

Assigned for all purposes to: Stanley Mosk Courthouse, Judicial Officer: Lia Martin

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MENG HUA LEE

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

MENG HUA LEE, an individual,
Plaintiff,

vs.

SNAIL GAMES USA INC., a California
Corporation; SHI HAI; JIM TSAI; YING ZHOU;
and DOES 1-25, inclusive,
Defendants.

Case No.: **19STCV44800**

COMPLAINT FOR DAMAGES

- 1. Failure to Pay Minimum Wage (Lab. Code §§ 1194, 1197, and 1197.1);**
- 2. Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, 558, and 558.1);**
- 3. Failure to Provide Rest Periods (Lab. Code §§ 226.7, 558, 558.1);**
- 4. Failure to Pay Overtime/Double-Time Wages (Lab. Code §§ 204, 510, 558, 558.1, and 1194);**
- 5. Failure to Provide Accurate, Itemized Wage Statements (Lab. Code §§ 226, 558.1);**
- 6. Failure to Pay Wages Promptly after Termination/Waiting Time Penalties (Lab. Code §§ 201, 203)**
- 7. Negligent Hiring, Supervision, and Retention;**
- 8. Retaliation for Complaint of Unlawful Acts (Lab. Code § 1102.5);**
- 9. Retaliation for Complaint of Labor Code Violations (Lab. Code § 98.6);**
- 10. Wrongful Termination in Violation of Public Policy;**
- 11. Intentional Infliction of Emotional Distress; and**
- 12. Violation of Bus. & Prof. Code § 17200, et seq.**

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) **REPRESENTATIVE ACTION FOR PAGA PENALTIES**

) **13. Violation of the Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq.**

) **DEMAND FOR JURY TRIAL**

Plaintiff Meng Hua Lee, for her complaint against Defendants Snail Games USA Inc., Hai Shi, Ying Zhou, Jim Tsai, and Does 1-25, alleges as follows:

I.

PARTIES, JURISDICTION, AND VENUE

1. At all relevant times, Defendant SNAIL GAMES USA INC. (“Snail Games” or “the company”) is, and was, a corporation organized under the laws of the State of California, licensed to do business therein and, in concert with the other Defendants, does business in California, including within the County of Los Angeles.

2. At all relevant times, Defendant HAI SHI (“Mr. Shi”) is, and was, an individual with the location of his residence presently unknown to Plaintiff but believed to be in China. Mr. Shi is the Founder, Owner, and Chief Executive Officer (CEO) of Snail Games. While Mr. Shi resides, in part, in China, it is believed that Mr. Shi owns a home in Beverly Hills, California, frequently travels to Los Angeles County to conduct business and operate Snail Games, and is applying for permanent residence in the United States.

3. At all relevant times, Defendant YING ZHOU (“Ms. Zhou”) is, and was, an individual residing in the County of Los Angeles, State of California. Ms. Zhou is and has been listed in publicly-available documents housed with the California Secretary of State as the Chief Financial Officer (CFO) of Snail Games.

1 4. At all relevant times, Defendant JIM TSAI (“Mr. Tsai”) is, and was, an individual
2 residing in the County of Los Angeles, State of California. Mr. Tsai served as Chief Operating
3 Officer (COO) and a Vice President (VP) of Snail Games during most or all of the relevant period
4 of time. Mr. Tsai has since been removed from the company’s Board of Directors, but remains
5 employed by Snail Games as a Vice President.

6 5. At all relevant times, Plaintiff MENG HUA LEE (“Plaintiff” or “Ms. Lee”), also
7 known as “Amy,” resided in, and was employed by, Defendants within the County of Los Angeles,
8 State of California.

9 6. Plaintiff and all other “aggrieved employees” (as described in Section II, below) are,
10 or were, employees of Snail Games within the meaning set forth in the Labor Code and relevant
11 Industrial Welfare Commission Wage Orders (the “Wage Orders”) at all times during the applicable
12 statutory period.

13 7. Plaintiff is unaware of the true names or capacities of the Defendants sued herein
14 under the fictitious names Does 1-25, but will amend or seek leave to amend this complaint and
15 serve such fictitiously named Defendants once their names and capacities become known.

16 8. Plaintiff is informed and believes, and thereon alleges, that Does 1-25 are the
17 partners, agents, alter egos, servants, owners, shareholders, associates, managers, principals or
18 employees of the named Defendants and/or were acting at all times within the course and scope of
19 such relationship. Thus, whenever appearing in this complaint, each and every reference to
20 “Defendants” is intended to be, and shall be deemed, a collective reference each and all of the
21 named Defendants and Does 1-25.

22 9. Each Defendant acted in all respects pertinent to this action as the agent of the other
23 Defendants, carried out a joint scheme, business plan or policy in all respects pertinent hereto, and
24 the acts of each Defendant are legally attributable to the other defendants as each Defendant has
25 ratified, approved, and authorized the acts of each of the remaining Defendants with full knowledge
26 of said acts.

27 10. Venue is proper in the Superior Court of California, County of Los Angeles, as this
28 Court has personal jurisdiction over Defendants pursuant to Code of Civil Procedure § 395.

1 Plaintiff worked in and the violations occurred in Los Angeles County, and Plaintiff's contract of
2 employment was formed in Los Angeles County.

3 **II.**

4 **PRIVATE ATTORNEYS GENERAL ACT (PAGA)**

5 11. Separate and apart from her individual claims, Plaintiff brings her complaint as a
6 representative action pursuant to the Private Attorneys General Act of 2004, California Labor Code
7 §§ 2698, *et seq.* ("PAGA"), against Defendant Snail Games for engaging in a pattern and practice of
8 wage and hour violations under the California Labor Code and applicable Wage Orders. Plaintiff
9 brings this action on behalf of all other current and former non-exempt employees, and employees
10 misclassified as "exempt" employees, of Snail Games in the State of California who have a suffered
11 at least one of the Labor Code violations described herein during the applicable time period.

12 12. Snail Games' systematic pattern of wage and hour violations toward Plaintiff and
13 other aggrieved employees in California include:

- 14 a. Failure to pay all wages owed;
- 15 b. Failure to pay overtime and double-time wages;
- 16 c. Failure to pay minimum wages;
- 17 d. Failure to provide timely meal periods;
- 18 e. Failure to provide timely rest periods;
- 19 f. Failure to timely pay wages due upon separation of employment; and
- 20 g. Failure to provide accurate, itemized wage statements.

21 13. Plaintiff brings this lawsuit seeking restitution, injunctive relief, and monetary relief
22 against Snail Games, on behalf of herself and all other aggrieved employees in California, to
23 recover, among other things, unpaid wages, premium wages, interest, attorneys' fees, liquidated
24 damages, penalties, and costs pursuant to Labor Code §§ 201, 202, 203, 226.3, 226.7, 510, 512,
25 558, 558.1, 1194, 1194.2, 1197, 1197.1, the Private Attorneys General Act, California Labor
26 Code §§ 2698, *et seq.*; Business and Professions Code §§17200, *et seq.*, and the provisions of
27 any applicable Industrial Welfare Commission Wage Order.

1 14. Plaintiff reserves the right to name additional representatives throughout the
2 State of California.

3 **III.**

4 **GENERAL ALLEGATIONS**

5 **A. Plaintiff Began Working for Defendants in October 2017 as a Personal**
6 **Assistant.**

7 15. On or about October 30, 2017, Plaintiff commenced working as a personal assistant
8 in which she performed work primarily on behalf of Ms. Zhou and Mr. Shi, who are a married
9 couple with two children.

10 16. In said capacity, Plaintiff's duties included, but were not limited to, the following:

- 11 • Driving Mr. Shi and Ms. Zhou throughout the Los Angeles metropolitan area on
12 work and personal business;
- 13 • Serving as a gofer for a variety of work-related and personal tasks, from
14 picking up dry cleaning to retrieving luxury items on their behalf;
- 15 • Caring for the couple's children at the family's Beverly Hills residence,
16 including travel and coordination of drivers, as necessary;
- 17 • Shopping on Ms. Zhou's behalf;
- 18 • Making travel arrangements, driving Ms. Zhou, Mr. Shi, and various business
19 associates to/from LAX, and greeting Mr. Shi and others at the airport with
20 flowers;
- 21 • Making reservations and picking up groceries;
- 22 • Making doctor and service appointments for the family;
- 23 • Conducting internet research;
- 24 • Translating for Ms. Zhou;
- 25 • Organizing, reminding, and assisting Ms. Zhou daily as to events on her business
26 and social calendar;
- 27 • Attending and performing work at said events;
- 28 • Housecleaning and assistance with family meals; and
- Playing video games with Mr. Shi and Ms. Zhou at his, her, and/or their
direction.

17. Mr. Shi traveled, and continues to travel, regularly between China and the United
States. As such, for much of her employment, Plaintiff took direction from Ms. Zhou, under the

1 supervision of Mr. Tsai. Mr. Tsai worked, and continues to work, as a Vice President at the
2 company's Culver City location.

3 18. Ms. Zhou resided, and continues to reside, in a 5-bedroom, 5-bathroom mansion in
4 Beverly Hills (the "Beverly Hills home"). As Ms. Zhou's personal assistant, Plaintiff regularly
5 worked for Ms. Zhou at the Beverly Hills home and at the company's Beverly Hills office;
6 performed duties from Plaintiff's own home before and after a supposed a work shift of 10am-7pm;
7 performed work in response to Ms. Zhou's text messages, and was generally "on call," *i.e.*, she was
8 to respond to the direction of Ms. Zhou, Mr. Tsai, and – when in the United States – Mr. Shi.

