IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF OKLAHOMA

CLAYTON FOUTCH, individually and on behalf of all other persons similarly situated, known and unknown,

Plaintiff,

VS.

Case No. CIV-18-1076-M
CLASS ACTION (FRCP 23)
COLLECTIVE ACTION (29 U.S.C. §
216(b))

SB DIRECTIONAL SERVICES, LLC, and SCOTT BURCH

Defendants.

COLLECTIVE AND CLASS ACTION COMPLAINT SUMMARY

- 1. Plaintiff, Clayton D. Foutch (individually known as "Foutch") brings this lawsuit to recover unpaid overtime wages and other damages and for all those other workers who were similarly situated (collectively known as "Plaintiffs.")
- 2. Defendants SB Directional Services LLC ("SB") is a company organized under the laws of Oklahoma with its headquarters in Oklahoma County, Oklahoma and its founder and Chief Operational Officer, Scott Burch ("Burch") is an individual vested with the power to take tangible employment actions against Plaintiffs for the benefits of SB and Burch, (collectively referred to as "Defendants.")

- 3. Plaintiffs were often scheduled for 12-hour or longer shifts, for up to 7 days a week and/or were on call 24/7. Plaintiffs never received overtime for hours worked in excess of 40 hours in a workweek. Plaintiffs worked well in excess of 40 hours each week while employed with Defendants while improperly classifing them as independent contractors and not employees.
- 4. This collective action seeks to properly classify the Plaintiffs as employees and not independent contractors, recover unpaid overtime wages, recover other damages owed to Plaintiffs and seek injunctive relief to require Defendants to come into compliance with the laws.

The Parties

- 5. At all relevant times herein mentioned, Foutch was and now is a resident of the Marshall County, State of Oklahoma.
- 6. At all relevant times herein mentioned, SB maintained a headquarters in Oklahoma County, Oklahoma and performs services there.
- 7. At all relevant times herein mentioned, SB was and is owned and operated by Burch who acts as SB's agent for service and can be served at 2257 Wintercreek Blvd., Blanchard, Oklahoma 73010, Blaine County.
- 8. At all relevant times herein mentioned, Burch, an individual, was founder and Chief Operational Officer for SB. Burch is named individually because he acted as an "employer" under the provisions of the FLSA, which makes "any person acting directly

or indirectly in the interest of an employer in relation any employee . . ." an employer. 29 U.S.C. § 203(d). It defines "person" to include an "individual." 29 U.S.C. § 203(a).

- 9. Burch exerts a high degree of control over all relevant aspects of the operations providing direct and detailed supervision, direction, oversight, and control.
- 10. Burch was also Foutch's supervisor and the person who determined the duties and rates of pay for all Plaintiffs.
- 11. Burch has clear authority over SB's employment policies or practices. Burch possesses "managerial responsibilities" and "substantial control of the terms and conditions" of the employees' work, creating employer status. *Falk v. Brennan*, 414 U.S. 190, 195 (1973) and was ultimately in a position of authority over the business decisions that led to the FLSA violations as set forth herein.
- Oklahoma County and Blaine County are within the Western District of the United Sates District Courts for Oklahoma wherefore venue is proper in this Court pursuant to 28 U.S.C. §1391(b).
- 13. Foutch worked exclusively for Defendants as a Directional Driller from June 2017 until March 18, 2018. Throughout his employment, he was paid a day-rate with no overtime compensation and was classified as an independent contractor.
- 14. Defendants paid Plaintiffs, whether, field, shop, or office personnel a day rate, regardless of the hours worked.

15. Foutch brings this action on behalf of himself and all other similarly situated workers who were classified as independent contractors and paid by Defendant's day-rate system. Each of these workers was paid a flat amount for each day worked and failed to pay overtime for all hours worked in excess of 40 hours in a workweek in accordance with the FLSA. The class of similarly situated employees ("Plaintiffs" consists of:

Current and former workers that were employed by, or worked on behalf of, SB Directional Services LLC and Scott Burch during the past three years who were classified as independent contractors and paid a day-rate regardless of the hours worked.

