



CITY ATTORNEY DENNIS HERRERA NEWS RELEASE

FOR IMMEDIATE RELEASE
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CONTACT: JACK SONG
PHONE: (415) 554-4653

Herrera sues con artist 'chef' for cooking school fraud, wage violation scam

Dozens of Chinese immigrants defrauded of thousands for tuition, exploited for free labor by phony 'Academie de Cuisine'

SAN FRANCISCO (April 5, 2011)—City Attorney Dennis Herrera today filed suit against a one-time convicted con artist whose latest fraudulent enterprise fleeced dozens of Chinese immigrant students of as much as \$3,600 each in tuition payments for culinary training and paid externships. Instead of formal training, however, those enrolled in the so-called "Academie de Cuisine" were exploited for free labor, staffing catered events from which the scam's operator appears to have profited. Herrera's civil complaint filed in San Francisco Superior Court today identifies as defendants Angelo Mueller Degenhardt; his adopted alias, "Chef Angelo Mueller;" and the fraudulent operation based in the City's South of Market neighborhood. Today's suit is the result of a collaboration between City Attorney's Office and students from UC Berkeley School of Law; the lawsuit seeks injunctive relief to halt the academy's operation as well as civil penalties up to \$2,500 for each violation; disgorgement of all profits; and full payment of all withheld wages to workers together with liquidated damages owed under San Francisco's Minimum Wage Ordinance.

"Fraud is always bad, of course, but defrauding students who aspire to improve their work skills and better provide for their families takes an extra degree of maliciousness," said Herrera. "Predatory schemes that victimize San Francisco's immigrant community are far too common, and they too often go unreported to the City officials who can help. That's why I'm enormously grateful for the efforts of UNITE HERE Local 2, Office of Labor Standards Enforcement, and the excellent news coverage provided by *Sing Tao Daily* and *World Journal* to bring these labor abuses to the City's attention. The students victimized by this phony academy deserve justice, and we intend to fight for everything that's owed to them."

Herrera's lawsuit details additional aspects of the scheme that include making false assurances to San Francisco non-profits to gain their assistance to do outreach to the Chinese immigrant community; luring certified cooking instructors to the school under fraudulent pretenses to lend credibility to the enterprise; and deliberately failing to fulfill promises made to students about paid externships and job placements.

In summer of 2010, Academie de Cuisine approached Chinatown non-profit organization Chinese Newcomers Service Center, or CNSC, with a proposed partnership to ostensibly help the Chinese immigrant community with job training and culinary arts skills. CNSC was to recruit and teach vocational English to students, while Academie de Cuisine taught cooking. Students, often monolingual Chinese and Cantonese-speaking immigrants, paid between \$2,000 to \$3,600 for the promise of a three-

months formal teaching program and an additional three-month paid externship in one of ADC's culinary venues.

But problems began to surface when students began to complain about such ADC business practices as: not following written curricula; requiring students to staff and manage ADC-sponsored functions without pay; demanding that students sign retroactive agreements stating that they understood they would not receive a Certificate of Completion unless they completed a 4-6 week unpaid externship and twenty-four hours of community service. Chef instructors also reported problems with the school's management when Mueller ordered instructors to fail all of the students, to prevent them from being able to claim their entitlement to paid externships.

Mueller has an established history of engaging in fraudulent schemes. In 2003, the U.S. Attorney in Salt Lake City, Utah, indicted him on multiple counts of federal mail and securities fraud. He eventually pled guilty to charges that he swindled investors out of millions of dollars in connection with a fraudulent scheme to build a golf course. Mueller was placed on house arrest, but later violated the terms of his probation and was sent to federal prison. He entered prison in November 2007 and was released in February 2010. He remains on probation until February 2013.

The case is *City and County of San Francisco and People of the State of California v. Academie de Cuisine LLC et al.*, San Francisco Superior Court Case No. CGC-11-509870, filed Apr. 5, 2011. Case documents are available on the City Attorney's Web site at <http://www.sfcityattorney.org>.