9 19. Plaintiff was expected to be available at any time, and would be messaged at all
10 hours of the day and night, including on company holidays and vacation and sick days. Plaintiff
11 was admonished not to put her phone on silent outside of her regular work schedule and
12 reprimanded if she failed to respond to after-hours messages. Plaintiff also changed her personal
13 plans, many times at the last-minute, on her supposed days off or outside her supposed work
14 schedule in order to accommodate Defendants' schedules.

15 **B. Defendants Paid Plaintiff a Salary Irrespective of the Hours She Actually**
16 **Worked or Was Otherwise "On-Call."**

17 20. Defendants paid Plaintiff a fixed salary regardless of the number of hours she
18 actually worked or was otherwise "on call." At the commencement of her employment, Defendants
19 paid Plaintiff an annualized salary of \$36,000.

20 21. On or about January 21, 2018, Defendants increased Plaintiff's annualized salary to
21 \$39,000. On or about November 25, 2018, Plaintiff was given a small raise to \$45,760 per year
22 which, on information and belief, was an attempt to meet the "salary basis" test for "exempt"
23 employees under California law, though Plaintiff did not qualify for any exemption as defined by
24 the Industrial Welfare Commission (IWC) Wage Orders.

25 22. From October 2017 through at least March 2019, Plaintiff executed and submitted to
26 the company a pre-printed timecard purporting to show that she commenced work at 10am, took a
27 meal break between 1pm-2pm, and completed work at 7pm. Plaintiff did so at the company's
28 direction, notwithstanding that such timecards did not accurately reflect time she performed work

1 under California law. This was a policy and practice which the company imposed on much of the
2 rest of its workforce. Like many other employees, Plaintiff feared retaliation if she deviated from
3 the company's policies or practices.

4 23. Additionally, the company had an unwritten policy and/or practice enforced by Mr.
5 Tsai in which it asked company employees, including Plaintiff, who worked over eight (8) hours in
6 a given day to take the following day or another day off, in lieu of providing said employees with
7 overtime pay to which they were entitled under California law.

8 24. For the bulk of Plaintiff's employment, Snail Games did not maintain an employee
9 handbook. Moreover, in addition to failing to compensate Plaintiff for time she spent working,
10 Snail Games did not provide Plaintiff with timely meal and rest periods, nor inform of her rights to
11 take timely meal and/or rest periods as required by law.

12 25. Throughout Plaintiff's employment, she regularly performed work on behalf of
13 Defendants in excess of eight (8) hours in a day and forty (40) hours in a week. Among other
14 things, Plaintiff was "on call" for 24 hours a day to Ms. Zhou, Mr. Shi, and – when she was in town
15 – to the company's "second CFO," Yan Chen, as described below.

16 **C. For Approximately Four Months, Plaintiff Worked Simultaneously for Mr. Shi,**
17 **Ms. Zhou, Mr. Tsai – and Ms. Yan Chen.**

18 26. On information and belief, Yan Chen ("Ms. Chen") was, is, and continues to serve as
19 Chief Financial Officer for Snail Digital Telecom, a Chinese telecommunications company
20 affiliated with Snail Games and/or whose owners, executives, and other management personnel
21 serve in the same, or similar, capacities on behalf of Snail Games. On information and belief, Ms.
22 Chen lives and works primarily in China.

23 27. Prior to her arrival in Los Angeles in December 2018, a number of Snail Games'
24 other employees had warned Plaintiff to be "prepared" for Ms. Chen's arrival, and to ensure that she
25 followed Ms. Chen's directions. On at least one occasion, Mr. Shi told Plaintiff, "anything Ms.
26 Chen tells you to do, you need to do, just like you need to do for Ms. Zhou."
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1 28. In December 2018, Plaintiff picked up Mr. Shi and Ms. Chen together at Los
2 Angeles International Airport (“LAX”) upon their arrival from China. Plaintiff’s understanding was
3 that she was to perform work for Ms. Chen as if she was of equal status to Ms. Zhou.

4 29. From December 2018 through early April 2019, Ms. Chen resided either at the
5 Beverly Hills home together with Mr. Shi and Ms. Zhou, or at the Montage Hotel Beverly Hills.

6 30. During Ms. Chen’s approximate 4-month stay in Beverly Hills, Plaintiff worked
7 contemporaneously on behalf of Ms. Zhou, Ms. Chen, Mr. Tsai, and Mr. Shi. Ms. Chen’s stay
8 corresponded with a substantial increase in business and social events, which swamped Plaintiff
9 with work. Prior to Ms. Chen’s arrival in the United States, Plaintiff had already worked a
10 substantial number of overtime and double-time hours for Defendants. Thereafter, it was not
11 uncommon for Plaintiff to perform job-related tasks for over twelve (12) hours in a day and/or in
12 excess of seven (7) days per week.

13 31. After Ms. Chen’s arrival, Plaintiff’s work included, but was not limited to, the
14 following:

- 15 • Performing all of her regular tasks for Ms. Zhou and Mr. Shi;
- 16 • Taking direction from Ms. Chen, including reviewing and responding to Ms. Chen’s
17 text messages (often late at night or early in the morning), driving her around the Los
18 Angeles metropolitan area, serving as a gopher, and performing many of the same or
19 similar duties Plaintiff performed for Ms. Zhou and Mr. Shi;
- 20 • Coordinating social and business functions, including dealing with vendors, clients,
21 and potential clients of Snail Games;
- 22 • Attending corporate meetings with clients, potential clients, and other business
23 associates at Snail Games’ offices in Beverly Hills and Vernon, as well as in and
24 around Los Angeles County; and
- 25 • Scheduling Ms. Chen’s social calendar and performing tasks on behalf of her
26 personal friends.

27 32. Plaintiff remained “on call” to each and all of the Defendants throughout this period.

28 **D. Mr. Shi Treated Plaintiff in a Hostile, Disparaging and Retaliatory Manner,
Either Directly or Through Instructions Given to Mr. Tsai.**

33. Mr. Shi would often treat Plaintiff in a hostile and disparaging manner. Among
other things, Mr. Shi excoriated Plaintiff the first time he had met her, shouting at her to “get off
[his] couch!” He would also call her “stupid” and “lazy” in front of the other Defendants.

1 34. Mr. Shi also treated Plaintiff in a hostile and disparaging manner in the presence of
2 clients, potential clients, and other company employees. Among other things, Mr. Shi told Plaintiff
3 not to have children because she would end up “dedicating her life” to them, made comments in
4 front of business associates regarding their economic classes, and dispensed orders to Plaintiff at
5 business meetings in an aggressive and condescending manner.

6 35. On information and belief, Mr. Shi engaged in hostile and disparaging conduct
7 toward Plaintiff to demonstrate the power he had over her to the company’s clients, potential
8 clients, and other business associates. Plaintiff is an American citizen and speaks fluent English; as
9 of the filing of this complaint, Mr. Shi is not an American citizen, speaks limited English, and has a
10 limited capacity to understand spoken or written English. Plaintiff alleges that Mr. Shi’s treatment
11 of her was motivated, in large part, to impress clients, potential clients, and other business
12 associates by exercising control over Americans and/or young women. Mr. Shi’s remarks would
13 sometimes provoke laughter, resulting in Plaintiff feeling humiliated and degraded.

14 36. Additionally, Plaintiff alleges, on information and belief, that after she made
15 complaints to the company of tis unlawful failure to pay her overtime wages, Mr. Shi directed other
16 employees – including, but not necessarily limited to, Mr. Tsai – to retaliate against Plaintiff as
17 further described herein.

18 **E. In March, April, and May 2019, Plaintiff Informed Company Executives That**
19 **She was Owed Backpay.**

20 37. In March 2019, Plaintiff informed Mr. Tsai that the company was not paying her as
21 required by California law. Among other things, Plaintiff informed him that she was owed backpay
22 for unpaid wages, including overtime

23 38. In or around mid-March 2019, Plaintiff began to submit timecards to the company
24 reflecting time she believed she had spent working on weekends. On March 17, 2019, Plaintiff
25 exchanged texts with Ms. Tsai regarding, among other things, the fact that Plaintiff had been
26 working almost every weekend, was not being paid overtime, and had worked 21 straight days.

27 39. In April 2019, Plaintiff continued to submit timecards to the company reflecting time
28 she believed she had actually spent working. In said timecards, Plaintiff did not account for “on

1 call” time, nor did she account for time spent on text exchanges she had with Ms. Chen, Ms. Zhou,
2 and Ms. Chen’s friends, respectively, outside of her supposed regular schedule. Nevertheless, Snail
3 Games continued to pay Plaintiff as a putatively exempt, salaried employee, and not based upon the
4 hours she claimed she had worked.

5 40. On or about May 27, 2019, Plaintiff emailed a timesheet to Snail Games’ Director of
6 Human Resources. Said timesheet listed Plaintiff as having worked on the weekend and omitted the
7 boilerplate “Lunch In” and “Lunch Out” times she had submitted on prior timecards. The following
8 day, he responded via email to Plaintiff. Among other things, he stated that Plaintiff needed to get
9 her time sheets “approved” in the future. After Plaintiff called him to discuss that she needed to be
10 paid in accordance with California law, he acknowledged that executives at the company knew that
11 Snail Games owed her unpaid overtime.

12 **F. Defendants Immediately Retaliate Against Plaintiff By Posting An Opening For**
13 **Her Position and Transferring Her to the Company’s Culver City Office.**

14 41. On May 30, 2019, only two days after discussing with the company’s Director of
15 Human Resources her issues regarding unpaid overtime, Plaintiff learned that Snail Games had
16 posted her job position of personal assistant on Craigslist. On May 31, 2019, only three days after
17 discussing with the company’s Director of Human Resources her issues regarding unpaid overtime,
18 Plaintiff learned that Snail Games had posted her job position of personal assistant on indeed.com.

