 474 of the California Code of Civil Procedure Plaintiff will seek to amend the Complaint to allege the allege the true names and capacities of these Doe Defendants when they are ascertained.
- 3. Plaintiff is informed and believes and thereupon alleges that the fictitiously named defendants are responsible for some manner for the conduct alleged herein and for the injuries suffered by Plaintiff and similarly aggrieved employees.

4. All named Defendants, and DOES 1 through 100, will be collectively referred to as "Defendants". At all times mentioned the cause of action alleged herein each and every defendant was an agent, Joint Venturer, and/or alter ego of each and every other Defendant. In doing the things alleged m the cause of action stated herein, each and every Defendant was acting within the course and scope of the agency or employment and was acting with the consent, permission, authorization, and ratification of every other Defendant or their officers or managing agents. Zillow was and is at all relevant times, an employer under applicable California Industrial Welfare Commission ("IWC") Orders, the California Labor Code, and California law.

FACTUAL ALLEGATIONS

 Plaintiff is currently employed by Zillow as a Business Consultant. She has been employed there since October 10, 2016 and has been subject to the California Labor Code violations described below.

Zillow Group's Compensation System for Inside Sales Employees

- 6. Zillow Group's inside sales workforce consists of two general categories of employees: Sales Executives (including Senior Sales Executives) (collectively "SEs") and Business Consultants (including Senior Business Consultants, Business Consultants I and II) (collectively "BCs"). In general, the SEs make initial sales to customers (agents), and the BCs administer the customer accounts which are transferred to them from SEs after the account has been sold and becomes effective.
- 7. For example, BCs earn a hourly rate i.e., \$24.04/hr. In addition, both SEs and BCs are paid on a commission-based compensation system that is complicated and involves a number of elements and formulas. In general, the SE or BC is assigned a monthly quota, and compensation is based in part on the individual's degree of attainment (i.e. sales) as a percentage of the quota amount; that percentage is multiplied times the monthly target commission amount corresponding to the individual sales rep's monthly quota. However, a number of other factors enter into the formulas that determine compensation; those factors are based on the sales reps'

levels of new business produced and existing business lost.1

8. For BCs, the new business takes the form of "upsells" or additional revenue-producing sales to existing accounts, and the lost business takes the form of reductions in revenues due to customers' non-payment, business failures, or account cancellations or revenue reductions. All of these types of losses are grouped together under the rubric of "churn." In general, the compensation formulas convert these other factors into multipliers (ranging generally from 0.5 to 1.5) that are applied to the product of the monthly commission target and the monthly target attainment percentage.

Zillow Group's Chargeback Practices

- 9. Zillow Group systematically charges back a portion of revenues lost due to failures to pay, credit card charge denials, cancellations or reductions in business volume in customer accounts i.e. "churn." For BCs, it does so by netting out the BCs' upsell revenues (i.e. additional sales to existing accounts) and the loss of revenues in the BCs' accounts including both the same and all other accounts. If the net result is an overall revenue loss, the BCs' commission amount is reduced below the level otherwise due under the simple formula based on quota and attainment levels. But even if the net result is positive, the negative component of the calculation reduces the amount of commissions that the BC would otherwise receive. In simple terms, all of the "churn" in a BC's portfolio of assigned accounts reduces her commissions as the losses due to churn are charged back against her.
- 10. Zillow Group's chargeback policy violates the law. Some if not all the "churn" charged back against the BCs is not the result of their failure to properly manage the customer accounts assigned to them, but rather results from the failure of the SEs to sell or open customer accounts that customers will pay for on an initial or continuing basis. While SEs bear the churn loss in their commissions for loss of customer revenues during the initial account period before responsibility for the account is transferred to BCs, losses after the transfer are charged against

¹ The two main types of multipliers are the "Accelerator/Decelerator %," which essentially just amplifies the degree to which the sales rep exceeds or falls short of the monthly quota; and the "Churn Multiplier," which likewise amplifies the adverse effects of loss of business revenues.

the BC -- even if the BC is not personally responsible for the loss and even if the BC could do nothing to prevent it (such as in the case of accounts that never pay, credit card charges that are denied due to customer credit problems, or business failures). In addition, even losses due to SE failures or customer problems occurring before the account is transferred, but not processed into the compensation system until after the transfer occurs, are charged back to the BC when the SE who made the initial sale has left the position.

- 11. SEs likewise have many "churn" factors applied against them which are beyond their control, and therefore illegal.
- 12. Zillow admits that the rationale and mechanisms of its current commission plan (November 2016) states that the "Plan components [including chargebacks] are an incentive for effectively managing the book of business." In the case of BCs, this would include all of the accounts transferred to them from SEs.