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ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): DENNIS J. HERRERA, SB#139669 KATHLEEN S. MORRIS, SB#196672 San Francisco City Attorney's Office 1390 Market Street, 7th Floor San Francisco, CA 94102 TELEPHONE NO.: (415) 554-3987 FAX NO.: (415) 554-3985	FOR COURT USE ONLY ENDORSED FILED San Francisco County Superior Court APR - 5 2011 CLERK OF THE COURT BY: <u>PASCAL NAJAT</u> Deputy Clerk
ATTORNEY FOR (Name): SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN FRANCISCO STREET ADDRESS: MAILING ADDRESS: 400 McAllister Street CITY AND ZIP CODE: San Francisco, CA 94102 BRANCH NAME:	
CASE NAME: PEOPLE v. ACADEMIE DE CUISINE LLC	
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)
	CASE NUMBER: CGC-11-509870 JUDGE: DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input checked="" type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case is is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
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| a. <input type="checkbox"/> Large number of separately represented parties | d. <input type="checkbox"/> Large number of witnesses |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Remedies sought (check all that apply): a. monetary b. nonmonetary; declaratory or injunctive relief c. punitive
4. Number of causes of action (specify): Two
5. This case is is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: April 5, 2010
 KATHLEEN S. MORRIS

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

1 DENNIS J. HERRERA, State Bar #139669
City Attorney
2 DANNY CHOU, State Bar #180240
Chief of Complex and Special Litigation
3 OWEN CLEMENTS, State Bar #141805
Chief of Special Litigation
4 JILL FIGG DAYAL, State Bar # 168281
KATHLEEN S. MORRIS, State Bar #196672
5 Deputy City Attorneys
1390 Market Street, 6th Floor
6 San Francisco, California 94102-5408
Telephone: (415) 554-3987
7 Facsimile: (415) 554-3837
E-Mail: kathleen.morris@sfgov.org

8 Attorneys for Plaintiff,
9 THE PEOPLE OF THE STATE OF CALIFORNIA

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA
11 COUNTY OF SAN FRANCISCO
12 UNLIMITED JURISDICTION

13 THE PEOPLE OF THE STATE OF
14 CALIFORNIA, by and through DENNIS J.
HERRERA, City Attorney for the City and
15 County of San Francisco; and CITY AND
COUNTY OF SAN FRANCISCO, a municipal
16 corporation,

17 Plaintiffs,

18 vs.

19 ACADEMIE DE CUISINE LLC; THE
ACADEMIE INC.; ANGELO MUELLER, aka
20 ANGELO MUELLER DEGENHARDT; and
DOES 1 through 20, inclusive,

21 Defendants.
22

ENFORCED
FILED
San Francisco County Superior Court

APR - 5 2011

CLERK OF THE COURT
BY: PARSONS
APR 5 2011

Case No. CGC-CGC-11-509870

**COMPLAINT FOR INJUNCTIVE AND
EQUITABLE RELIEF AND CIVIL
PENALTIES FOR VIOLATIONS OF
BUSINESS AND PROFESSIONS CODE
SECTION 17200; AND FOR UNPAID WAGES,
LIQUIDATED DAMAGES, RESTITUTION,
PENALTIES, AND OTHER RELIEF FOR
VIOLATIONS OF SAN FRANCISCO
ADMINISTRATIVE CODE SECTION 12R.7**

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28 City and County of San Francisco et al. v. Academie
De Cuisine LLC, et al. Case No.

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FACTUAL ALLEGATIONS

1. A convicted con artist and his business associates are perpetrating a fraudulent enterprise against Chinese immigrants in San Francisco. "Chef" Angelo Mueller ("Mueller"), aka Angelo Mueller Degenhardt, and his associates -- acting through entities known as "Academie de Cuisine" ("ADC") and "THE Academie" (collectively, "Defendants") -- have and are engaged in a fraudulent cooking school scheme in San Francisco.