19 42. On June 2, 2019, Plaintiff emailed Mr. Tsai. In said email, Plaintiff wrote, among
20 other things, that she had accrued a substantial amount of overtime in 2018 and 2019. Plaintiff
21 further wrote that, in California, time worked over eight (8) hours in a day is paid at time-and-a-
22 half, twelve (12) hours in a day is paid as double-time, and time worked on a seventh consecutive
23 day is paid as double-time.

24 43. In said email, Plaintiff also wrote, “I have documentation to prove these overtime
25 hours. We can have a meeting to discuss at your earliest convenience.” On information and belief,
26 Mr. Tsai shared and/or discussed Plaintiff’s email with other company executives, including, but
27 not necessarily limited to, Mr. Shi.
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1 44. Mr. Tsai did not respond to said email. On June 4, 2019, shortly after Plaintiff had
2 dropped off Mr. Shi at LAX, Mr. Tsai informed Plaintiff via email that she needed to report
3 immediately to the company’s corporate offices in Culver City. In said email, Mr. Tsai wrote,
4 among other things, that “*due to the necessary re-arrangements ... you don’t need to report to Ms.*
5 *Zhou, Mr. Shi, or go to [the company’s] Beverly Hills office anymore.*”

6 **G. Defendants and Their Agents Retaliate Against Plaintiff and Terminate Her**
7 **Employment.**

8 45. On Thursday, June 6, 2019, Peter Kang (“Mr. Kang”), Gaming Manager, and Grace
9 Zhou (“Grace”), Head of Business Development, had lunch with Plaintiff. During the lunch, Mr.
10 Kang told Plaintiff that “the CEO [presumably, a reference to Mr. Shi] had fired you” because he
11 was “pissed off,” but that “we didn’t want to let you go because we feel bad.” Mr. Kang further
12 informed Plaintiff that Snail Games was transferring her from her personal assistant position to a
13 “project manager” position, in which she would report directly to Grace.

14 46. On June 10, 2019, Plaintiff’s counsel emailed a letter jointly to Mr. Tsai and to the
15 company’s Director of Human Resources. Among other things, the letter explained Plaintiff’s
16 anticipated claims against the company, warned the company not to retaliate against her, and
17 confirmed a prior request Plaintiff had made for copies of her personnel records and wage
18 statements to which she was entitled by law.

19 47. On the morning of June 17, 2019, Plaintiff began working with Eddie Lee, a
20 consultant or employee who had been working on an interactive video game on behalf of Snail
21 Games. Although Plaintiff had commenced work to help facilitate the production process, Mr. Tsai
22 denied Plaintiff the opportunity to work on the project.

23 48. That same evening, Mr. Tsai asked Plaintiff into his office. Among other things, Mr.
24 Tsai asked Plaintiff why she had retained an attorney and asked, “what she wanted the attorney to
25 do for [her].” Plaintiff responded that Mr. Tsai had ignored her June 2 email, in which she had
26 submitted overtime hours and that she felt it was unfair to move her to the company’s Culver City
27 office. Mr. Tsai responded that she, “cannot just write any number on the email and expect to pay”
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1 and that “a few hundred hours of overtime seemed more accurate.” Mr. Tsai also expressed to
2 Plaintiff, for the first time, that Mr. Shi had said, “[she] was not a good employee.”

3 49. Plaintiff was shocked. Apart from Mr. Shi’s unprovoked and irrational emotional
4 outbursts described herein, this was the first time anyone affiliated with Snail Games had expressed
5 to her any purported dissatisfaction with her work. In fact, Mr. Shi had named the artificial
6 intelligence personal assistant system in the electric car that INDI EV, on information and belief,
7 another Shi-backed venture, was designing, “Amy.”

8 50. Further, in that same discussion, Mr. Tsai angrily stated, “*maybe we just don’t need*
9 *you*” and “*maybe there’s no work here for you.*” Fearing that she might not be paid for all of her
10 time worked – and intimidated by Mr. Tsai, the company’s then-COO – Plaintiff left his office in
11 tears and spent approximately an hour crying in the company’s restroom.

12 51. Based on, but not necessarily limited to, her treatment by Mr. Tsai, as well as her
13 lunch discussion with Mr. Kang and Grace, Plaintiff alleges, on information and belief, that Mr. Shi
14 had asked and/or ordered Mr. Tsai to retaliate against her for complaining of unpaid compensation,
15 and/or pressure her to resign her employment.

16 52. Mr. Tsai sent an email later that evening to Plaintiff stating, among other things, that
17 “*[y]our work of the ‘personal assistant’ is no longer needed.*” That was plainly a lie, as Snail
18 Games had posted an opening for Plaintiff’s (former) position on public job boards. Said email
19 stated further that Grace would “prepare [Plaintiff’s] weekly/monthly/quarterly performance
20 evaluation,” notwithstanding that the company had never before used a written evaluation protocol
21 for its employees.

22 53. Since Plaintiff’s re-assignment from personal assistant to a “project manager”
23 position in Business Development, the company engaged in both obvious and subtle acts of
24 retaliation in an attempt to force Plaintiff to resign, including, but not limited to, the following:

- 25 • Assigning Plaintiff work which they know Plaintiff does not have the skills to
26 accomplish, and then leaving her for days without work;
- 27 • Denying Plaintiff the opportunity to work in creative capacities;
- 28 • Excluding Plaintiff from meetings and lunches welcoming new employees;
- Confiscating Plaintiff’s company laptop;

- Clandestinely re-classifying Plaintiff as an hourly employee effective January 1, 2019, by altering payroll reports to falsely reflect a transfer to a non-exempt position as of said date;
- Ignoring Plaintiff’s reasonable belief that it was illegal to run a gambling site out of the California;
- Aggressively suggesting to her a demotion to customer service; and
- Refusing to give Plaintiff access to her supposed performance review.

54. Plaintiff refused to “give in” to Snail Games’ attempts to force her to resign, in part because of her need to access essential health insurance, and has been undergoing mental health treatment for the first time in her life.

55. On November 15, 2019, Mr. Tsai terminated Plaintiff’s employment, writing that the termination was “based on a review of your conversations with management during the months of June 2019, your compliance with the Company’s employment policies and practices, your performance evaluation dated September 5, 2019, and your lack of meaningful improvement since these events.” This, despite the fact that Plaintiff had been on an agreed-upon leave of absence from work since in or around September 10, 2019.

IV.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

FAILURE TO PAY MINIMUM WAGE

LABOR CODE §§ 204, 558.1, 1194, 1197, AND 1197.1 AND IWC ORDER 7-2001

(Against all Defendants)

56. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though fully set forth herein.

57. As a pattern and practice, Defendants failed and refused to pay Plaintiff wages owed to her pursuant to IWC Order 7-2001 § 4 by, *inter alia*, failing to compensate Plaintiff for time spent suffered or permitted to work at the legal minimum wage level, and for all other hours worked, including for meal periods during which Plaintiff would perform work, was otherwise “on call,” and/or was otherwise subject to the control of Defendants.

1 58. Labor Code § 558.1 provides that “Any employer or other person acting on behalf of
2 an employer, who violates, or causes to be violated . . . [Labor Code §] 1194 . . . may be held liable
3 as the employer for such violation.”

4 59. As a result of Defendants’ violations of Labor Code §§ 204, 1194, 1197, 1197.1, and
5 IWC Order 7-2001 for failure to pay minimum wage, Plaintiff is entitled to recover unpaid
6 minimum wage compensation, liquidated damages, interest thereon and civil penalties pursuant to
7 Labor Code § 1197.1, plus attorneys’ fees and costs, in an amount to be established according to
8 proof at trial.

9 **SECOND CAUSE OF ACTION**

10 **FAILURE TO PROVIDE MEAL PERIODS IN VIOLATION OF IWC ORDER 7, § 11 AND**
11 **LABOR CODE §§ 226.7, 512, 558, 558.1**

12 **(Against all Defendants)**

13 60. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though
14 set forth herein.

15 61. Pursuant to California Labor Code § 512, and IWC Order 7 § 11, no employer shall
16 employ any person for a work period of more than five (5) hours without a meal period of not less
17 than 30 minutes.

18 62. Pursuant to California Labor Code § 512, and IWC Order 7 § 11, no employer shall
19 employ any person for a work period of more than ten (10) hours without providing the employee a
20 second meal period of not less than 30 minutes.

21 63. California Labor Code § 226.7 provides that an employer shall not require an
22 employee to work during a meal or rest period mandated pursuant to an applicable statute or order
23 of the Industrial Welfare Commission.

24 64. IWC Order 7 § 11 and Labor Code § 226.7 each mandate that an employer shall pay
25 the employee one additional hour of pay at the employee’s regular rate of compensation for each
26 workday that a legally-compliant meal period is not provided.

27 65. Defendants did not provide Plaintiff with her required meal period or periods on a
28 number of workdays. Furthermore, Defendants failed to compensate Plaintiff one hour of pay for

1 each workday that a meal period was not provided.

2 66. As a result of Defendants' conduct, Plaintiff has sustained economic damages,
3 including but not limited to unpaid wages and lost interest, in an amount to be established at trial,
4 and Plaintiff is entitled to recover economic and statutory damages and penalties and other
5 appropriate relief for Defendants' violations of the California Labor Code and IWC Order 7, or any
6 other applicable IWC Order.