Zillow's Illegal Overtime Practices

- 13. Moreover, Zillow did not calculate the BCs and SEs overtime wages properly when it did pay. Overtime is based on the "regular rate" of pay, which includes a number of different kinds of remuneration such as hourly earnings, non-discretionary bonuses, and commissions.
- 14. Here, Zillow multiplied the <u>hourly</u> (not regular) rate by 1.5. So, for example, from 1/29/2017 2/02/17, Plaintiff Correa worked 2 overtime hours. Zillow utilized a rate of \$36.06 (1.5 x \$23.5 <u>hourly</u> rate). The overtime rate did not include her commission wages. This is a uniform and illegal policy that applies to all of Zillow's employees, including BCs and SEs. Plaintiff Correa's wage statement is attached as **Exhibit A** and below to illustrate the point:

	Marian (City)	Bridge P	-		W Probability		y Fulled Earl	Chack Date	Company Charles
OME Correct	Zillow, Inc.	208071	Non-E	enempt .	01/25/20	17	02/08/2017	02/15/2017	
				April of the American			Part Factor		
Current		2,175.62		124.62		399.31		43.52	1,809.17
YTD UTY		12,546.80		698.58		3,246.96		250.45	8,359.84
	Earning					020000	Emplo	yee Taxes	
Description	Dales	Hours	Rate	Amount	YTD	Description		Amour	nt YTD
Commission			0	***************************************	6,084.08	OASDI		133.8	4 774.68
GTL Imputed	01/25/2017 - 02/08/2017	0	0	3.83		Medicare		31.3	
Fiolities Day			0	****		Federal Withho		197.1	
Flegular Hourly Rate	01/25/2017 - 01/28/2017	23.5	24.04	584.94		State Tax - GA		17.4	
Togular Inchip Date	01/29/2017 - 02/04/2017		E-410-6	961.60		CA SDI - CASI	DI	19.5	8 112.91
Regular Hourly Rate	02/05/2017 - 02/08/2017	23	24.04	552.92	5,158.58				
Overtime	01/29/2017 - 02/04/2017		36.06	24.04	48.06 270.46				
SPIFF Pay	Office Control of the		0	Miles Hill	25.00	1			
Sick Pay			0		384.64				
Earnings				2,179.45	white the second	Employee Tax	(65.	399.3	3,246,95

15. Thus, Zillow has violated both minimum wage and overtime regulations.

CLASS ACTION ALLEGATIONS

- 16. This action is maintainable as a class action pursuant to California Code of Civil Procedure § 382 as to claims for illegal chargebacks, the failure to indemnify certain necessary work expenditures, the failure to pay overtime, unpaid wages, the failure to issue accurate itemized paystubs, the failure to maintain accurate payroll records, and the failure to timely pay former employees. The Business & Professions Code § 17200 claim is based upon three theories: (i) unfair conduct as a result of the anti-competitive actions of Defendant, (ii) fraudulent behavior of Defendant as defined by the UCL, and (iii) the unlawful failure to comply with the California Labor Code. Plaintiff is representative of those other employees and is acting on behalf of their interests. These similarly situated employees are known to Defendant and are readily identifiable and locatable through Defendant's own employment records. Defendant can easily identify which employees resided in California and those employees who worked as SEs and BCs.
 - 17. Plaintiff identifies the following class:
 - All employees who worked for Defendant Zillow in California as either SEs and BCs and were paid according to the commission scheme described above from four (4) years prior to the filing of this Complaint to the date of final disposition.
 - 18. Plaintiff identifies the following sub-class:
 - All employees who worked for Defendant Zillow as either SEs or BCs and were paid overtime wages based upon the illegal formula identified above (i.e. using the employees' hourly not regular rate to compute the overtime rate and wages) from four (4) years prior to the filing of this Complaint to the date of final disposition.
- 19. Plaintiff reserves the right under Rule 1855(b) of the California Rules of Court, to amend or modify the class description with greater specificity or further division into subclasses or limitation to particular issues.

NUMEROSITY OF CLASS

20. The employees identified in the above classes identified above are so numerous that joinder of all members is impracticable. Although the precise number of such employees is unknown, the Plaintiff believes that over 200-300 employees would fall within the putative Class. The exact number is easily ascertained from Defendant's own employment records, which are presently within the control of Defendant. Furthermore, upon application by Plaintiff's counsel for certification of the Class, the Court may be requested to also incorporate or amend the sub-Classes in the interest of justice and judicial economy.