2. The victims of Mueller's fraud are dozens of San Francisco residents -- most or all of them recent Chinese immigrants -- each of whom paid between \$2,000 and \$4,000, supposedly in exchange for twelve weeks of cooking school followed by a twelve-week paid extemship. However, having received the students' tuition, Defendants provided them with neither the promised classroom training nor paid extemships, but instead exploited them for free labor. The specific facts are set forth in the paragraphs below.

3. Mueller has an established history of engaging in fraudulent schemes. In 2003, the U.S. Attorney in Salt Lake City, Utah, indicted him on multiple counts of federal mail and securities fraud. He eventually pled guilty to charges that he swindled investors out of millions of dollars in connection with a fraudulent scheme to build a golf course. Mueller was placed on house arrest, but later violated the terms of his probation and was sent to federal prison. He entered prison in November 2007 and was released in February 2010; he is on probation until February 2013.

4. Sometime before the Summer of 2010, Mueller developed an idea of launching a cooking school aimed at San Francisco's Chinese immigrant community. He had no known ties to that community; to make inroads he approached a non-profit organization known as the Chinese Newcomers Service Center ("the Center") and proposed a partnership. Mueller told employees of the Center that his intent was to provide entry-level culinary job training to Chinese immigrants. He told Center employees that he had a lavish flagship cooking school in Montecito, in Santa Barbara County. In fact, the address he gave for the cooking school is occupied by a pizza restaurant with no apparent cooking school. He also told the Center that ADC had an established placement rate of 85 percent, which on information and belief is also false.

1 5. Mueller and the Center reached an agreement with the following terms. ADC would
2 pay the Center a lump sum at the outset. The Center would recruit students for Mueller's cooking
3 school. The full price for the school was \$4,000, but those referred by the Center would be charged
4 only \$2,000. The Center would keep \$500 in exchange for which they would find and recruit students
5 from their Chinese immigrant client base and teach vocational English to the cooking school students.
6 At the end of the twelve weeks of cooking and vocational English instruction, the students would
7 receive a certificate and a twelve week paid extemship. ADC agreed to only accept students with a
8 "Level 5" English proficiency, which is the highest level of second-language fluency. Those below
9 that level of English, they agreed, would not be able to handle the English-only coursework.

10 6. On information and belief, Mueller entered into agreements with other San Francisco
11 non-profits on similarly false terms in order to attract potential students to ADC.

12 7. Also during the Summer of 2010, ADC recruited chef instructors to develop curriculum
13 for the school and do some teaching. Contrary to his agreement with the Center, Mueller told the chef
14 instructors that they would be teaching non-English speaking Chinese students, as opposed to "Level
15 5" English speakers.

16 8. The Center and other non-profit organizations recruited students for ADC. Even
17 though the agreement between ADC and the Center stated the latter would pre-screen and prequalify
18 the students, Mueller insisted that he must interview each student and personally decide whether he or
19 she would be admitted. Mueller admitted 50 students for the Fall 2010 course term. Two-thirds of the
20 students Mueller admitted to the program did not speak Level-5 English. Some spoke no English at
21 all.

22 9. Entities working on behalf of the students entered into written agreements that
23 contained the following program "exit" language: "The participants will be considered to have met
24 the exit requirements of the training when they have attained the following employment
25 enhancements": (1) "Successful completion of 12 weeks of classroom and lab training"; (2) "12
26 weeks paid extemship in the area of specific training"; (3) "Certificate of Completion"; and (4) "Job
27 Placement Service and Job Placement."
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1 10. In September 2010, the “course” began. During the first month, Defendants did not
2 follow the written curriculum for the course. Instead, they used the students to staff several different
3 catered events without paying them. The students who spoke Level 5 English served food; the
4 students who did not prepared the food. On information and belief, ADC benefitted financially from
5 these events.