7 **THIRD CAUSE OF ACTION**

8 **FAILURE TO PROVIDE REST PERIODS IN VIOLATION OF IWC ORDER 7 § 12 AND**
9 **LABOR CODE §§ 226.7, 558, 558.1**

10 **(Against all Defendants)**

11 67. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though
12 set forth herein.

13 68. California Labor Code § 226.7 prohibits an employer from requiring an employee to
14 work during any rest period mandated by an applicable Industrial IWC Order.

15 69. Pursuant to IWC Order 7 § 12, every employer shall authorize and permit all
16 employees to take rest periods at the rate of ten (10) minutes net rest time per four (4) hours or
17 major fraction thereof.

18 70. If an employer fails to provide an employee with one or more rest periods as
19 required, the employer must pay the employee one hour of pay at the employee's regular rate of
20 compensation for each workday that a rest period is not provided as required.

21 71. Defendants failed to authorize or permit Plaintiff to take a rest period or periods on a
22 number of workdays. Furthermore, Defendants failed to compensate Plaintiff one hour of pay for
23 each workday that a rest period was not provided.

24 72. As a result of Defendants' conduct, Plaintiff has sustained economic damages,
25 including but not limited to, unpaid wages and lost interest, in an amount to be established at trial,
26 and Plaintiff is entitled to the recovery of economic and statutory damages and penalties and other
27 appropriate relief for Defendants' violations of the California Labor Code and IWC Order 7, or any
28 other applicable IWC Order.

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FOURTH CAUSE OF ACTION

**FAILURE TO PAY OVERTIME AND DOUBLE-TIME WAGES IN VIOLATION OF
LABOR CODE §§ 204, 510, 1194, AND IWC ORDER 7-2001**

(Against all Defendants)

73. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though fully set forth herein.

74. California Labor Code § 510 et seq. and IWC Order 7-2001 § 3 state that an employee must be paid overtime equal to one and one-half (1 ½) times the employee’s regular rate of pay, for all hours worked in excess of eight (8) hours in one workday and any work in excess of forty (40) hours in any one workweek and the first eight (8) hours worked on the seventh day of work in any one workweek.

75. California Labor Code § 510 et seq. and IWC Order 7-2001 § 3 also state that any work in excess of twelve (12) hours in one day or in excess of eight (8) hours on the seventh day of work in any one workweek shall be compensated at the rate of no less than twice the regular rate of pay for an employee.

76. Plaintiff is entitled to bring a civil action to recover on claims involving failure to pay overtime pursuant to Labor Code § 1194.

77. When Plaintiff worked more than forty (40) hours per week and/or eight (8) hours per day, she was not paid all due overtime wages for such work as a result of Defendants’ failure to compensate Plaintiff for work performed.

78. When Plaintiff worked more than twelve (12) hours in one day and/or in excess of eight (8) hours on the seventh day of work in a workweek, she was not paid twice the regular rate for such work as a result of Defendants’ failure to compensate Plaintiff for work performed.

79. Defendants have failed and refused to pay correct overtime and double-time compensation to Plaintiff.

80. Pursuant to California Labor Code § 1194, Plaintiff is entitled to recover unpaid overtime and double-time compensation, including interest thereon, plus attorneys’ fees and costs, in an amount to be proven at trial.

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FIFTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE AND ITEMIZED WAGE STATEMENTS

LABOR CODE §§ 226, 558.1

(Against all Defendants)

81. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though fully set forth herein.

82. Labor Code § 226 requires an employer to furnish its employees with an accurate itemized statement in writing showing, among other things, gross wages earned, total hours worked, net wages earned and/or all applicable hourly rates in effect during each respective pay period and the corresponding number of hours worked at each hourly rate by each employee.

83. Pursuant to Labor Code § 226, Defendants were required to maintain accurate records pertaining to the total hours worked by Plaintiff, including, but not limited to, the total hours worked per pay period and applicable rates of pay.

84. In violation of Labor Code § 226(a), Defendants did not maintain accurate records pertaining to the total hours worked by Plaintiff, including the total daily hours actually worked, gross wages actually earned, total hours actually worked per pay period, net wages actually earned, and applicable rates of pay.

85. In violation of Labor Code § 226(a), Defendants did not furnish Plaintiff with accurate itemized statements in writing showing gross wages actually earned, total hours actually worked, net wages actually earned and/or all applicable hourly rates in effect during each respective pay period and the corresponding number of hours actually worked at each hourly rate.

86. Defendants have knowingly and intentionally failed to comply with Labor Code § 226(a).

87. Labor Code § 558.1 provides that “[a]ny employer or other person acting on behalf of an employer, who violates, or causes to be violated . . . [Labor Code §] 226 . . . may be held liable as the employer for such violation.”

88. Pursuant to Labor Code § 226(e), Plaintiff is entitled to penalties as follows:

- a. Fifty dollars (\$50.00) for the initial pay period in which a violation occurs;

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and

b. One hundred dollars (\$100.00) for each violation in a subsequent pay period, not to exceed \$4,000.

89. Pursuant to Labor Code § 226(h), Plaintiff is entitled to an award of costs and reasonable attorneys’ fees, in an amount to be proven at trial.

SIXTH CAUSE OF ACTION

**FAILURE TO PAY WAGES PROMPTLY AFTER TERMINATION/WAITING TIME
PENALTIES UNDER LABOR CODE §§ 201 AND 203**

(Against all Defendants)

90. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though fully set forth herein.

91. Labor Code § 201 requires employers to pay all compensation due and owing to their employees immediately upon involuntary discharge.

92. Labor Code § 203 provides that if an employer willfully fails to pay compensation promptly upon discharge or resignation, as required by Section 201, then the employer is liable for such “waiting time” penalties in the form of continued compensation up to thirty workdays.

93. Defendants terminated Plaintiff’s employment and failed to pay all of Plaintiff’s wages due immediately upon termination as required by Labor Code § 201. To date, Defendants have not paid Plaintiff all earned wages.

94. Plaintiff is informed and believes and based thereon alleges that the Defendants willfully failed to pay Plaintiff’s wages pursuant to the requirements of Labor Code § 201, and therefore Plaintiff is entitled to recover unpaid wages, waiting-time penalties under Labor Code § 203, plus attorneys’ fees and costs, in an amount to be proven at trial.

SEVENTH CAUSE OF ACTION

NEGLIGENT HIRING, SUPERVISION, AND RETENTION

(Against Defendants Snail Games USA Inc., Hai Shi, Jim Tsai, and Does 1-25)

95. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though fully set forth herein.

1 96. Defendants owed a duty of care to Plaintiff to appoint, hire, retain, and supervise
2 persons who would not engage in retaliatory, harassing, or discriminatory conduct.

3 97. Defendants owed a duty of care to Plaintiff not to retain managers or employees who
4 would discriminate against, harass, or retaliate against employees for engaging in protected
5 activities.

6 98. Defendants owed a duty of care to Plaintiff to supervise their managers and
7 employees closely to ensure that they would refrain from harassing and retaliating against Plaintiff.

8 99. Defendants breached these duties. As a result, Defendants caused damages to
9 Plaintiff. As a proximate result of Defendants' negligent hiring, retention, and supervision of their
10 managers and employees, Plaintiff has suffered and continues to suffer damages.

11 **EIGHTH CAUSE OF ACTION**

12 **RETALIATION FOR COMPLAINT OF UNLAWFUL ACTS**

13 **LABOR CODE § 1102.5**

14 **(Against all Defendants)**

15 100. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though
16 fully set forth herein.

17 101. Labor Code § 1102.5(b) provides, among other things, that “[a]n employer, or any
18 person acting on behalf of the employer, shall not retaliate against an employee for disclosing
19 information . . . to a person with authority over the employee or another employee who has the
20 authority to investigate, discover, or correct the violation or noncompliance . . . if the employee has
21 reasonable cause to believe that the information discloses a violation of state or federal statute, or a
22 violation of or noncompliance with a local, state, or federal rule or regulation.”

23 102. Plaintiff complained on numerous occasions about Defendants' failure to pay her
24 compensation due, wages due, and violations of related Labor Code violations, as set out more fully
25 herein. Plaintiff had reasonable cause to believe that the complained-of activities were unlawful.

26 103. Defendants retaliated against Plaintiff as described in the instant complaint. Such
27 retaliation materially affected the terms and conditions of her employment. Such acts also
28 constituted conduct intended to force Plaintiff to waive her legal rights and/or resign her

1 employment with the company. Ultimately, Defendants terminated Plaintiff's employment in
2 retaliation for her complaints, as described herein.

3 104. As a result, Plaintiff has suffered and will continue to suffer (a) substantial
4 humiliation, serious mental anguish, and emotional distress; and (b) loss of future earnings, status
5 and future status, and employment benefits and opportunities, on account of which Plaintiff is
6 entitled to actual damages in an amount to be established according to proof at trial pursuant to
7 Labor Code §§ 1102.5, 1105.

8 105. Plaintiff is entitled to a civil penalty of \$10,000 for each retaliatory action pursuant
9 to Labor Code § 1102.5(f) against Defendant Snail Games.

10 106. Defendants' ongoing harassment and retaliation of Plaintiff is, and was, intentional,
11 malicious, wanton, and oppressive, with a conscious disregard for Plaintiff's rights and with the
12 intent to vex, injure, punish, and annoy Plaintiff so as to cause her the injuries alleged herein. Such
13 acts amount to oppression and malice, as described in Civil Code § 3294. Plaintiff is therefore
14 entitled to punitive or exemplary damages in an amount sufficient to punish and make an example
15 out of Defendants.

