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12	Attorneys for Plaintiffs, all others similarly situat	ed
13	[Additional counsel on following page.]	
14	SUPERIOR COURT OF CALIFORNIA	
15	COUNTY OF LOS ANGELES, COMPLEX CIVIL	
16	DANIEL QUINTILIANO, individually and on)	CASE NO.: 238TCP04605
17	behalf of all those similarly situated,	CLASS ACTION COMPLAINT FOR:
18	Plaintiffs,	(1) Failure to Pay Minimum Wages under
19	vs.	the Cal Lab. Code and Wage Order 4; (2) Failure to Pay Overtime Wages under
20	VALNET, INC., a Canadian Corporation,	the Cal Lab. Code and Wage Order 4;
21	VALNET, U.S., INC., a Delaware Corporation, and Does 1-10,	(3) Failure to Provide Meal Periods under the Cal Lab. Code and Wage Order 4;
22	Defendants.	(4) Failure to Provide Rest Periods under
23		the Cal Lab. Code and Wage Order 4; (5) Failure to Furnish Accurate Wage
24		Statements under the Cal Lab. Code and Wage Order 4;
25	ĺ	(6) Failure to Reimburse Business
26		Expenses under the Cal Lab. Code; (7) California Unfair Competition Law
27))	DEMAND FOR JURY TRIAL
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Additional Counsel: James E. Goodley (Pro Hac Vice to be filed, PA Bar No. 315331) james@gmlaborlaw.com Ryan P. McCarthy (Pro Hac Vic to be filed, PA Bar No. 323125) ryan@gmlaborlaw.com GOODLEY McCARTHY LLC One Liberty Place 1650 Market Street, Suite 3600 Philadelphia, PA 19103 Tel: 215.394.0541 Attorneys for Plaintiffs, all others similarly situated, and all other aggrieved employees // //

I. INTRODUCTION

- 1. Plaintiff Daniel Quintiliano brings this class action against Defendants Valnet, Inc. and Valnet, U.S., Inc. (collectively "Defendants" or "Valnet") on behalf of himself and all other former and current paid content creators who performed work for Valnet's digital properties. Valnet operates at least 25 brand properties (each of which runs an associated website and most of which, a digital video channel) dedicated to publishing written articles, videos, and other content related to consumer products, entertainment, sports, and other consumer interests. The more traffic the websites and channels attract, the more advertising revenue Valnet generates. Valnet pays Plaintiff and similarly situated class members ("Content Creators") a small piece-rate (per-article) payment to create and edit the written, video, and audio content on these team sites. Content Creators' content is the core of Valnet's business.
- 2. During the entire class period, Valnet uniformly and consistently misclassified Content Creators as independent contractors in order to avoid its duties and obligations owed to employees under California law and to gain an unfair competitive advantage over its competitors that properly classify its workers as employees. Valnet controls and directs the performance of Content Creators in writing and editing content for its websites, both under contracts it enters with Content Creators and in fact. Content Creators create the written, video, and audio content that makes up Valnet's property website and digital channel network and generates advertising revenue. Their work is central to Valnet's business. Content Creators do not create and edit content for their own independent businesses, but create content solely for Valnet property websites and digital channels.
- 3. As a result, Plaintiff alleges that all current and former Content Creators who worked in California: (1) are entitled to unpaid minimum wages (Cal. Labor Code §§ 1182.12, 1194, 1197, 1197.1; California Industrial Welfare Commission Wage Order 4, Cal. Code Regs. tit.

8 § 11040 ("Wage Order 4") § 4; and the California.Minimum Wage Order); (2) are entitled to unpaid overtime wages (Cal. Labor Code§§ 510; Wage Order 4 § 2); (3) are owed meal and rest period premiums (Cal. Labor Code§ 226.7, 512; Wage Order 4 §§ 11, 12); (4) are owed statutory damages for Valnet's failure to provide itemized wage statements (Cal. Labor Code§§ 226,226.3; Wage Order 4 § 7(B)); (5) are owed reimbursement of business expenses because Valnet required Content Creators to have computers, smart phones, and internet access for work-related tasks, as well as expenses related to watching the games Content Creators were expected to write about (Cal. Labor Code§ 2802); and (6) are entitled to restitution and injunctive relief under the Unfair Competition Law ("UCL") (Cal. Bus. & Prof. Code §§ 17200 et seq.).