- 16. As Class Representative Foutch presents common questions of law and fact for which a class wide proceeding will generate common answers and drive the resolution of the litigation for himself and all other class members' claims. All possess the common contention whereby the determination of its truth or falsity will resolve the issues that are central to the validity of all claims of each Class Plaintiff.
 - 17. His consent to be a party plaintiff by his signature hereon.
- 18. Plaintiffs' claims are for improperly classifying Plaintiffs as independent contractor and not employees.
- 19. Defendants failure to pay wages, including overtime compensation, in violation of the Fair Labor Standards Act ("FLSA") as set out in 29 U.S.C. §206 et seq. and Oklahoma's Protection of Labor Act as set out in 40 O.S. §165.1 et seq. Jurisdiction over

the federal claims is vested in this Court under 42 U.S.C. §2000e-5(f), 29 U.S.C. § 206 and 28 U.S.C. §1331.

COVERAGE UNDER THE FLSA

- Deen an employer within the meaning of section 3(d) of the FLSA, 29 U.S.C. § 203(d), been part of an enterprise within the meaning of section 3(r) of the FLSA, 29 U.S.C.§ 203(r), been part of an enterprise engaged in commerce or in the production of goods for commerce within the meaning of section 3(s)(1) of the FLSA, 29 U.S.C. § 203(s)(1), in that said enterprise has and has had employees engaged in commerce or in the production of goods for commerce, or employees handling, selling, or otherwise working on goods or materials that have been moved in or produced for commerce by any person and in that said enterprise has had and has an annual gross volume of sales made or business done of not less than \$500,000 (exclusive of excise taxes at the retail level which are separately stated).
- 21. For at least the past three years, Plaintiffs engaged in commerce or in the production of goods for commerce.
- 22. Defendants improperly classified Plaintiffs as independent contractor under 29 U.S.C. §203(r)(1)and not as employees pursuant to 29 U.S.C. §203(e)(1) and uniformly dictated the pay practices, terms and conditions of employment, directed and

supervised their day-to-day work, subjected them to discipline, and refused to pay overtime compensation.

23. Defendants' misclassification of Plaintiffs as independent contractor does not alter its status as an employer for purposes of this FLSA collective action and the OPLA class action.

FACTS

- 24. Defendants are in the business of providing oil field equipment and services to various operators. In mid-2018 SB Directional Services has worked directly for 17 different operators and have drilled more than 125 wells in Oklahoma and Texas.
- Defendants provided equipment, services, and personnel to operators. While exact job titles and job duties may differ, these workers are subjected to the same or similar illegal pay practices. Specifically, Defendants classified its entire workforce, including clerical and office staff, shop hands and field workers, as independent contractors and paid them a flat sum for each day worked and failed to provide them with overtime pay for hours that they worked more than 40 hours in a workweek.
 - 26. Defendants exercised control over all aspects of Plaintiffs job duties.
- 27. Defendants did not require any personal investment by Plaintiffs.

 Defendants directly determined opportunity for profit and loss. Thus, earning opportunity was based solely on the number of days scheduled by Defendants. Plaintiffs were economically dependent on Defendants during their employment.

- 28. Plaintiffs utilized equipment provided by Defendants to perform their job duties. Defendants made the large capital investments in buildings, machines, equipment, tools, and supplied in the business in which Plaintiffs worked.
- 29. Defendants set rates of pay, his work schedule, prohibited Plaintiffs from working other jobs for other companies while working for Defendants.
- 30. Indeed, the daily and weekly activities of Plaintiffs were routine and largely governed by standardized plans, procedures, and checklists created by Defendants. Virtually every job function was pre-determined by Defendants, including the tools to use at a job site, the data to compile, the schedule of work, how, when, and where the work was preformed, and related work duties.
- 31. Plaintiffs were prohibited from varying their job duties outside of the predetermined parameters. Moreover, the job functions were primarily technical, or clerical in nature, requiring little to no formal training, college education, or other advanced degree. Skills were learned on-the-job and the work was directed by the Defendants.
- 32. Plaintiffs were required to wear the Defendants' uniforms which were brought for them by Defendants.
- 33. Plaintiffs were not employed on a project-by-project basis. While classified as an independent contractor, they were expected to work whenever needed.
- 34. Plaintiffs were subjected to the same or similar policies and procedures which dictate the day-to-day activities performed by each person.

- 35. Plaintiffs also worked similar hours and were denied overtime as a result of the same illegal pay practice as Foutch. It is believed that Plaintiffs all worked in excess of 40 hours each, were often scheduled for 12 hour shifts for weeks at a time and/or on call 24/7. Instead of paying them overtime, Defendants paid Plaintiffs a day-rate denying them overtime for any and all hours worked in excess of 40 hours in a single workweek.
- 36. Defendants' policy of failing to pay Plaintiffs, overtime violates the FLSA because these workers were employees performing nonexempt job duties and not independent contractors.
- 37. Because Plaintiffs were misclassified as an independent contractor by Defendants, they should receive overtime for all hours that they worked in excess of 40 hours in each workweek.