16 107. Plaintiff claims such amount together with prejudgment interest pursuant to Civil
17 Code § 3287 or 3288 and any other applicable provision of law.

18 **NINTH CAUSE OF ACTION**

19 **RETALIATION FOR COMPLAINT OF LABOR CODE VIOLATION**

20 **LABOR CODE § 98.6**

21 **(Against all Defendants)**

22 108. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though
23 fully set forth herein.

24 109. Labor Code § 98.6(a) provides that "[a] person shall not discharge an employee or in
25 any manner discriminate, retaliate, or take any adverse action against any employee . . . because the
26 employee . . . has filed a bona fide complaint or claim . . . relating to his or her rights that are under
27 the jurisdiction of the Labor Commissioner, [or] made a written or oral complaint that he or she is
28 owed unpaid wages . . . or because of the exercise by the employee . . . on behalf of himself, herself,

1 or others of any rights afforded him or her.”

2 110. Plaintiff complained on numerous occasions about Defendants’ failure to pay her
3 compensation due in the form of unpaid wages, as set out more fully above. Plaintiff had
4 reasonable cause to believe that the complained-of activities were unlawful.

5 111. Defendants retaliated against Plaintiff as described in the instant complaint. Such
6 retaliation materially affected the terms and conditions of her employment. Such acts also
7 constituted conduct intended to force Plaintiff to waive her legal rights and/or resign her
8 employment with the company. Ultimately, Defendants terminated Plaintiff’s employment in
9 retaliation for her complaints, as described herein.

10 112. As a result, Plaintiff has suffered and will continue to suffer (a) substantial
11 humiliation, serious mental anguish, and emotional distress; and (b) loss of future earnings, status
12 and future status, and employment benefits and opportunities, on account of which Plaintiff is
13 entitled to compensatory damages in an amount to be established according to proof at trial.

14 113. Defendants’ ongoing harassment and retaliation of Plaintiff is, and was, intentional,
15 intentional, malicious, wanton, and oppressive, with a conscious disregard for Plaintiff’s rights and
16 with the intent to vex, injure, punish, and annoy Plaintiff so as to cause her the injuries alleged
17 herein. Such acts amount to oppression and malice, as described in Civil Code § 3294. Plaintiff is
18 therefore entitled to punitive or exemplary damages in an amount sufficient to punish and make an
19 example out of Defendants.

20 114. Plaintiff claims such amount together with prejudgment interest pursuant to Civil
21 Code § 3287 or 3288 and any other applicable provision of law.

22 **TENTH CAUSE OF ACTION**

23 **WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY**

24 **(Against all Defendants)**

25 115. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though
26 fully set forth herein.

27 116. Defendants’ right to discharge Plaintiff was subject to limits imposed by public
28 policy of the State of California.

1 117. An employer's discharge of an employee in violation of a fundamental public policy
2 embodied in a constitutional or statutory provision gives rise to a tort action for wrongful
3 termination in violation of public policy.

4 118. Defendants' discharge of Plaintiff violated the public policy of the State of
5 California, as expressed in Labor Code §§ 1102.5 and 98.6, which prohibit retaliation in
6 employment on the basis of protected complaints about unpaid wages and other statutory or
7 regulatory violations in the workplace.

8 119. Plaintiff complained about Defendants' failure to pay her wages for all time worked,
9 as set forth herein.

10 120. Plaintiff had reasonable cause to believe that the complained of activities were
11 unlawful and, in fact, such activities were unlawful.

12 121. Defendants retaliated against Plaintiff by changing the terms and conditions of her
13 employment and then terminating her employment, and Plaintiff's protected complaint regarding
14 the unlawful activity was a contributing factor in Defendants' decision to terminate.

15 122. Defendants authorized and ratified the wrongful acts of their agents and employees,
16 knew in advance that their agents and employees were likely to commit such acts and employed
17 them with conscious disregards of the rights or safety of others, and/or their officers, directors, or
18 managing agents were themselves guilty of oppression and malice.

19 123. As a result of Defendants' unlawful termination of Plaintiff's employment, Plaintiff
20 has suffered and will continue to suffer (a) substantial humiliation, serious mental anguish, and
21 emotional and physical distress; and (b) loss of past and future earnings, status and future status,
22 and employment benefits and opportunities, on account of which Plaintiff is entitled to
23 compensatory damages in an amount to be established according to proof at trial. Plaintiff claims
24 such amount together with prejudgment interest pursuant to Civil Code § 3287 or 3288 and any
25 other applicable provision of law.

26 124. Defendants' unlawful and wrongful termination of Plaintiff was intentional,
27 malicious, wanton, and oppressive, with a conscious disregard for Plaintiff's rights and with the
28 intent to vex, injure, punish, and annoy Plaintiff so as to cause Plaintiff the injuries alleged herein.

1 Such acts amount to oppression and malice, as described in Civil Code § 3294. Plaintiff is therefore
2 entitled to punitive or exemplary damages in an amount sufficient to punish and make an example
3 out of Defendants.

4 **ELEVENTH CAUSE OF ACTION**

5 **INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS**

6 **(Against All Defendants)**

7 125. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though
8 fully set forth herein.

9 126. Pursuant to *Christensen v. Superior Court*, 54 Cal.3d 868, 903 (1991), Plaintiff is
10 entitled to recover for the intentional infliction of emotional distress where, “(1) extreme and
11 outrageous conduct by the defendant with the intention of causing, or reckless disregard of the
12 probability of causing, emotional distress; (2) the plaintiff’s suffering severe or extreme emotional
13 distress; and (3) actual and proximate causation of the emotional distress by the defendant’s
14 outrageous conduct.”

15 127. Defendants’ extreme and outrageous conduct, as alleged herein and incorporated by
16 reference, is imputed to Defendants, and each of them, as each was a managing and/or supervising
17 agent of Snail Games.

18 128. As a proximate result of Defendants’ conduct, Plaintiff has suffered and
19 continues to suffer from severe emotional distress including embarrassment, humiliation,
20 disappointment, anxiety, and anger, all to Plaintiff’s damage in an amount to be proven at trial.

21 129. Defendants’ acts and omissions, as set forth herein above, were extreme and
22 outrageous and were undertaken in a despicable, oppressive, deceitful, fraudulent, deliberate,
23 egregious and inexcusable manner, with malice and oppression as defined by Civil Code § 3294.

24 130. In committing the outrageous acts and omissions described herein above,
25 Defendants, and each of them, knew or should have known that their conduct would result in
26 Plaintiff’s severe emotional distress, and Defendants’ acts and omission were perpetrated with the
27 intent to inflict and/or with reckless disregard for the probability of inflicting humiliation, mental
28 anguish and severe emotional distress on Plaintiff. Plaintiff is informed and believes and thereon

1 alleges that she will continue to experience said pain and emotional suffering for a period in
2 the future all in an amount subject to proof at the time of trial.

3 131. As a proximate result of the wrongful acts of Defendants, and each of them,
4 Plaintiff has been harmed in that Plaintiff has suffered actual, consequential and incidental
5 financial losses, including without limitations loss of salary and benefits, and related opportunities,
6 all in an amount subject to proof at the time of trial.

7 132. Plaintiff claims such amounts as damages together with prejudgment interest.

8 133. The discrimination, retaliation, and other adverse actions taken toward Plaintiff
9 were carried out by and/or ratified by Defendants, and each of them, including Does 1 through 25,
10 and/or managing agent employees of Defendants, all of whom acted in a despicable, oppressive,
11 cruel, fraudulent, malicious, deliberate, deceitful, egregious, and inexcusable manner in order to
12 injure and damage Plaintiff, thereby justifying an award to her of punitive damages in a sum
13 appropriate to punish and make an example of Defendants.

14 **TWELFTH CAUSE OF ACTION**

15 **UNFAIR BUSINESS PRACTICES**

16 **BUSINESS AND PROFESSIONS CODE § 17200, *ET SEQ.***

17 **(Against all Defendants)**

18 134. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though
19 fully set forth herein.

20 135. Business and Professions Code § 17200 prohibits unfair competition in the form of
21 any unlawful, unfair, or fraudulent business act or practice.

22 136. Business and Professions Code § 17204 allows “any person who has suffered injury
23 in fact and has lost money or property” to prosecute a civil action for violation of the Unfair
24 Competition Law.

25 137. Defendants have committed unlawful, unfair, and/or fraudulent business acts and
26 practices as defined by Business and Professions Code § 17200, *et seq.*, by engaging in the course
27 of conduct more fully described elsewhere herein.

28 138. The above-described unlawful actions of such Defendants constitute false, unfair,

1 fraudulent and/or deceptive business practices, within the meaning of Business and Professions
2 Code §§ 17200, *et seq.*

3 139. Plaintiff is entitled to an injunction and other equitable relief against such unlawful
4 practices in order to prevent future damage, for which there is no adequate remedy at law, and to
5 avoid a multiplicity of lawsuits.

6 140. As a result of their unlawful acts, Defendants have reaped and continue to reap unfair
7 benefits at the expense of Plaintiff.

8 141. Defendants should made to disgorge these ill-gotten gains and restore to Plaintiff the
9 wrongfully withheld wages, pursuant to Business and Professions Code §§ 17200, *et seq.* Plaintiff
10 is informed and believes, and thereupon allege, Defendants are unjustly enriched as a result of their
11 failure to comply with the provisions of the California Labor Code.

12 142. As a direct and proximate result of the unfair business practices of Defendants,
13 Plaintiff is entitled to equitable relief, including full restitution, disgorgement, and/or specific
14 performance of payment of all wages and pay that have been unlawfully withheld from Plaintiff as
15 a result of the business acts and practices described herein.