4. Because Defendants have willfully deprived Plaintiff and similarly situated Content Creators of the rights and protections California law guarantees to employees, Defendants' classification of Content Creators as "independent contractors" is part of ongoing unfair/unlawful business practices by Defendants.

II. THE PARTIES,

- 5. Plaintiff Daniel Quintiliano is an adult individual who was paid by Defendants for his work as a Content Creator for Valnet's brand property "Movie Web" between approximately November 2022 and April 2023, but Valnet classified him as an independent contractor. During this time, Plaintiff resided and worked in Los Angeles, California, where he also currently resides.
- 6. Defendant Valnet, Inc. is a Canadian corporation based in Montreal, Quebec. Jointly with co-Defendant Valnet, U.S., Inc., Valnet, Inc. operates and maintains media websites and digital channels, including those associated with its at least 25 brand properties.
- 7. Defendant Valnet, US, Inc. (jointly with Valnet, Inc., "Valnet" or "Defendants") is a Delaware corporation based in Miami, Florida. Jointly with co-Defendant Valnet, Inc., Valnet,

U.S., Inc. operates and maintains media websites and digital channels, including those associated with its at least 25 brand properties.

III. JURISDICTION AND VENUE

- 8. This Court has jurisdiction over Plaintiff's and Class Members' claims under Labor Code§§ 226,226.3, 226.7, 512, 1182.12, 1194, 1197, 1197.1, 2802, Business & Professions Code§§ 17200, et seq., and Wage Order 4.
- 9. Venue is proper pursuant to Code of Civil Procedure section 395(a) because Defendants do not reside in the state and have not designated a principal business office in California with the California Secretary of State. As such, venue is proper in any county in California.

IV. FACTUAL BACKGROUND

- 10. Valuet is a global media enterprise comprising approximately 25 brand properties including but not limited to Movie Web, Screen Rant, Comic Book Review and HotCars. See https://www.valuetinc.com/en/publishing-detail#our_brand (last accessed 12/20/2023).
- 11. Valnet's brand properties are each dedicated to publishing written, video and audio content related to particular special reader and viewer interests. For example, Movie Web and Screen Rant publishes movie and television show analysis and news related to the same. Comic Book Review publishes comic book analysis and news related to the same. Hot Cars publishes analysis related to new and classic automobiles.

A. Defendant Uniformly Misclassifies Content Creators as Independent Contractors.

12. To generate advertisement revenue from its properties, Valuet requires Content Creators to produce a steady stream of written, video, and audio content on its brand websites and digital channels. Valuet hires Content Creators to create the content. See, e.g.,

https://valnetconcept.applytojob.com/apply/q2WZFzP7ua/Freelance-Writer-TheTravel (last accessed 12/20/2023). Valnet pays Content Creators on a piece-rate (per-article) basis.

- 13. Valuet classifies its Content Creators as independent contractors. Defendant requires Content Creators to sign a "Master Services Agreement," which states that Content Creators' relationship with Valuet is as an independent contractor relationship. See, Ex. 1 ("IC Agreement"). Valuet does not withhold payroll taxes from its biweekly payments to Content Creators.
- 14. Though Valnet classifies Content Creators as independent contractors, Valnet exercises substantial control over the manner and means by which Content Creators accomplish their work.
- 15. Content Creators are prohibited from subcontracting their work to other writers or producers with Valnet's permission. IC Agreement ¶ 4.3. Therefore, Content Creators must perform the work themselves, not as independent businesses.
- 16. Content Creator's work is subject to Valnet's complete and total discretion as to approval or revision of the work product. IC Agreement ¶ 4.7.
- 17. Content Creators are prohibited for six months after termination from soliciting Valnet's clients/customers, employees, and contributors. IC Agreement ¶ 4.10.
- 18. Content Creators are required to assign all rights to Valnet, all of their content and intellectual property. IC Agreement ¶¶ 6.1 6.5.
- 19. Valuet gives Content Creators instructions about how to conform their writings to increase site and channel traffic from online search engines, known as "search engine optimization." Content Creators are told how to craft headlines, order content and upload pictures so as to attract

the most viewers to each content post.