6 11. By October 2010, the Center had received word that ADC was not following its own
7 curriculum, and that the students were not receiving proper training. An employee for the Center told
8 Mueller that it did not wish to continue their partnership until the first group of students successfully
9 completed the training and was placed into internships as promised. Notwithstanding this
10 communication, Defendants continued to use the Center’s name to recruit Chinese immigrants for
11 future course terms, thereby misrepresenting to potential students that ADC has an ongoing affiliation
12 with the Center.

13 12. After the Center voiced its concerns, ADC began to follow the course curriculum.
14 However, by then the course had fallen so far behind its curriculum that the students – especially non-
15 English speakers – struggled to get through it. Spending an entire month working catering events
16 rather than in the classroom had put them at a great disadvantage.

17 13. In December 2010, some Chef Instructors (that is, ADC employees) also became
18 concerned about the program and the students’ prospects of graduating and securing paid extemships
19 as promised. They confronted ADC management with their concerns, and in particular asked how
20 many of the students would be getting extemships. The answer they received was that at most two of
21 the students would receive extemships, and those would be unpaid.

22 14. Soon after that meeting, Mueller ordered the Chef Instructors to fail the entire class of
23 fifty students. On information and belief, Mueller did so in order to prevent the students from
24 claiming an entitlement to paid extemships. At least one of the Chef Instructors balked and refused to
25 fail any of the students.

26 15. In January 2011, ADC demanded that each student sign a retroactive agreement stating
27 that they understood they would not receive a Certificate of Completion unless they completed a 4-6
28

1 week half-time unpaid extemship and twenty hours of community service. Many of the students
2 refused to sign that agreement.

3 16. Nine of the fifty students responded to these events by reaching out to federal, state and
4 local officials and to the press. In February 2011, one of San Francisco's two Chinese language
5 papers, the Sing Tao Daily, published a substantial article detailing ADC's fraudulent practices.

6 17. ADC responded to the Sing Tao Daily article by publishing a "response" in the other
7 Chinese language paper, the World Journal. Rather than taking a conciliatory tone in its response,
8 ADC shamed the students, accusing them of failing the program and lying about ADC. ADC wrote
9 that it never promised paid extemships. It said that by taking their complaints to the media the
10 students had acted unprofessionally and "closed the door and released us [ADC] from any further
11 obligation" to them. Most ominously, ADC demanded that the students proffer a written apology by a
12 certain deadline or face a lawsuit to recover the "scholarships" they had received from the Center.

13 18. ADC has since enrolled a new class of students and began a new course term in January
14 2011. On information and belief, Defendants' fraudulent practices have continued.

15 19. In addition, Plaintiffs are concerned that these practices may expand and spread to other
16 immigrant communities. ADC's website indicates that they intend to open a recruiting office in Hong
17 Kong. Additionally, ADC has advertised to the Latino immigrant community in San Francisco
18 through the website LatinLife.com, which raises concerns that Mueller may target other communities
19 in San Francisco. Moreover, on information and belief, Mueller and his associates are working
20 towards opening cooking schools in other parts of California.

21 **PARTIES**

22 20. Plaintiff the People of the State of California, by and through San Francisco City
23 Attorney Dennis J. Herrera ("The People"), prosecute this action pursuant to California Business and
24 Professions Code sections 17200, 17204 and 17206.

25 21. Plaintiff City and County of San Francisco prosecutes this action pursuant to San
26 Francisco Administrative Code section 12R.7.

27 22. Defendant Mueller, aka Angelo Mueller Degenhardt is an individual and resident of
28 San Mateo County, California. Mueller is and, at all relevant times, was an owner, shareholder,

1 officer and/or executive of ADC, located in San Francisco, and is and/or was responsible for
2 employing ADC students to work and for paying their wages.

3 23. Defendant ADC is a limited liability company formed in Nevada with a principal place
4 of business in San Francisco, California.

5 24. Defendant "THE Academie" is a Nevada corporation with a principal place of business
6 in San Francisco, California.