16 **ELEVENTH CAUSE OF ACTION**

17 **PRIVATE ATTORNEYS GENERAL ACT OF 2004 CLAIM FOR CIVIL PENALTIES**

18 **VIOLATION OF LABOR CODE §§ 2698 *et seq.***

19 **(Alleged by Plaintiff On Behalf of All Aggrieved Employees**

20 **Against Defendant Snail Games USA Inc.)**

21 143. Plaintiff re-alleges and incorporates by reference the foregoing allegations as though
22 fully set forth herein.

23 144. This action is appropriately suited for a PAGA action because:

24 a. Pursuant to California Labor Code § 2699(a), any provision of the Labor
25 Code that provides for a civil penalty to assessed and collected by the Labor and Workforce
26 Development Agency or any of its departments, divisions, commission, boards, agencies, or
27 employees, for a violation of the California Labor Code may, as an alternative, be recovered
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1 through a civil action brought by an aggrieved employee on behalf of himself or herself and other
2 current or former employees pursuant to the procedures specified in section 2699.3;

3 b. Pursuant to California Labor Code § 2699.5, civil penalties for violations of
4 the California Labor Code set forth in § 2699.3(a) may be recovered through a civil action brought
5 by an aggrieved employee on behalf of himself or herself and other current or former employees
6 pursuant to the procedures specified in section 2699.3;

7 c. Snail Games employed Plaintiff and Plaintiff had one or more of the alleged
8 violations committed against her. Therefore, Plaintiff is an “aggrieved employee” under PAGA
9 because the alleged violator employed her. As such, Plaintiff is properly suited to represent the
10 interest of other aggrieved employees in a PAGA representative action;

11 d. This action involves allegations of violations of the California Labor Code
12 that provide, or do not provide, for a civil penalty to be assessed and collected by the LWDA or any
13 of its department, divisions, commissions, boards, agencies, or employees;

14 e. On July 26, 2019, Plaintiff satisfied the procedural requirements of § 2699.3
15 by serving the LWDA electronically and Defendant Snail Games via Certified Mail with a notice
16 for wage and hour violations and penalties, including the facts and theories to support each
17 violation. A true and correct copy of said notice is attached hereto as Exhibit A (the “Notice”);

18 f. More than 65 days have passed since Plaintiff served the LWDA
19 electronically and Defendant Snail Games via Certified Mail. Therefore, Plaintiff has satisfied all
20 of the administrative requirements to pursue civil penalties against Snail Games pursuant to Labor
21 Code § 2698, *et seq*; and

22 g. Effective September 10, 2019, Plaintiff and Snail Games agreed to toll all
23 claims, including, but not limited to, Plaintiff’s claims made under PAGA on behalf of herself and
24 all other “aggrieved employees.” “Aggrieved employees” is defined herein as Plaintiff, other
25 assistants, business development employees, marketing employees, localization department
26 employees, customer service representatives, IT employees, housekeepers, and/or similar job
27 designations and titles who are or were hourly employees of Snail Games, and employees who have
28 been, or continue to be, misclassified as exempt employees by Snail Games.

1 145. This cause of action involves allegations of violations of Labor Code § 201, 202,
2 203, 226.3, 226.7, 510, 512, 558, 558.1, 1194, 1194.2, 1197, and 1197.1, which, pursuant to Labor
3 Code § 2699.5, provide for a civil penalty to be assessed and collected by the LWDA or recovered
4 through a civil action brought by an aggrieved employee on behalf of himself or herself and other
5 current or former employees pursuant to the procedures specified in Labor Code § 2699.3.

6 146. First, Plaintiff seeks to recover civil penalties on behalf of herself and other
7 aggrieved employees for Snail Games' violation of Labor Code § 510. Plaintiff seeks such
8 penalties based upon Snail Games' maintenance of a boilerplate practice in which Plaintiff and
9 other aggrieved employees would not be paid for a thirty (30) minute meal period each day,
10 notwithstanding that Plaintiff and other aggrieved employees would perform work, were "on call,"
11 were responsible for performing work, and/or were otherwise subject to the control of Snail Games
12 during such time. Further, Plaintiff seeks such penalties on the ground that Plaintiff did not
13 maintain an employee handbook or written meal period policy. As such, many of its non-exempt
14 and (misclassified) exempt employees did not take, or know of their right to take timely,
15 uninterrupted thirty (30) minute meal breaks during which they are, or were, free to leave the
16 premises. Further, Plaintiff seeks such penalties on behalf of Snail Games' assistants, localization
17 department employees, and customer representatives on the ground that such employees have
18 worked and/or continue to work as hourly employees, but perform work outside of their "regular
19 shifts" for which they have not received, and/or do not receive, compensation.

20 147. Second, Plaintiff seeks to recover civil penalties on behalf of herself and other
21 aggrieved employees for Defendants' violation of Labor Code § 1194. Plaintiff seeks such
22 penalties based upon Snail Games' policies and practices as alleged in the prior paragraph. Further,
23 Plaintiff seeks such penalties based upon Snail Games' policy and/or practice to instruct its
24 employees who worked, and continue to work, over eight hours in a day, to take the following day,
25 or another day, off of work in an effort avoid paying overtime to such employees. Further, Plaintiff
26 seeks such penalties on the ground that Snail Games has misclassified employees working as
27 assistants, business development employees, marketing personnel, and IT employees, as exempt,
28 salaried employees, to avoid the payment of overtime and double-time.

1 148. Third, Plaintiff seeks to recover civil penalties on behalf of herself and other
2 aggrieved employees for Snail Games' violation of Labor Code §§ 1197, 1197.1. Plaintiff seeks
3 such penalties based upon Snail Games' policies and practices as alleged in paragraphs 146 and 147
4 of this complaint, and which resulted in payment of less than the minimum waged fixed by
5 applicable state or local law. Pursuant to Labor Code § 1197.1, Snail Games, in addition to, and
6 entirely independent and apart from any other penalty, are subject to a civil penalty for failing to
7 pay the wages of each aggrieved employee as provided in Labor Code § 1197.1 as follows: (1) for
8 any initial violation, one hundred dollars (\$100) for each failure to pay each aggrieved employee;
9 (2) for each subsequent violation, two hundred dollars (\$200) for each failure to pay each aggrieved
10 employee.

11 149. Fourth, Plaintiff seeks to recover civil penalties on behalf of herself and other
12 aggrieved employees for Snail Games violation of Labor Code §§ 226.7, 512. Plaintiff seeks such
13 penalties based upon Snail Games' maintenance of a boilerplate practice in which Plaintiff and
14 other employees would not be paid for a thirty (30) minute meal period each day, notwithstanding
15 that Plaintiff and other aggrieved employees would perform work, were "on call," were responsible
16 for performing work, and/or were otherwise subject to the control of Snail Games during such time.
17 Further, during the relevant period of time, Snail Games did not maintain an employee handbook or
18 written meal period policy. As such, many of its non-exempt and (misclassified) exempt employees
19 did not take, or know of their right to take timely, uninterrupted thirty (30) minute meal breaks
20 during which they are, or were, free to leave the premises. Plaintiff further seeks such penalties on
21 the ground that aggrieved employees were not paid a salary sufficient to meet the salary basis test
22 necessary to establish exempt status and/or did not customarily and regularly exercise the requisite
23 independent judgment and discretion to be properly classified as salaried, exempt employees.

24 150. Fifth, Plaintiff seeks to recover civil penalties on behalf of herself and other
25 aggrieved employees for Snail Games' violation of Labor Code § 226.7. Plaintiff seeks such
26 penalties based upon Snail Games' failure to inform Plaintiff and other aggrieved employees of
27 their right to take a paid and uninterrupted rest break of ten (10) minutes for any shift between 3 ½-
28 6 hours per day, an additional rest break for any shift between 6-10 hours per day, and an additional

1 rest break for any shift between 10-14 hours per day. Regardless of the length of their actual shift,
2 Plaintiff and other aggrieved employees would perform work, were “on call,” were responsible for
3 performing work, and/or were otherwise subject to the control of Snail Games during such time.
4 Further, during the relevant period of time, Snail Games did not maintain an employee handbook or
5 written rest period policy. As such, many of its non-exempt and (misclassified) exempt employees
6 did not take, or know of their right to take timely, uninterrupted ten (10) minute rest breaks during
7 the relevant periods of time. Plaintiff further seeks such penalties on the ground that aggrieved
8 employees were not paid a salary sufficient to meet the salary basis test necessary to establish
9 exempt status and/or did not customarily and regularly exercise the requisite independent judgment
10 and discretion to be properly classified as salaried, exempt employees.

11 151. Sixth, Plaintiff seeks to recover civil penalties on behalf of herself and other
12 aggrieved employees for Defendants’ violation of Labor Code §§ 201-203. Plaintiff seeks such
13 penalties based upon Snail Games’ policies and practices as alleged in paragraphs 146, 147, and 148
14 of this complaint.

15 152. Seventh, Plaintiff seeks to recover civil penalties on behalf of herself and other
16 aggrieved employees for Snail Games’ violation of Labor Code § 226. Section 226 requires an
17 employer to furnish its employees with an accurate itemized statement in writing showing, among
18 other things, (1) gross wages earned, (2) total hours worked by each respective individual, (3) net
19 wages earned and/or (4) all applicable hourly rates in effect during each respective pay period and
20 the corresponding number of hours worked at each hourly rate by each respective individual.