EXISTENCE AND PREDOMINANCE OF COMMON QUESTIONS OF FACT AND LAW

- 21. Common questions of law and fact exist as to the class members that predominate over any questions only affecting them individually and include, but are not limited to, the following:
 - i. Whether Defendant violated California Labor Code § 221 and 2802 by charging back certain wages against BCs and SEs;
 - ii. Whether Defendant violated Labor Code § 203, 204, 512, 1187, 1196, and 1198 by failing to pay its employees less than the wage set by the IWC;
 - iii. Whether Defendant violated Cal. Lab. Code §§ 510 and 558 by failing to pay its SEs and BCs the proper overtime rate;
 - iv. Whether Defendant violated Labor Code §§ 226 and 1174 by failing to keep accurate records of employees' hours of work, gross wages earned, and net wages earned;
 - v. Whether Defendant violated Labor Code § 226(a) and (b) by failing to issue its drivers accurate, itemized statement accurately showing their wages and their overtime;

- vi. Whether Defendant violated Labor Code § 201-203 by failing to pay all wages due and owing at the time that Class Members' employment with Zillow was terminated:
- vii. Whether Defendant violated Business and Professions Code Section 17200 by engaging in the above-stated violations of the California Labor Code;
- viii. What were the policies, practices, programs, procedures, protocols, and plans of Zillow regarding its commission scheme for its SEs and BCs drivers; and
- ix. The nature and extent of class-wide injuries and the measure of damages, restitution and disgorgement for the injuries.

TYPICALITY

21. The claims of Plaintiff are typical of the claims of the Class she seeks to represent. Plaintiff and all class members work or have worked for Defendant as SEs and BCs in California. Plaintiff and all class members have the same right to be paid their entire commission without any illegal chargebacks and to be paid all wages due. Plaintiff and all class members have the same right to be indemnified for necessary expenditures. Plaintiff and all class members also have the same right to be paid their proper overtime rate. Plaintiff and all class members have the same right to be issued accurate, itemized wage statements. In addition, Plaintiff and all class members have the same right to be paid all wages due at the end of their employment. Plaintiff and all class members have suffered damages and injury resulting from Defendant's wrongful conduct. In addition, Plaintiff and the class members are entitled to equitable relief, as permitted by law, because Defendant's violations of state statutes have harmed the class members and constitute an unfair business practice, especially when compared to those competitors who comply with wage and hour laws.

ADEQUACY

22. Plaintiff will fairly and adequately represent and protect the interests of the class members. Plaintiff has retained counsel competent and experienced in complex class actions, and

SUPERIORITY

23. A class action is superior to other available methods for the fair and efficient adjudication of this litigation. The class members have been damaged and are entitled to recovery as a result of Defendant's common and uniform policies, practices and procedures. Although the relative damages suffered by individual class members are not *de minimis*, such damages are small compared to the expense and burden of individual prosecution of this litigation. Individual plaintiffs may lack the financial resources to vigorously prosecute a lawsuit against corporate Defendants to recover such damages. Even if the individual class members could afford to prosecute their claims separately, the court system could not. In addition, class litigation is superior because it will obviate the need for unduly duplicative litigation that might result in inconsistent judgments about Defendant's practices.

FIRST CAUSE OF ACTION Unlawful Deductions From Wages

(California Labor Code §§ 221, 2802)

- 24. Plaintiff re-alleges, on behalf of herself and Class Members, each paragraph of this Complaint as though fully set forth.
- 25. Labor Code § 221 makes it unlawful for an employer to "collect or receive from an employee any part of wages therefore paid" to the employee. In addition, where the chargeback occurs for reasons beyond the control of the sales employee, as here, Section 8 of the Wage Orders provides that "No employer shall make any deduction from the wage or require any reimbursement from an employee for any cash shortage, breakage, or loss of equipment, unless it can be shown that the shortage, breakage, or loss is caused by a dishonest or willful act, or by the gross negligence of the employee." The *Kerr's Catering* line of cases² confirms the same.

² Kerr's Catering Service v. Dep't of Industrial Relations, 57 Cal. 2d 319, 329 (1962); Hudgins v. Neiman Marcus Group, Inc., 34 Cal.App.4th 1109, 1118 (1995); Quillian v. Lion Oil Co., 96 Cal.App.3d 156, 162-63 (1979) (citing Kerr's Catering for the principle that the Labor Code itself bars unexpected deductions for losses not the result of an employee's willful misconduct).

- 26. Labor Code § 2802 provides that "an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful."
- 27. Zillow created an unlawful commission chargeback scheme wherein it collected and received part of the BCs and SEs' wages already paid (i.e. "charged back") attributing it to "churn." Zillow engages in this practice even though some of churn charged back against the BCs and SEs is not the direct result of any dishonest or willful act or gross negligence of the employees, or any other factor within their control.
- 28. As a result of these violations, Defendant is liable for the costs of these expenditures (deductions and chargebacks) plus interest, and attorneys' fees. Defendant is further liable for civil penalties and damages pursuant to Labor Code §§ 221, 225.5, and 2698 et seq.
- 29. Plaintiff, on behalf of herself and the Class Members, also request relief as described below.