7 25. The true names and capacities of defendants sued herein under the fictitious names
8 Does 1 through 20, inclusive, are unknown to Plaintiffs. Plaintiffs will seek leave of court to amend
9 this Complaint to allege such names and capacities as soon as they are ascertained.

10 26. At all times relevant herein, Defendants were subject to the provisions of the MWO in
11 that Defendants, directly or indirectly or through an agent or other person, employed or exercised
12 control over the wages, hours, or working conditions of the students who worked as employees as
13 described herein.

14 27. At all times relevant herein, Defendants violated Section 12R.4 of the MWO by failing
15 to pay their employees the required minimum wage under the MWO of \$9.79 per hour in 2010 and
16 \$9.92 per hour in 2011.

17 28. Plaintiffs are informed and believes that all of the acts and omissions described in this
18 Complaint by any defendant were duly performed by, and attributable to, all defendants, each acting as
19 agent, employee, alter ego and/or under the direction and control of the others, and such acts and
20 omissions were within the scope of such agency, employment, alter ego, direction, and/or control.
21 Any reference in this complaint to any acts of defendants shall be deemed to be the acts of each
22 defendant acting individually, jointly, or severally. At all relevant times, each defendant had
23 knowledge of and agreed to both the objectives and the courses of action, and took the acts described
24 in this complaint pursuant to such agreements, resulting in the unlawful, unfair, and fraudulent
25 business practices and damages to victims as described in this Complaint.

JURISDICTION AND VENUE

1 29. At all times relevant herein, the events and occurrences that gave rise to this Complaint
2 took place in the City and County of San Francisco.

3 30. The Superior Court has jurisdiction over this action. Defendants are conducting
4 unlawful, unfair, and deceptive business practices in San Francisco, and the City Attorney has the right
5 and authority to prosecute these cases on behalf of the People and the City and County of San
6 Francisco.

7 31. Venue is proper in this Court because Defendants transact business in the City and
8 County of San Francisco and the acts complained of occurred in this venue; and because the principal
9 place of business of defendants ADC and THE Academie are situated in the City and County of San
10 Francisco.

11 **FIRST CAUSE OF ACTION FOR VIOLATION OF BUSINESS AND PROFESSIONS CODE**
12 **SECTION 17200—AGAINST ALL DEFENDANTS**

13 32. Plaintiff the People of the State of California incorporates by reference the allegations
14 contained in each paragraph above, and the allegations set forth in the second cause of action below, as
15 if those allegations were fully set forth herein.

16 33. California Business and Professions Code § 17200 prohibits any “unlawful, unfair, or
17 fraudulent business act or practices.” Defendants have engaged in unlawful, unfair, and deceptive
18 business acts or practices in violation of section 17200. Such acts or practices include but are not
19 limited to those described in this Complaint.

20 34. ADC violated San Francisco Administrative Code Section 12R.7 as set forth in the
21 second cause of action, below.

22 35. ADC has failed to file to be deemed an approved school as required by the California
23 Private Post-Secondary Education Act of 2009, Cal. Educ. Code § 94809.

24 36. ADC promised students internships and overstated the likelihood of students finding
25 jobs after course completion in violation of Cal. Educ. Code § 94897.

26 37. ADC continued to affiliate itself with the Center after it was asked to stop in violation
27 of Cal. Educ. Code § 94897.
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1 38. Mueller overstated the breadth and success of his business, and his own history of
2 success in the cooking field, in order to lure San Francisco non-profits into a scheme to recruit and
3 defraud cooking school students.

4 39. Mueller repeatedly and falsely promised its non-profit partners, and thus indirectly the
5 student recruits, that the students would be trained properly and placed into paid extemships after they
6 completed the course curriculum. Defendants never intended to provide proper training or paid
7 extemships.

8 40. Defendants' practices as set forth in this complaint constitute unfair business practices
9 because they offend established public policy, and because the harm they cause to student recruits,
10 non-profit partners, and the public greatly outweighs any benefits associated with those practices.