- 20. The content created by Content Creators is core to Valnet's business. The more content Content Creators produce, the more traffic to each property website and channel, and the more revenue Valnet can generate from advertisers. Valnet pressures Content Creators to maintain a constant flow of posted content on these team sites to attract advertisers, but Content Creators do not see the benefits of advertising revenue. Content Creators take no part in negotiating advertisements on Valnet websites and channels; all the negotiations for advertisements are handled directly by Valnet. Content Creators have no stake in Valnet's profits or losses. Rather, Content Creators merely receive piece-rate wages from Valnet.
- 21. While Content Creators were not always under direct supervision by Valnet, neither were they independent journalists who sold their stories to the highest bidder. Content Creators created and edited content for the purpose of posting it on Valnet's brand sites and channels.
- 22. Valuet does not hire Content Creators for their unique set of skills. Defendant does not require, for example, a college degree or prior professional experience in journalism.
- 23. Valuet requires Content Creators to have access to the internet on their personal computers and smart phones, but Content Creators' work does not require any special tools or equipment. Valuet provides Content Creators with access to internal communication and editing software.

B. <u>Valnet Pays Content Creators Small Piece Rate Compensation Insufficient to Meet the Legal Minimum Wage.</u>

- 24. Valuet pays Content Creators on a piece-rate (per-article) basis. Valuet does not increase the piece rate pay as Content Creators work more hours on their articles.
 - 25. Plaintiff, for example, regularly produced approximately 3-4 Movie Web articles

per day, five days or more per week, spending approximately 2-3 hours per article (plus additional time being trained on Valnet policies, selecting an article and communicating with Valnet management). Plaintiff was only paid \$15 per article he wrote. Plaintiff never received any other type of compensation from Valnet. Given the number of hours Content Creators work for Valnet, the piece-rate payment is frequently, if not always, under the minimum wage required by California law.

26. Other Content Creators frequently receive effective hourly pay at far below the California minimum wage.

C. Defendant Does Not Pay Content Creators Overtime Wages.

- 27. Content Creators are sometimes assigned duties that require them to work over eight hours per day or forty hours per week.
- 28. Plaintiff, for example, was sometimes assigned to write four or more articles in one day. On days like these, Plaintiff worked more than eight hours in a day. Valuet did not pay Plaintiff overtime wages for those hours worked.
- 29. Plaintiff, for example, was sometimes assigned to write 20 or more articles in one week. On weeks like these, Plaintiff worked more than forty hours in a week. Valuet did not pay Plaintiff overtime wages for those hours worked.
- 30. Valuet does not pay any Content Creator overtime wages for the time they work beyond eight hours per day or forty hours per week.

D. <u>Defendant Does Not Provide Meal or Rest Periods for Content Creators.</u>

31. Content Creators regularly work more than three and a half hours per day. Valuet does not authorize or permit Content Creators to take ten-minute uninterrupted rest periods for every four hours or major fraction thereof worked.

- 32. Content Creators frequently work over five hours per day without a meal period. Valuet does not provide a 30-minute off-duty meal period for Content Creators within the first five hours of work per day, nor does it provide a second meal break for Content Creators who work more than ten hours in a day.
- 33. Valuet has never paid Content Creators with meal and rest break premiums for its failure to provide meal and rest breaks.

E. <u>Defendant Does Not Provide Content Creators with Accurate Itemized Wage Statements.</u>

34. Valuet fails to provide Content Creators with any wage statements, let alone wage statements that show the actual hours worked, all overtime wages, gross and net wages earned, all applicable hourly rates and corresponding number of hours worked at each rate, deductions, the inclusive dates of the period for which the employee is paid, the name of the employee or the employee's social security number, and the name of the employer.

F. <u>Defendant Does Not Reimburse Content Creators for Reasonable Business Expenses.</u>

35. Valuet requires Content Creators to use their own computers, smart phones, and internet access to create and edit content, as well as to communicate with their editors and other Valuet supervisors. Valuet does not reimburse Content Creators for their personal computers, smart phones, or internet access expenses.

V. <u>CLASS ACTION ALLEGATIONS</u>

36. Plaintiff seeks to proceed as a class action pursuant to California Code of Civil Procedure § 382 on behalf of the following class of persons:

All Content Creators who created and/or edited written, video, or audio content for any Valnet property, who worked in California at any time within the four years prior to the filing of the Complaint in this action and who were classified by Valnet as independent contractors.