SECOND CAUSE OF ACTION Failure to Pay Minimum Wage

(California Labor Code §§ 1194, 226.2)

- 30. Plaintiff re-alleges, on behalf of herself and Class Members, each paragraph of this Complaint as though fully set forth.
- 31. Defendant has violated California Labor Code §§ 203, 204, 512, 1187, 1196, and 1198. Labor Code § 203 establishes the fundamental right of employees in the State of California to be paid wages in a timely fashion for their work. Labor Code § 1187 makes it unlawful to pay employees less than the wage set by the IWC. Labor Code § 1198 makes it unlawful to employ persons under conditions prohibited by the applicable IWC Wage Orders. Under Section 4 of IWC Wage Orders 4-2001, 7-2001, 4-2000, 7-2000, 7-1998 and 4-1998, salespersons must be paid at least a minimum wage for each hour worked.

- 32. Thus, under California law, a commissioned inside salesperson is exempt from overtime only if (1) the earnings exceed 1.5 times the state minimum wage; and (2) at least 50 percent of the employee's total compensation is from commissions. *Peabody v. Time Warner Cable, Inc.*, 59 Cal.4th 662 (2014).
- 33. Here, Defendant's chargeback policy required the salespersons to perform certain work without any compensation whatsoever i.e., during those pay periods in which the chargeback results in either less than 1.5 times the state minimum wage, or less than 50 percent of the total compensation coming from commissions.
- 34. California Labor Code § 1194 states that notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit.
- 35. Plaintiff and the Class thus seek and are entitled to all uncompensated wages, plus interest, and attorneys' fees and costs, as well as all other legal and equitable relief such as a court may find just and proper.
- 36. Plaintiff, on behalf of herself and the Class Members, also request relief as described below.

THIRD CAUSE OF ACTION Failure to Pay Overtime Wages

(Cal. Lab. Code §§ 510, 558 and Wage Order 5)

- 37. Plaintiff re-alleges, on behalf of herself and Class Members, each paragraph of this Complaint as though fully set forth.
- 38. California Labor Code §§ 510, 558, and Wage Order 5 entitle non-exempt employees to overtime premiums for hours worked in excess of eight (8) in a given day, forty (40) in a given workweek, or on the seventh day worked in a single workweek. All hours must be paid at the statutory or agreed rate and no part of this rate may be used as a credit against a

minimum wage obligation.

- 39. Zillow did not calculate the overtime wages properly when it did pay. Overtime is based on the "regular rate" of pay, which includes a number of different kinds of remuneration such as hourly earnings, non-discretionary bonuses, and commissions. Here, Zillow multiplied the **hourly** (not regular) rate by 1.5. So, for example, from 1/29/2017 2/02/17, Ms. Correa worked 2 overtime hours. Zillow utilized a rate of \$36.06 (1.5 x \$23.5 hourly rate). The overtime rate did not include her commission wages. This is a uniform and illegal policy that applies to all of Zillow's employees.
- 40. As a result of these violations, Zillow is liable for unpaid overtime wages, interest thereon, and attorneys' fees and costs.
- 41. Plaintiff, on behalf of herself and Class Members, also request relief as described below.

FOURTH CAUSE OF ACTION Failure to Furnish Timely and Accurate Itemized Wage Statements

(Cal. Lab. Code § 226)

- 42. Plaintiff re-alleges, on behalf of herself and Class Members, each paragraph of this Complaint as though fully set forth.
- 43. Labor Code § 226(a) requires employers to furnish each employee with a statement that accurately reflects gross wages earned, the total number of hours worked, and the net wages earned. Labor Code § 226(b) provides that if an employer fails to provide a statement itemizing, *inter alia*, the total hours worked by the employee, then the employee is entitled to recover the greater of all actual damages or \$50.00 for the initial violation and \$100.00 for each subsequent violation, up to \$4,000.00.
- 44. Defendant, due to the unlawful chargebacks and deductions (as well as its use of the improper overtime rate), intentionally failed to furnish and continues to intentionally fail to furnish each class member with timely, itemized statements that *accurately* reflect the gross wages earned, the total number of hours worked, and the net wages earned as required.