FLSA VIOLATIONS

Misclassification of Employee as Independent Contractor

For the first cause of action Plaintiffs incorporate the allegations above and further provides that:

38. Defendants improperly classified Plaintiffs as independent contractor under 29 U.S.C. §203(r)(1) and not as employees pursuant to 29 U.S.C. §203(e)(1) and uniformly dictated the pay practices, terms and conditions of employment, directed and supervised their day-to-day work, subjected them to discipline, and refused to pay overtime compensation.

Nonpayment of Earned Overtime Wages

For the second cause of action Plaintiffs incorporate the allegations above and further provides that:

- 39. Defendants improperly classified Plaintiffs as independent contractor under 29 U.S.C. §203(r)(1) and not as employees pursuant to 29 U.S.C. §203(e)(1) and uniformly dictated the pay practices, terms and conditions of employment, directed and supervised their day-to-day work, subjected them to discipline, and refused to pay overtime compensation.
- 40. Because the actions of Defendant were willful, Plaintiffs are entitled to liquidated damages under the FLSA in an amount equal to the unpaid wages, attorney fees and costs.
- of the FLSA, 29 U.S.C. § 207, by employing employees in an enterprise engaged in commerce or in the production of goods for commerce within the meaning of the FLSA for workweeks longer than 40 hours without compensating such employees for their employment in excess of 40 hours per week at rates no less than 1.5 times the regular rates for which they were employed.
- 42. Employees, including Plaintiffs, who were subject to the Defendant's illegal policy and whose wages were improperly paid are entitled under the FLSA to their unpaid wages, liquidated damages, prejudgment interest, attorney fees and costs together with

equitable relief in the form of a declaration that Defendant's wage policy is unlawful as applied to Plaintiffs, and an injunction against the continued use and enforcement of such policies as to Defendant's other employees.

- 43. Under Oklahoma law Plaintiffs are entitled to a 2% per day liquidated damages award not to exceed 100% of the unpaid wages for each day such wages and overtime were unpaid after the pay period in which they should have been paid.
- 44. Because the actions of Defendant were willful, Plaintiffs are entitled to liquidated damages under the FLSA in an amount equal to the unpaid wages, attorney fees and costs.

FLSA Collective Action

For the Plaintiffs' third cause of action they incorporate the allegations above and further provides that:

- 45. All workers that have worked for Defendants in the last three (3) years have been victimized by this pattern, practice and policy which are in willful violation of the FLSA and OPLA. Many of these employees that worked with Foutch reported they were paid in the same manner and were not properly compensated for all hours worked as required by the FLSA.
- 46. Because Plaintiffs injuries arise from an unlawful policy, upon discovery of the identity of Plaintiffs, be entitled to a certification of a class of injured employees entitled to such relief. It is believed that there are over sixty (60) employees who would

be subject to the same unlawful policy and who would have suffered the same injury with the only distinction being the amount of injury each suffered.

- 47. The class is specifically knowable and defined as it consists of current and former employees of the Defendants that were not paid their wages in accordance with the FLSA or OPLA.
- 48. The class is sufficiently numerous that it is impractical to name each member of the class individually and such that a class action is most economical, expeditious and just way of managing this claim.
 - 49. There are questions of law or fact common to the class, including:
 - a. Whether the nonpayment of overtime wages for all hours over forty

 (40) in a week constituted an illegal act under the FLSA; and
 - b. Whether the nonpayment of all wages earned, including overtime wages constituted illegal acts under the OPLA;
- 50. Foutch, as the class representative, shares the same questions of law and fact with other class members and will fairly and adequately protect the interests of the class.
- 51. The only factual matter different between the collective plaintiffs would be the amount of wages lost and damages owed.
- 52. Defendants failure to pay overtime compensation to these employees was neither reasonable, nor was the decision not to pay overtime made in good faith.

53. Defendants failure to pay wages and overtime compensation at the rates required by the FLSA result from generally applicable, systematic policies and practices which are not dependent on the personal circumstances of the Plaintiffs. Thus, Foutch's experiences are typical of the experiences of the other Plaintiffs. Although the issue of damages may be individual in character, there is no detraction from the common nucleus of liability facts.