21 153. Defendants violated Labor Code § 226 by knowingly and intentionally failing to
22 maintain and provide Plaintiff and other aggrieved employees of Defendants with wage statements
23 itemizing accurately all information required by Labor Code § 226(a), as alleged herein. Thus,
24 under Labor Code § 2699(f)(2), Defendants are subject to a civil penalty of \$100 for each aggrieved
25 employee per pay period for the initial violation of Labor Code § 226(a), and \$200 for each
26 aggrieved employee per pay period for each subsequent violation. Alternatively, Labor Code §
27 226.3 provides for a civil penalty in the amount of \$250 per violation in an initial citation and
28 \$1,000 for each violation in a subsequent citation for which the employer fails to provide the

1 employee a wage deduction statement or fails to keep the records required in subdivision (a) of
2 Labor Code § 226.

3 154. For all provisions of the Labor Code for which a civil penalty is not specifically
4 provided, Labor Code § 2699(f) imposes upon Defendants a penalty of one hundred dollars
5 (\$100.00) for each aggrieved employee per pay period for the initial violation and two hundred
6 dollars (\$200.00) for each aggrieved employee per pay period for each subsequent violation. Such
7 civil penalties are requested for violation of Labor Code §§ 201, 202, 203, 226.7, 510, 512, 1194,
8 and 1198.

9 155. The exact amount of the applicable penalties is in an amount to be shown to proof at
10 trial and within the jurisdictional limitations of this Court.

11 156. For bringing this action, Plaintiff is additionally entitled to attorney's fees and costs
12 incurred herein

13 **PRAYER FOR RELIEF**

14 Wherefore, Plaintiff prays for the following relief:

- 15 1. For general damages;
- 16 2. For special damages;
- 17 3. For actual damages pursuant to Labor Code § 226(e);
- 18 4. For civil and statutory penalties to the extent permitted by law, including pursuant to
19 the Labor Code, the Private Attorneys General Act, and any and all applicable Orders of the
20 Industrial Welfare Commission;
- 21 5. For an award of damages in the amount of unpaid wages (including overtime
22 compensation, double-time compensation, and unpaid minimum wage compensation), and
23 liquidated damages thereon, interest, and penalties subject to proof at trial;
- 24 6. For an award of all actual, consequential, and incidental financial losses suffered by
25 Plaintiff, including lost employment benefits, mental and emotional distress, and other special and
26 general damages;
- 27 7. For an award to Plaintiff of one (1) hour of additional pay at the regular rate of
28 compensation for each required meal period that was not provided, pursuant to Labor Code § 226.7

1 and Wage Order 7-2001 § 11;

2 8. An award of one (1) hour of additional pay at the regular rate of compensation for
3 each workday that rest periods were not provided, pursuant to California Labor Code § 226.7 and
4 Wage Order 7-2001 § 12;

5 9. That the Court declare that Defendants' herein alleged policies and/or practices
6 violated Bus. & Prof. Code §§ 17200-17208, as to the Plaintiff;

7 10. For an order that Defendants make restitution to Plaintiff for Defendants' unlawful
8 business practices as described herein pursuant to Business and Professions Code §§ 17200-17205;

9 11. That the Court declare the Defendants have violated §§ 201, 202, 203, 226.3, 226.7,
10 512, 558, 558.1, 1102.5, 1194, 1197, 1197.1, the "Hours and Days of Work," "Rest Periods," and
11 "Meal Periods" sections of the relevant Wage Order of the Industrial Welfare Commission;

12 12. For an order imposing a constructive trust upon the Defendants to compel them to
13 transfer wages that have been wrongfully obtained and held by Defendants to Plaintiff;

14 13. For an accounting to determine all money wrongfully obtained and held by
15 Defendants;

16 14. For an order permanently enjoining Defendants from engaging in the practices
17 alleged herein;

18 15. For an award of punitive damages against any and/or all Defendants;

19 16. For an award of reasonable attorneys' fees and costs of suit as authorized by statute,
20 contract, or common law, including Code of Civil Procedure § 1021.5, Labor Code §§ 218.5, 226,
21 and 1194, and Labor Code § 2699(g)(1);

22 17. For prejudgment interest under Civil Code § 3287 or 3288, Labor Code §§ 226.7 or
23 510, and as otherwise authorized by statute, contract, or common law; and

24 18. For such other and further relief as the Court deems just and proper.

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1 Dated: December 12, 2019

DANIEL T. HO & ASSOCIATES, P.C.

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By *Daniel Ho*

4

Daniel T. Ho, Esq.
Attorneys for Plaintiff
MENG HUA LEE

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DEMAND FOR JURY TRIAL

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Plaintiff hereby demands trial by jury of this action.

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10 Dated: December 12, 2019

DANIEL T. HO & ASSOCIATES, P.C.

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By *Daniel Ho*

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Daniel T. Ho, Esq.
Attorneys for Plaintiff
MENG HUA LEE

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Exhibit A



Employment Litigation and Trial Counsel

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July 26, 2019

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
CALIFORNIA LABOR CODE SECTION 2699.3**

TO: California Labor and Workforce Development Agency; Snail Games USA Inc.

FROM: Meng Hua Lee, on behalf of herself, other current and former employees of Snail Games USA Inc., and the general public

Factual Statement and Theories of Labor Code Violations

Meng Hua Lee (“Ms. Lee”) has been, and continues to be, employed as an Assistant by Snail Games USA Inc. (“Snail Games”). Ms. Lee commenced her employment with Snail Games on or about October 31, 2017. Snail Games’ primary offices are located in Culver City, California.

Ms. Lee gives notice of her intent to file a lawsuit for violations of the Private Attorneys General Act of 2004 (“PAGA”) arising out of Snail Games’ failure to comply with California’s wage and hour requirements on behalf of herself, and other current and former employees against whom one or more of the alleged violations was committed (the “aggrieved employees”).

I. Snail Games Has Failed to Pay Straight-Time Wages to Non-Exempt Employees, Including Employees Misclassified as Exempt, Salaried Employees

Snail Games has a policy and practice of not paying Ms. Lee and other aggrieved employees for all hours worked. This includes, but is not limited to, Snail Games’ maintenance of a boilerplate practice of “clocking out” Ms. Lee and other aggrieved employees for a thirty (30) minute meal period each day, notwithstanding that Ms. Lee and other aggrieved employees would perform work, were “on call,” were responsible for performing work, and/or were otherwise subject to the control of Snail Games during such time.

In addition, Snail Games does not maintain an employee handbook or written meal period policy. As such, many of its non-exempt and (misclassified) exempt employees do not take, or know of their right to take, timely and uninterrupted thirty (30) minute meal periods during which they are free to leave the premises.

These claims are made on behalf of Ms. Lee and other assistants, business development employees, marketing employees, localization department employees, customer service representatives, IT employees, housekeepers, and/or similar job designations and titles and other aggrieved employees who are or were hourly employees of Snail Games and employees who have been, or continue to be, misclassified as exempt under California law.

Specifically, in addition to Ms. Lee, Snail Games' assistants, business development, marketing, and IT employees have worked and/or continue to work either on salary or as hourly employees, but do not receive timely, continuous, and uninterrupted meal periods.

It is further our understanding that, in addition to Ms. Lee, a number of Snail Games' localization department and customer representatives have worked and/or continue to work as hourly employees, but perform work outside of their "regular shifts" for which they have not received, and/or do not receive, compensation.

Thus, Snail Games has withheld, and continues to withhold, earned wages from Ms. Lee and other aggrieved employees for each day they worked, and/or continue to work, without a continuous, uninterrupted meal period and yet continue to have time deducted. Accordingly, Ms. Lee and other aggrieved employees are not and/or have not been paid for all hours worked.

Ms. Lee, as a representative of the people of the State of California, will seek any and all penalties otherwise capable of being collected by the Department of Labor Standards Enforcement. This includes those set forth in California Labor Code section 2699.5, which provides that section 2699.3(a) applies to any alleged violation of California Labor Code sections 510 and 1194.

II. Snail Games Has Failed to Pay Overtime/Double-Time Wages to Non-Exempt Employees, Including Employees Misclassified as Exempt, Salaried Employees

Snail Games has failed to pay overtime to Ms. Lee and other aggrieved employees who work, or have worked, over eight (8) hours per day and/or who worked over 40 hours per week. Additionally, Snail Games has failed to pay double the regular rate of pay to Ms. Lee and other aggrieved employees who work, or have worked, over twelve (12) hours per day and/or who worked over eight (8) hours on the seventh (7th) day of a workweek.

California Labor Code section 510 states that eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half time the regular rate of pay for an employee.

California Labor Code section 510 also states that any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In

addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.

Ms. Lee and other aggrieved employees have thus suffered, and/or continue to suffer, from the loss of substantial unpaid wages, including lost interest on such wages.

These claims are made on behalf of Ms. Lee and all of the assistants, business development employees, marketing employees, localization department employees, customer service representatives, IT employees, housekeepers, and or similar job designations and titles and all other aggrieved, both current and former, hourly employees of Snail Games and employees who have been, or continue to be, misclassified as exempt under California law within the applicable statute of limitations.

Specifically, in addition to the policies and/or practices set forth in Section I of his letter, it is our understanding that Snail Games would instruct its employees who worked, and continue to work, over eight hours in a day, to take the following day, or another day, off of work in an effort avoid paying overtime to such employees. As such, Snail Games has, willfully, recklessly, or negligently, breached its obligation to pay California employees overtime for hours worked over eight hours in a day and double-time for hours worked over twelve hours in a day.

In addition, Snail Games has willfully misclassified employees working as assistants, business development employees, marketing personnel, and IT employees, as exempt, salaried employees, to avoid the payment of overtime and double time. This is based upon, but not necessarily limited to, the fact that the payments made to such employees are, or have been, insufficient to meet the salary basis requirement necessary to establish exempt status, nor do such employees exercise the requisite independent judgment and discretion to be properly classified as salaried, exempt employees.