- 45. As a result of Zillow's failure to provide accurate itemized wages statements, Plaintiff and Class Members suffered actual damages and harm by being unable to determine their applicable hourly rate for each pay period, which prevented them from becoming aware of these violations and asserting their statutory protections under California law. Zillow knowingly and intentionally failed to comply with Labor Code § 226(a) on each and every wage statement provided to Plaintiff and Class Members.
- 46. Pursuant to Labor Code § 226(e), Plaintiff and Class Members are entitled to recover the greater of all actual damages or fifty dollars (\$50.00) for the initial pay period in which a violation occurs and one hundred dollars (\$100.00) per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000.00). Plaintiff and Class Members are entitled to an award of costs and reasonable attorneys' fees under Labor Code § 226(h).
- 47. Plaintiff, on behalf of herself and the Class Members, also request relief as described below.

<u>FIFTH CAUSE OF ACTION</u> Failure to Keep Required Payroll Records

(Cal. Labor Code §§ 226 and 1174)

- 48. Plaintiff re-alleges, on behalf of herself and Class Members, each paragraph of this Complaint as though fully set forth.
- 49. Zillow has violated California Labor Code §§ 226 and 1174 by willfully failing to keep required payroll and paystub records showing the actual compensation earned, total deductions taken, the hours worked on a daily basis by the class members.
- 50. Defendant is, therefore, liable for civil and statutory penalties pursuant to California Labor Code §§ 226, 1174.5 and 2698 in the amount of \$100/200/500.00 per violation.
- 51. Plaintiff, on behalf of herself and the Class Members, also request relief as described below.

SIXTH CAUSE OF ACTION Failure to Pay All Compensation Due Upon Discharge

(Cal. Lab. Code §§ 201-203)

- 52. Plaintiff re-alleges, on behalf of herself and Class Members, each paragraph of this Complaint as though fully set forth.
- 53. California Labor Code §§ 201 and 202 require Zillow to pay all compensation due and owing to former BCs and SEs immediately upon discharge or within seventy-two hours of their termination of employment. California Labor Code § 203 provides that if an employer willfully fails to pay compensation promptly upon discharge or resignation, as required by Sections 201 and 202, then the employer is liable for such "waiting time" penalties in the form of continued compensation up to thirty workdays.
- 54. Defendant failed and refused, and continues to willfully fail and refuse, to timely pay compensation and wages, including pay for the unlawful deductions and chargebacks to plaintiffs, other "aggrieved" employees, and class members whose employment terminated as required. As a result, Defendant is liable for waiting time penalties, together with interest and attorneys' fees and costs under California Labor Code § 203.
- 55. Plaintiff, on behalf of herself and the Class Members, also request relief as described below.

<u>SEVENTH CAUSE OF ACTION</u> <u>Unlawful and/or Unfair Pusiness Practices</u>

(California Business and Professions Code Section 17200, et seq.)

- 56. Plaintiff re-alleges, on behalf of herself and Class Members, each paragraph of this Complaint as though fully set forth.
- 57. Labor Code § 90.5(a) articulates the public policy of this State to vigorously enforce minimum labor standards, including the requirements to compensate workers at least the minimum wage; pay a lawful commission without illegal chargebacks; to reimburse employees for all necessary expenditures under Labor Code § 2802; to pay the proper overtime rate; to

provide accurate itemized wage statements and keep payroll records pursuant to Labor Code §§ 226, 226.2; and to pay all wages due upon termination of employment under California Labor Code §§ 201 and 202. Zillow's conduct of creating an illegal commission structure; its failure to pay the minimum wage for all hours worked; its failure to pay the proper overtime rate; its failure to reimburse its employees for necessary expenditures; allowing its employees to work without providing accurate itemized wages statements; and failing maintain accurate records directly violate state law, constitute and was intended to constitute unfair competition and unlawful and unfair acts and practices within the meaning of the UCL.

- 58. Defendant's numerous violations of California law, as well as the other statutory and regulatory violations alleged herein, constitute unlawful business actions and practices in violation of Business and Professions Code§ 17200, et seq.
- 59. Pursuant to Business and Professions Code § 17200, et seq., Plaintiff and the proposed Class are entitled to restitution of the unpaid wages, unreimbursed expenditures, among other relief alleged herein, that were withheld and retained by Defendant during a period that commences four years prior to the filing of this action.
- 60. Plaintiff further seeks injunctive relief under the UCL to enjoin Defendant's unfair, lawful, and deceptive practice of failing to compensate its employees according to law. Plaintiff may pursue these injunctive claims without complying with class certification requirements. *McGill v. Citibank, N.A.*, 2 Cal.5th 945 (2017).
- 61. Plaintiff also requests an award of attorneys' fees and costs pursuant to Code of Civil Procedure § 1021.5 and other applicable law, and costs.