37. The putative class is so numerous that joinder of all members is impracticable.

Although the precise number of such persons is unknown, and the facts on which the calculation of that number would be based are within the sole custody and/or control of Valnet, upon information and belief, Valnet has employed over forty Content Creators in California within the last four years.

- 38. Among the proposed class, there is a well-defined community of interest in the questions of law and/or fact involved. Those common questions include, but are not limited to:
 - a. Whether Valuet misclassified Class Members as independent contractors;
 - b. Whether the same test for misclassification applies to both claims derived from the applicable wage order and statutory claims not derived from the applicable wage order;
 - c. Whether Valnet was required to issue Class Members wage statements with certain required information;
 - d. Whether Valuet is required to reimburse Class Members for a portion of their home internet, personal computer, and personal smart phone expenses; and
 - e. Whether Valnet's Labor Code and Wage Order violations serve as predicate violations of the UCL.
- 39. Common questions of law and/or fact predominate over questions that affect only individual Class Members. Plaintiff's claims are typical of those belonging to members of the Class, and Plaintiff can adequately represent the Class.

FIRST CAUSE OF ACTION Minimum Wage Violation [Cal. Labor Code§§ 1182.12, 1194, 1194.2, 1197, 1197.1, Wage Order 4; Minimum Wage Order]

- 40. Plaintiff, on behalf of himself and all Class Members, re-alleges and incorporates by reference the allegations contained in the paragraphs above as if fully set forth here.
- 41. California Labor Code §§ 1194, 1197, 1197.1 and Wage Order 4 entitle employees to an amount equal to or greater than the minimum wage for all hours worked.
 - 42. Valnet paid Plaintiff and Class Members on a low piece-rate (per-article) basis.

[Cal. Labor Code§§ 226.7, 512, and 1194; Wage Order 4]

48. Plaintiff, on behalf of himself and all Class Members, re-alleges and incorporates by reference the allegations contained in the paragraphs above as if fully set forth here.

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- 49. California Labor Code§ 512(a) states in pertinent part, "[A]n employer may not employ an employee for a work period of more than five hours per day without providing the employee with meal period of not less than 30 minutes. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes."
- 50. Wage Order 4 states, in relevant part, "No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes." If no meal period is provided, the Wage Orders require the employer to "pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided."
- 51. California Labor Code § 226.7 states, in relevant part, "An employer shall not require an employee to work during a meal ... period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission." Section 226.7 requires an employer to pay one additional hour of pay at the employee's regular rate if the meal or rest period is not provided.
- 52. Valuet has had no policy or practice of providing meal periods to Plaintiff or Class Members, and Valuet failed to provide meal periods to Plaintiff and Class Members or an hour of premium pay for each missed meal period as required by California Labor Code §§ 226.7 and 512, and Wage Order 4.
- 53. As a result of Valnet's willful and unlawful failure to provide meal periods to Plaintiff and Class Members and Valnet's failure to pay an hour of premium pay for each missed meal period, Plaintiff and Class Members are entitled to recover one hour of pay at their regular rate of compensation for each workday that a meal period was not provided, plus interest, attorney's

fees and costs, as well as further relief as described below.

FOURTH CAUSE OF ACTION Failure to Provide Rest Periods

[Cal. Labor Code§§ 226.7 and 1194; Wage Order 4]

54. Plaintiff, on behalf of himself and all Class Members, re-alleges and incorporates by reference the allegations contained in the paragraphs above as if fully set forth here.

55. California Labor Code § 226.7 states, in relevant part: "An employer shall not require an employee to work during a ... rest ... period, and if an employer fails to provide an employee a rest period ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."

56. Wage Order 4 states, in pertinent part, "Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work 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. The Wage Orders require an employer to "pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided."

57. Valuet has had no policy or practice of providing rest periods to Class Members, and Valuet failed to provide rest periods to all Class Members or an hour of premium pay at the regular rate for each day a rest period was not provided.

58. As a result of Valnet's willful and unlawful failure to provide rest periods to all Class Members and Valnet's failure to pay an hour of premium pay at the regular rate for each day a rest period was not provided, Plaintiff and Class Members are entitled to recover one hour of pay at their regular rate of compensation for each workday that a rest period was not provided, plus

interest, attorney's fees, and costs, as well as further relief as described below.