Ms. Lee, as a representative of the people of the State of California, will seek any and all penalties otherwise capable of being collected by the Department of Labor Standards Enforcement. This includes those set forth in California Labor Code section 2699.5, which provides that section 2699.3(a) applies to any alleged violation of California Labor Code sections 510 and 1194.

III. Snail Games Has Failed to Pay the Applicable Minimum Wage to Non-Exempt Employees, Including Employees Misclassified as Exempt, Salaried Employees

Section 1197.1 of the California Labor Code states, “[a]ny employer or other person acting individually as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law, or by an order of the commission shall be subject to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties pursuant to Section 203.”

Industrial Welfare Commission Order No. 7-2001, Section 4(B), states, “[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable

minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.”

These claims are made on behalf of Ms. Lee and all of the assistants, business development employees, customer service representatives, housekeepers, and or similar job designations and titles and all other aggrieved hourly employees of Snail Games and employees who have been, or continue to be, misclassified as exempt under California law within the applicable statute of limitations.

Based upon, but not necessarily limited to, Snail Games’ policies and practices set forth in Sections I-II of this letter, Snail Games’ compensation to Ms. Lee and an as-yet undetermined number of other aggrieved employees fell below the applicable minimum wage.

Ms. Lee, as a representative of the people of the State of California, will seek any and all penalties otherwise capable of being collected by the Department of Labor Standards Enforcement for violations of California Labor Code sections 1197.1 and Industrial Welfare Commission Order 7-2001, Section 4(B).

IV. Snail Games Has Failed to Provide Meal Periods to Non-Exempt Employees, Including Employees Misclassified as Exempt, Salaried Employees

Pursuant to the requirements imposed by California Labor Code section 512, no employer shall employ any person for a work period of more than five (5) hours without providing a meal period of not less than thirty (30) minutes. During this meal period of not less than thirty (30) minutes, the employee is to be completely free of the employer's control and must not perform any work for the employer. If the employee does perform work for the employer during the thirty (30) minute meal period, the employee has not been provided a meal period in accordance with the law.

In addition, an employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with another meal period of not less than thirty (30) minutes.

Snail Games has breached, and continues to breach, its duty to provide legally sufficient meal periods to its employees. This includes, but is not necessarily limited to, Snail Games’ maintenance of a boilerplate practice of “clocking out” Ms. Lee and other aggrieved employees for a thirty (30) minute meal period each day, notwithstanding that Ms. Lee and other aggrieved employees would be performing work during their putative meal periods, were otherwise “on call,” were responsible for performing work, and/or were otherwise subject to the control of Snail Games.

In addition, Snail Games does not maintain an employee handbook or written meal period policy. As such, many of its non-exempt and (misclassified) exempt employees do not take, or know of their right to take, uninterrupted thirty (30) minute meal breaks during which they are free to leave the premises.

These claims are made on behalf of Ms. Lee and all of the assistants, business development employees, marketing employees, localization department employees, customer service representatives, IT employees, housekeepers, and or similar job designations and titles and all other aggrieved hourly employees of Snail Games and employees who have been, or continue to be, misclassified as exempt under California law within the applicable statute of limitations.

Ms. Lee, as a representative of the people of the State of California, will seek any and all penalties otherwise capable of being collected by the Department of Labor Standards Enforcement. This includes those set forth in California Labor Code section 2699.5, which provides that section 2699.3(a) applies to any alleged violation for violations of sections 226.7 and 512.

V. Snail Games Has Failed to Provide Rest Periods to Non-Exempt Employees, Including Employees Misclassified as Exempt, Salaried Employees.

Snail Games has had a consistent practice of not providing duty-free ten (10) minute paid rest periods for every four (4) hours worked, or a major fraction thereof, to Ms. Lee and other aggrieved employees.

Industrial Welfare Commission Order No. 7-2001, Section 12(A), states, "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work week period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof."

Snail Games has had a consistent practice of not providing rest periods to Ms. Lee and other aggrieved employees and/or providing compensation in lieu thereof. Specifically, Ms. Lee and other aggrieved employees are, or have been, required to work ten (10) to twelve (12) hour shifts without receiving first and/or second rest breaks.

In addition, Snail Games does not maintain an employee handbook or written rest period policy. As such, many of its non-exempt and (misclassified) exempt employees do not take, or know of their right to take, uninterrupted ten-minute rest breaks per four hours or major fraction thereof.

It is our understanding that this is particularly a problem in regard to salaried employees who serve, or have served, as assistants, business development employees, marketing employees, localization department employees, and/or IT employees, many of whom have been misclassified as "exempt" employees. This is based upon, but not necessarily limited to, the fact that the payments made to such employees are, or have been, insufficient to meet the salary basis requirement necessary to establish exempt status, nor do such employees customarily and regularly exercise the requisite independent judgment and discretion to be properly classified as salaried, exempt employees.

By failing to provide rest periods for every four (4) hours or major fraction thereof worked per

day by non-exempt employees, and by failing to provide compensation for these unprovided periods, as alleged above, Snail Games violated the provisions of California Labor Code section 226.7 and Industrial Welfare Commission Order No. 7-2001, Section 12(A).

These claims are made on behalf of Ms. Lee and all of the assistants, business development employees, marketing employees, localization department employees, customer service representatives, IT employees, housekeepers, and or similar job designations and titles and all other aggrieved, both current and former, hourly employees of Snail Games who have been, or continue to be, misclassified as exempt under California law within the applicable statute of limitations.

Ms. Lee, as a representative of the people of the State of California, will seek any and all penalties otherwise capable of being collected by the Department of Labor Standards Enforcement. This includes those set forth in California Labor Code section 2699.5, which provides that section 2699.3(a) applies to any alleged violation of sections 226.7 and 512, and accordingly, for violation of Industrial Welfare Commission Order No. 7-2001, Section 12(A).

VI. Snail Games Has Failed to Pay Wages Due Upon Termination and/or Resignation.

Snail Games willfully failed to pay, in a timely manner, wages owed to other aggrieved employees who left Snail Games' employ or who were terminated. Aggrieved employees whose employment with Snail Games ended during the last year were entitled to prompt payment of all lawful compensation, and other premiums, as required by California Labor Code sections 201 through 203.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable no later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

California Labor Code section 203 provides that when an employer willfully fails to pay all wages owed in accordance with sections 201 and 202, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

During the relevant time period, Snail Games willfully failed to pay aggrieved employees who are no longer employed by Snail Games their wages that were earned and unpaid within seventy-two (72) hours of their quitting of Snail Games' employ in violation of California Labor Code sections 201 and 202. Snail Games also willfully failed to pay aggrieved employees who are no longer employed by Snail Games their wages that were earned and unpaid immediately upon

termination in violation of California Labor Code sections 201 and 202.

These claims are based upon, but are not necessarily limited to, the factual allegations set forth in Sections I-III of this letter, which describe the manner in which Snail Games has denied straight-time, overtime, double-time, and minimum wages to its employees. As such, upon resignation or termination, an as-yet undetermined number of aggrieved employees were not paid all wages owed consistent with the requirements of California Labor Code sections 201, 202, and/or 203.

These claims are made on behalf of the aggrieved employees, including assistants, business development employees, marketing employees, localization department employees, customer service representatives, or other similar job designations and titles and all other aggrieved hourly employees of Snail Games and employees misclassified as exempt during the time they were employed by Snail Games.

Ms. Lee, as a representative of the people of the State of California, will seek any and all penalties otherwise capable of being collected by the Department of Labor Standards Enforcement. This includes those penalties set forth in California Labor Code section 2699.5, which provides that section 2699.3(a) applies to any alleged violation for violations of Labor Code sections 201, 202, and 203.

VII. Snail Games Has Knowingly and Intentionally Failed to Comply with The Itemized Employee Wage Statement Provisions Set Forth in Labor Code Section 226(a).

Among other things, California Labor Code section 226(a) requires Snail Games, at the time of each payment of wages, to "furnish each of [its] employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee ... (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid ... [and] (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate and the corresponding number of hours worked at each hourly rate by the employee...".

For the reasons set forth in Sections I-III of this letter, Snail Games knowingly and intentionally has not, and continues not to, *accurately itemize total hours* on employee wage statements. For this reason, among others, Snail Games further knowingly and intentionally has not, and continues not to, include the *gross wages actually earned* on employee wage statements. Snail Games further knowingly and intentionally has not, and continues not to, include the *net wages actually earned* on employee wage statements.

PAGA Administrator
California Labor and Workforce Development Agency
July 26, 2019
Page 8

These claims are made on behalf of Ms. Lee and all of the assistants, business development employees, marketing employees, localization department employees, customer service representatives, IT employees, housekeepers, and or similar job designations and titles and all other aggrieved, both current and former, hourly employees of Snail Games who have been, or continue to be, misclassified as exempt under California law within the applicable statute of limitations.

Ms. Lee, as a representative of the people of the State of California, will seek any and all penalties otherwise capable of being collected by the Department of Labor Standards Enforcement. This includes those penalties set forth in California Labor Code section 2699.5, which provides that section 2699.3(a) applies to any alleged violation for violations of Labor Code section 226.

VIII. CONCLUSION

If after 65 days from the date of this letter, the LWDA does not take action or declines to intervene, Ms. Lee will file a complaint alleging PAGA violations, as described above.

Respectfully,



Daniel T. Ho, Esq.

Attn: PAGA Administrator
California Labor and Workforce Development Agency
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