REQUEST FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself and the proposed class, request judgment and the following specific relief against Defendant as follows:

- 1. That the Court determine that this action may be maintained as a class action under Code of Civil Procedure § 382;
- 2. That Defendant is found to have violated the above-referenced provisions of the California Labor Code as to Plaintiff and the Class;
- 3. That the Court find Zillow violated California Labor Code §§ 204, 1197, 1198, 226.2 by failing to compensate Plaintiff and the Class for the minimum wage for all work;
- 4. That the Court find that Zillow has violated California Labor Code §§ 221 and 2802 as to Plaintiff and the Class because of its commission scheme which included illegal chargebacks;
- 5. That the Court find that Zillow has violated Cal. Lab. Code §§ 510, 558 and Wage Order 5 by failing to pay its SEs and BCs the proper overtime rate;
- 6. That the Court find that Zillow has violated the record-keeping provisions of Labor Code §§ 226 and 1174(d) as to Plaintiff and the Class;
- 7. That the Court find that Zillow has violated California Labor Code § 226 by failing to timely furnish Plaintiff and the Class itemized statements accurately showing the gross wages earned by each of them;
- 8. That the Court find that Zillow has violated Labor Code §§ 201, 202, and 203 for willful failure to pay all compensation owed at the time of termination of employment to the class;
- 9. That the Court find that Zillow has violated Business & Professions Code § 17200 by creating an illegal commission structure; failing to pay the minimum wage for all hours worked; failing to pay the proper overtime rate; failing to reimburse its employees for necessary expenditures; allowing its employees to work without providing accurate itemized wages statements; and failing to maintain accurate records directly violate state law;
 - 10. That the Court find that Defendant's violations as described have been willful;
- 11. That the Court award to Plaintiff damages and restitution for all waged earned by Plaintiffs including the illegal chargebacks; unpaid overtime; work performed without

EXHIBIT A

Zillow, Inc. 1301 2nd Avenue 31st Floor Seattle, WA 98101 +1 (206) 4707000
Ottila Correa 445 W 34th St San Bernardino, CA 92405

If you believe that any of the information on this wage statement is incorrect, you have the right to report this to your employer. If you believe you were not paid correctly, you may report wage violations to the Washington or California state agencies, 1-866-417-921 and 1-415-703-5300, respectively, or the US Department of Labor at 1-866-41SWAGE (1-866-487-9243).

Name	Company	Employee I	Employee ID Exemption Status		Pay Period Begin		gin P	n Pay Period End		Date C	stom Check Number
Otilia Correa	Zillow, Inc.	20607	/1 I	Von-Exempl	t	01/25/20)17	02/08/2017	02/15/	2017	
		Proes Pay	Pn	Tax Deduc	ctionel	Em	ployes Taxes	Post Tax Ded	uctione		Net Pay
Current		2,175.62			29.62		399.31		43.52		1,603.17
YTD		12,545.80		6	88.56		3,246.95		250.45		8,359.84
	Earnings							Employ	ee Taxes		
Description	Dates	Hours	Rate	Amo	unt	YTD	Description			vmount	YTD
Commission			0			6.084.08	OASDI			133.84	774.68
GTL Imputed	01/25/2017 - 02/08/2017	0	ő	3	.83	11.49	Medicare			31.30	181.17
Holiday Pay	01/20/2017	•	0			576.96	Federal Withh	oldina		197.16	1.764.76
Regular Hourly Rate	01/25/2017 - 01/28/2017	23.5	24.04	564	94	0.0.00	State Tax - CA			17.43	413.43
Regular Hourly Rate	01/29/2017 - 02/04/2017	40	24.04	961			CA SDI - CAS			19.58	112.91
Regular Hourty Rate	02/05/2017 - 02/08/2017	23	24.04	552		5,156.58	CAC GAC			10.00	, , , ,
Meal Break	01/25/2017 - 02/08/2017	1	24.04		.04	48.08					
Overtime	01/29/2017 - 02/04/2017	2	36.06		.12	270.46	1				
SPIFF Pay	01723/2017 - 02/04/2017	_	0.00	,,	. 12	25.00					
Sick Pay			0			384.64					
Earnings			-	2,179.	45	12,557.29	Employee Ta	Kes		399.31	3,246.95
	Pre Tax Deductions							Post Tax Deduction	9		
Description	110100000000000000000000000000000000000	Amo	unt	YTD	Descr	iption		USK TEX DOUBLEUT		Amount	YTD
401K Plan		108	79	626.07	Roth 4	01K Post				43.52	250.45
HSA EE			.83	62.49							
Pre Tax Deductions		129	.62	688.56	Post '	Tax Deduction	ons			43.52	250.45
	Employer Paid Benefits							Taxable Wages			
Description	2119-0701 / 20 2010110	Amo	unt	YTD							YTD
401(k) Match		87	.03	500.86	DASE	I - Taxable \	Nanes		2	158.62	12,494,80
HSA ER			.00			are - Taxabk				158.62	12,494.80
							g - Taxable Wa	ges		049.83	11,868.73
Employer Paid Benefits		67.	.03	1,000.86	L						
· · · · · · · · · · · · · · · · · · ·	Federal			State				Absence Plans			
	0				Descr	iption		Forfeited	Accrued	Reduc	ed Available
Marital Status	Single		lead of I	Household		Group PTO		0	5.04		0 40.32
Allowances	3			3	Zillow	Group Sick	Plan	0	3.05		0 6.04
Additional Withholding	1			0	L						
				Payment Inf							
Bank	Account Name				Acc	ount Numbe	r	USD Am	ount		mount
Chase	Chase				0.000					1.6	03.17 USD