JURY DEMAND

54. Plaintiffs demands a trial by jury.

RELIEF SOUGHT

WHEREFORE, Plaintiffs prays for judgment against Defendants as follows:

- For an order declaring that Plaintiffs were and are employees of Defendants and not independent contractors;
- b. That the Court determine that this action may be maintained as a class action pursuant to FRCP 23;
- c. That, at the earliest possible time, Plaintiffs be allowed to give notice of this class action, or that the Court issue such notice, to all persons who are presently, or have been at any time during the three years immediately preceding the filing of this suit, up through and including the date of the Court's issuance of Court-supervised Notice, been employed by Defendants as hourly/non-exempt employees. Such persons shall be informed that this civil action has been filed, of the nature of the action, and of their right to join this lawsuit;
- d. That the Court determine that this action may be maintained as a collective action under 29 U.S.C. § 216(b);
- e. That, at the earliest possible time, Plaintiffs be allowed to give notice of this collective action, or that the Court issue such notice, to all persons who are

presently, or have been at any time during the three years immediately preceding the filing of this suit, up through and including the date of the Court's issuance of Court-supervised Notice, been employed by Defendants as hourly/non-exempt employees. Such persons shall be informed that this civil action has been filed, of the nature of the action, and of their right to join this lawsuit;

- f. That the Court find that Defendants have violated the overtime provisions of the FLSA, 29 U.S.C. § 207 as to Plaintiffs;
- g. That the Court find that Defendants have violated the provisions of the OPLA 40 O.S. §161, et seq. as to Plaintiffs;
- h. That the Court find that Defendants wage and hour violations as described have been willful;
- i. That the Court award to Plaintiffs compensatory and liquidated damages for unpaid overtime compensation, statutory penalties, and interest subject to proof at trial pursuant to 29 U.S.C. § 201 et seq. and the supporting United States Department of Labor regulations;
- j. That the Court award the penalty provisions of the OPLA 40 O.S. §161, et seq. as to the Oklahoma Plaintiffs;
- k. That Class Plaintiffs be awarded reasonable attorneys' fees and costs pursuant to FLSA 29 U.S.C. § 216(b) and/or other applicable law; and
- I. That the Court award such other and further relief as this Court may deem appropriate.

Respectfully submitted,

s/Jacque Pearsall

Jacque Pearsall, OBA #18317 920 Majestic Ave Yukon, Oklahoma 73099 Office Phone: 405.354.5536

Facsimile: 405.354.5536

Email: JacquePearsall@gmail.com ATTORNEY FOR PLAINTIFFS

CONSENT TO JOIN WAGE CLAIM

I, Clayton D. Foutch

- 1. I hereby consent to participate in a collective action lawsuit against SB Directional Services LLC and Scott Burch, to pursue my claims of unpaid overtime during the time that I worked with the company.
- 2. Pursuant to the Fair Labor Standards Act of 1938, 29 U.S.C. §216(b), I hereby consent to be a party plaintiff in the foregoing action.
- 3. I understand that this lawsuit is brought under the Fair Labor Standards Act and the Oklahoma Protection of Labor Act, and consent to be bound by the Court's decision.
- 4. I designate the law firm and attorney of Jacque Pearsall as my attorney to prosecute my claims.

5. I authorize these attorneys to use this consent to file my claim in a separate lawsuit, and class/collective action against the company.

Signature:

Clayton D./Foutch

Date Signed

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The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as