FIFTH CAUSE OF ACTION

Failure to Provide Accurate Itemized Wage Statements [Cal. Labor Code§§ 226 and 226.3; Wage Order 4)

- 59. Plaintiff, on behalf of himself and all Class Members, re-alleges and incorporates by reference the allegations contained in the paragraphs above as if fully set forth here.
 - 60. California Labor Code § 226 provides, in relevant part, that every employer must furnish each employee with an itemized wage statement at the time of each payment of wages showing the total numbers of hours worked each pay period, gross wages, net wages, all deductions, all applicable hourly rates of pay, the dates of the period for which the employee is paid, the name of the employee and the last four digits of their social security number or employee identification number, and the name and address of the legal entity that is the employer.
 - 61. Wage Order 4 requires employers to provide, at the time of each payment of wages, "an itemized statement in writing showing: (1) all deductions; (2) the inclusive dates of the period for which the employee is paid; (3) the name of the employee or the employee's social security number; and (4) the name of the employer."
 - 62. Valuet willfully failed to furnish Plaintiff and Class Members, upon each payment of compensation, itemized wage statements.
 - 63. During all relevant times, Class Members were injured by these failures because, among other things, they were confused about whether they were paid properly and/or they were misinformed about how many total hours they worked in each pay period.
 - 64. California Labor Code§ 226(e)(l) provides that an employee suffering injury as a result of a knowing and intentional failure by an employer to provide accurate itemized wage statements is entitled to recover the greater of all actual damages suffered or fifty dollars (\$50) for

the initial violation and one hundred dollars (\$100) for each subsequent violation, up to four thousand dollars (\$4,000). Pursuant to California Labor Code § 226(h), Plaintiff and Class Members are entitled to injunctive relief to ensure Defendant's compliance with California Labor Code § 226.

65. Plaintiff and Class Members are entitled to an award of costs and reasonable attorneys' fees under California Labor Code § 226(h), as well as further relief as described below.

SIXTH CAUSE OF ACTION Failure to Reimburse Business Expenses [Cal. Labor Code § 2802)

- 66. Plaintiff, on behalf of himself and all Class Members, re-alleges and incorporates by reference the allegations contained in the paragraphs above as if fully set forth here.
- 67. California Labor Code § 2802 requires employers to indemnify an employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of the employee's duties.
- 68. During all relevant times, Valnet failed to indemnify Plaintiff and Class Members for their expenses related to using their personal computers, using their personal smart phones, and maintaining access to the internet. Valnet also failed to reimburse Plaintiff and Class Members for the costs associated with viewing the games they were expected to write about. Plaintiff and Class Members are entitled to indemnification of their expenses related to their home internet payments plus prejudgment interest pursuant to California Labor Code § 2802.
- 69. Plaintiff, on behalf of himself and similarly situated Class Members, requests further relief as described below.

SEVENTH CAUSE OF ACTION Unfair Competition Law Violations [Cal. Bus. & Prof. Code §§ 17200 et seq.]

70. Plaintiff, on behalf of himself and all Class Members, re-alleges and incorporates

E. Award overtime wages to Plaintiff and Class Members;

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D. Award minimum wages and liquidated damages to Plaintiff and Class Members;

1	F.	Award compensation for Defendants' failure to provide meal periods and rest periods;	
2	G.	Award damages for Defendants' failure to provide accurate itemized wage statements;	
3 4	Н.	Award damages for Defendants' failure to reimburse necessary business expenses;	
5	I.	Award pre-judgment and post-judgment interest;	
6	J.	J. Order Defendants to make restitution to Plaintiff and other Class Members due to its	
7 8		unlawful and/or unfair business practices, including interest;	
9	K. Enjoin Defendant from violating California law; Award costs and expenses of this action;		
10	L.	Award costs and expenses of this action;	
11 12	M.	Award reasonable attorneys' fees; and	
13	N.	N. Award such other relief as this Court deems just and proper.	
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15		JURY TRIAL DEMANDED	
16 17		Plaintiff demands a trial by jury on claims so triable.	
18	D / 1	YM.	
19	Dated:	December 21, 2023 Aashish Y. Desai, (Bar No. 187394) Adrianne De Castro	
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27		(Additional Attorneys continued on next page)	
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ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Valnet Misclassified Content Creators as Independent Contractors, Class Action Claims</u>