Zillow, Inc. 1301 2nd Avenue 31st Floor Seattle, WA 98101 +1 (208) 4707000
Ottile Corree 445 W 34th St San Bernardino, CA 92405

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Name	Company	Employee ID	Exemption St	atus P	By Period Beg	in Pa	y Period End	Check Date	Custom Check Number	
Otilia Correa	Zillow, Inc.	206071	Non-Ex	mpt	11/09/20	18	11/24/2018	11/30/2018		
	Gross Pay Pre Tax Ded		eductions	Em	oloyee Taxee	Post Tax Dec	luctions	Net Pay		
Current		3,871.91		232.32		186.52		116.16	3,336.91	
YTD		59,619.97		9,127.47	6-200	32,166.92	6	,000.32	112,325.26	
Decadation	Earnings		Dete		YTD	Description	Employ	ee Taxes	y y	
Description	Dates	Hours		Amount		Description OASDI		Amour		
AwardCo Commission	10/07/2018 - 11/03/2018	0	0 3	646.09	483.84 94,697.97	Medicare		0.0 56.1		
Double Time	10/28/2018 - 11/03/2018	6		263.22	34,037.37	Federal Withho	Mina	0.0		
Double Time	10/28/2018 - 11/03/2018	6		177.72	1	State Tax - CA		130.3	-	
FLSA Retro OT	10/20/2016 - 11/03/2016	•	0	177.72	38.09	CA SDI - CASI		0.0		
GTL imputed			0		177.33	ON GOI - ONG		0.0	1,149.07	
Gift Card			Ö		880.00					
Holiday Pay			0		1,401,21					
Regular Hourly Rate			Ö		45,826.70					
Meal Break			Ö		1,212.01	1				
Morale Events			Ö		162.93	1				
Overtime	10/14/2018 - 10/20/2018	0.083333	0	2.19						
Overtime	10/14/2018 - 10/20/2018		0	-1.24	1	l				
Overtime	10/21/2018 - 10/27/2018	0.5	0	12.97	- 1	i .				
Overtime	10/21/2018 - 10/27/2018	0.5	0	-7.41	1					
Overtime	10/21/2018 - 10/27/2018	0.5	0	12.97	1					
Overtime	10/21/2018 - 10/27/2018	0.5	0	-7.41	- 1					
Overtime	10/28/2018 - 11/03/2018	18	0	394.83	- 1					
Overtime	10/28/2018 - 11/03/2018	18	_	266.58	- 1					
PTO	10022010	10	0	200.50	4,147.28					
Restricted Stock			0		512.44					
SPIFF Pay			0		50.00					
Sick Pay			0		2,213.70	1				
Worked Holiday			0		362.88					
Earnings	*****			871.91	152,166.38	Employee Tax	000	186.5	2 32,166,92	
Lannings			3,	0/1.91	132,100.30	Employee rax	.63	100.5	2 32,100.92	
	Pre Tax Deductions					P	ost Tax Deduction	ns e		
Description		Amour			ription			Amou		
401K Plan Med 125		232.3		47 401K	Loan (Loan 1)			1,213.80	
IMEG 125			315		Loan (Loan 2)			432.80	
				RSU	ADAK David			440.4	313.00	
					401K Post			116.1		
Pre Tax Deductions		232,3	2 9,127	47 Post	Tax Deductio	ns		116.1	6,000.3	
	Employer Paid Benefits						Taxable Wages			
Description		Amour			ription			Amou	nt YTI	
401(k) Match		154.8	8 6,362		OI - Taxable V			0.0		
					care - Taxable			3,871.9		
				Fede	ral Withholdin	g - Taxable Wa	988	3,639.5	9 152,033.6	
Employer Paid Benefits		154.8	6,362	47						
	Federa	al	St	ate			Absence Plans			
		0			ription		Forfeited	Accrued Rec	duced Available	
Marital Status	Single		ad of Househ	old Zillow	Group PTO	Plan	0	6	12 1.2	
Allowances		0		3 Zillow	Group Sick F		0	1.81	0 6.5	
Additional Withholding	1			0		-				
		2412212	P	Monna	en					
Bank	Account Nam		count Number		nount Amount					
Chase	Chase			***	38				3.270.17 UST	