provided by local rules of cour purpose of initiating the civil d	t. This form, approved by the ocket sheet. (SEE INSTRUC	he Judicial Conference of the TIONS ON NEXT PAGE OF T	he United States in September 1 HIS FORM.)	974, is required for the use of	f the Clerk of Court for the	
I. (a) PLAINTIFFS			DEFENDANTS	DEFENDANTS		
CLAYTON FOUTCH, individually and on behalf of all other persons similarly situated (b) County of Residence of First Listed Plaintiff Marshall (EXCEPT IN U.S. PLAINTIFF CASES)			SB Directional Services, LLC and Scott Burch County of Residence of First Listed Defendant Oklahoma (IN U.S. PLAINTIFF CASES ONLY) NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.			
(c) Attorneys (Firm Name, 1	Address, and Telephone Numbe	r)	Attorneys (If Known) Unknown			
Jacque Pearsall 920 Majestic Street, Yuk	on Oklahoma 73099 T	elephone 405.354.55				
II. BASIS OF JURISDI	ICTION (Place an "X" in O	ne Box Only)	I. CITIZENSHIP OF P	RINCIPAL PARTIES	(Place an "X" in One Box for Plaintig	
☐ 1 U.S. Government Plaintiff	✓ 3 Federal Question (U.S. Government Not a Party)		(For Diversity Cases Only) PTF DEF Citizen of This State □ 1 □ 1 Incorporated or Principal Place of Business In This State			
☐ 2 U.S. Government Defendant	☐ 4 Diversity (Indicate Citizenship of Parties in Item III)		Citizen of Another State			
			Citizen or Subject of a Foreign Country	3 🗖 3 Foreign Nation	□ 6 □ 6	
IV. NATURE OF SUIT		nly) ORTS	FORFEITURE/PENALTY	Click here for: Nature BANKRUPTCY	of Suit Code Descriptions. OTHER STATUTES	
□ 110 Insurance □ 120 Marine □ 130 Miller Act □ 140 Negotiable Instrument □ 150 Recovery of Overpayment & Enforcement of Judgment □ 151 Medicare Act □ 152 Recovery of Defaulted Student Loans (Excludes Veterans) □ 153 Recovery of Overpayment of Veteran's Benefits □ 160 Stockholders' Suits □ 190 Other Contract □ 195 Contract Product Liability □ 196 Franchise REAL PROPERTY □ 210 Land Condemnation □ 220 Foreclosure □ 230 Rent Lease & Ejectment □ 240 Torts to Land □ 245 Tort Product Liability □ 290 All Other Real Property	PERSONAL INJURY 310 Airplane 315 Airplane Product Liability 320 Assault, Libel & Slander 330 Federal Employers' Liability 340 Marine 345 Marine Product Liability 350 Motor Vehicle Product Liability 360 Other Personal Injury 362 Personal Injury Medical Malpractice CIVIL RIGHTS 440 Other Civil Rights 441 Voting 442 Employment 443 Housing/ Accommodations 445 Amer. w/Disabilities - Employment 446 Amer. w/Disabilities - Other 448 Education	PERSONAL INJURY 365 Personal Injury - Product Liability 367 Health Care/ Pharmaceutical Personal Injury Product Liability 368 Asbestos Personal Injury Product Liability 370 Other Fraud 371 Truth in Lending 380 Other Personal Property Damage 385 Property Damage 385 Property Damage Product Liability PRISONER PETITIONS Habeas Corpus: 463 Alien Detainee 510 Motions to Vacate Sentence 530 General 535 Death Penalty Other: 540 Mandamus & Other 550 Civil Rights 555 Prison Condition 560 Civil Detainee - Conditions of Confinement	☐ 625 Drug Related Seizure of Property 21 USC 881 ☐ 690 Other	□ 422 Appeal 28 USC 158 □ 423 Withdrawal 28 USC 157 PROPERTY RIGHTS □ 820 Copyrights □ 830 Patent □ 835 Patent - Abbreviated New Drug Application □ 840 Trademark SOCIAL SECURITY □ 861 HIA (1395ff) □ 862 Black Lung (923) □ 863 DIWC/DIWW (405(g)) □ 864 SSID Title XVI □ 865 RSI (405(g)) FEDERAL TAX SUITS □ 870 Taxes (U.S. Plaintiff or Defendant) □ 871 IRS—Third Party 26 USC 7609	□ 375 False Claims Act □ 376 Qui Tam (31 USC	
	moved from 3 Cite the U.S. Civil Sta 29 U.S.C. §203, 2 Brief description of ca Inproper classific	Appellate Court attute under which you are fi 29 U.S.C. §206 et seq ause: ation and violation off IS A CLASS ACTION	Reinstated or Reopened Specify, illing (Do not cite jurisdictional state), 40 O.S. §165.1 et seq., Fair Labor Standards Act and DEMAND \$ \$100,000.00	tr District Litigation Transfer (utes unless diversity): 42 U.S.C. §2000e-5(f), and OK Labor Protection	29 U.S.C. § 206 and 28 n Act of demanded in complaint:	
VIII. RELATED CASI	E(S) (See instructions):	WDGE		DOCUMENTA TO THE		
DATE	JUDGEDOCKET NUMBER SIGNATURE OF ATTORNEY OF RECORD					
11/01/2018 FOR OFFICE USE ONLY	/s/ Jacque Pearsall					
RECEIPT # Al	MOUNT	APPLYING IFP	JUDGE	MAG. JUI	DGE	

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