Zillow, Inc. 1301 2nd Avenue 31st Floor Seattle, WA 98101 +1 (206) 4707000
Otilita Correa 445 W 34th St San Bernardino, CA 92405

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Name	Company Employee ID		Exemption Status		Pay Period Beg		gin Pay Period End		Check	Custom Chec Number		
Otilia Correa	Zillow, Inc.	illow, Inc. 206071 Non-Exemp		on-Exempt	01/09/2019			01/24/2019 01/31/				
		Gross Pay	Pre	Tax Deduct	ions	Em	ployee Taxes	Post Tax De	ductions		1	Net Pa
Current		4,275.04		29	9.26		1,198.65		171.01		2	,606.12
YTD		6,809.06		49	6.65		1,819.50		508.88		3	,982.03
	Earnings							Emolo	yee Taxes			
Description	Dates	Hours	Rate	Amou	nt	YTD	Description	Liipio		Amount		YTO
Commission	12/02/2018 - 12/29/2018	0	0	4,067.7	78	4,067.78	OASDI			265.05		435.8
DP Imputed		-	0	.,,		213.00	Medicare			61.99		101.9
DP Imputed Dental/Vision			0			21.16	Federal Withh	olding		673.46	1	,033.0
Double Time	12/02/2018 - 12/08/2018	3.5	0	193.8	30		State Tax - CA	1		155.40		180.79
Double Time	12/02/2018 - 12/08/2018	3.5	0	-103.6		1	CA SDI - CAS			42.75		67.8
GTL Imputed			0			8.51						
Holiday Pay			o			710.96	1					
			o									
Regular Hourly Rate				4504	-	1,049.15						
Overtime	12/02/2018 - 12/08/2018	5.5	0	152.2			1					
Overtime	12/02/2018 - 12/08/2018	5.5	0	-81.4		1						
Overtime	12/09/2018 - 12/15/2018	1.75	0	48.5	50							
Overtime	12/09/2018 - 12/15/2018	1.75	0	-25.9	92							
Overtime	12/16/2018 - 12/22/2018	0.666666	0	16.2	21							
Overtime		0.666666	0	-9.6		ı	1					
Overtime	12/23/2018 - 12/29/2018	0.25	o	-3.7		i						
Overtime	12/23/2018 - 12/29/2018	0.25	o	19.1								
PTO	12/23/2010 - 12/29/2010	0.25		19.	12	533.22	1					
			0									
Sick Pay			0			177.74						
Earnings				4,275.0	14	6,781.52	Employee Ta	xes	1	,198.65	1	,819.50
	Pre Tax Deductions						1	Post Tax Deduction	ns			
Description		Amou	nt	YTD	Descri	ption				Amount		YTE
401K Plan		299.2	6			oan (Loan 1						57.8
Med 125				22.00	101KL	oan (Loan 2	2)					108.2
					OP De	ntal						6.0
				11	OP Me	dical						53.0
					OP Vis	ion						0.5
						01K Post				171.01		272.3
						ary Life				171.01		11.0
			_									
Pre Tax Deductions		299.2	6	498.65	Post T	ax Deduction	ins			171.01		508.88
	Employer Paid Benefits							Taxable Wages				
Description		Amou	nt	YTD	Descri	ption				Amount		YTI
401(k) Match		171.0	11	272.38	DASD	- Taxable V	Vages		4	,275.04	7	7,029.7
				11	Medica	are - Taxable	Wages		4	,275.04	7	7.029.7
							g - Taxable Wa	noes		975.78		5,553.0
Employer Paid Benefits		171.0	1 -	272.38			9	-900		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
		3										
	Federa	1		State		-41		Absence Plans		Dest		
Marital Ctabus	Cinal	Lie	and of L		Descri			Forfeite				vailabl
Marital Status	Singk	-	au oi H			Group PTO		0	6		8	-2.7
Allowances Additional Withholding		P		3	Zillow	Group Sick I	Plan	0	2.8	1	0	4.
Additional Authoritied	I	1										
			P	ayment Info								
Bank	Account Name	9			Acco	ount Number		USD A	nount		Amour	
Wells Fargo	Wells Fargo					4				1	,000.00	
Arrowhead Credit Union	Credit Union				*****	*3 ′58					100.00	
Chase	Chase				***					4	506.12	USI