11 41. Defendants' practices as set forth in this complaint constitute deceptive business
12 practices because they are likely to deceive potential students, employees of non-profit partners, and
13 the public at large.

14 **SECOND CAUSE OF ACTION FOR VIOLATION OF SAN FRANCISCO**
15 **ADMINISTRATIVE CODE SECTION 12R.7(c)—AGAINST ALL DEFENDANTS**

16 42. Plaintiff City and County of San Francisco incorporates by reference the allegations
17 contained in each paragraph above, as if those allegations were fully set forth herein.

18 43. The City and County of San Francisco is authorized to bring this action pursuant to
19 Section 12R.7(c) of San Francisco's Minimum Wage Ordinance ("MWO") to recover any minimum
20 wages earned, but not paid, to any worker for each hour worked in San Francisco, and for other legal
21 and equitable relief against any person who violates the MWO.

22 44. Sections 12R.4(a) and (b) of San Francisco's Minimum Wage Ordinance ("MWO")
23 require "Employers" to pay "Employees" no less than the minimum wage established by the MWO.

24 45. Section 12R.3 of the MWO defines an "Employer" as "any person, as defined in
25 Section 18 of the California Labor Code . . . who directly or indirectly through an agent [or] any other
26 person, including through the services of a temporary services or staffing agency or similar entity,
27 employs or exercises control over the wages, hours or working conditions of any Employee."
28

1 46. Section 12R.3 of the MWO defines "Employee" as any person who performs at least
2 two hours per week of work in San Francisco for an Employer and qualifies as an Employee under
3 Section 1197 of the California Labor Code.

4 47. Plaintiffs are informed and believe, and thereon allege, that at all times relevant here,
5 Defendants were "Employers" and the students "Employees" as defined by the MWO and California
6 Law.

7 48. At all times relevant here, in 2010 and 2011, the minimum wage under the MWO was
8 \$9.79 and \$9.92 per hour, respectively.

9 49. Since at least September 2010, Defendants failed to pay the students, its Employees, the
10 minimum wage as required by the MWO. In September 2010, when the "course" began, Defendants
11 used the students to staff several different catered events without paying them. The students who
12 spoke Level 5 English served food while the others prepared food.

13 50. At all times relevant herein, Defendants were subject to the provisions of the MWO in
14 that Defendants, directly or indirectly or through an agent or other person, employed or exercised
15 control over the wages, hours, or working conditions of the students who worked as employees as
16 described herein.

17 51. At all times relevant herein, Defendants violated Section 12R.4 of the MWO by failing
18 to pay their employees the required minimum wage under the MWO of \$9.79 per hour in 2010 and
19 \$9.92 per hour in 2011.

20 52. As a result, the Employees were injured through the loss of wages in an amount to be
21 determined at trial.

22 53. Those Employees are also entitled to liquidated damages under the MWO, which
23 provides that employees whose rights are violated are entitled to receive liquidated damages in an
24 amount equal to \$50 for each such employee for each day or portion thereof that the violation
25 occurred.

PRAYER FOR RELIEF

For the reasons set forth above, Plaintiff prays for relief as follows:

1. That, pursuant to Business & Professions Code section 17206, the Court assess a civil penalty in an amount up to two thousand, five hundred dollars (\$2,500) for each violation of section 17200 by each Defendant and all of them;
 2. That, pursuant to Business & Professions Code sections 17203 and 17204, the Court issue an order enjoining Defendants from performing the aforementioned acts in California;
 3. That the Court award provisional and final remedies against Defendants including, without limitation, an injunction prohibiting them from continuing the aforementioned conduct;
 4. That Defendants be ordered to provide restitution to each person deprived of tuition or wages pursuant to their unfair, unlawful, or fraudulent business practices;
 5. That Defendants be ordered to pay all wages unlawfully withheld from the students as employees under the MWO in an amount to be determined at trial;
 6. That Defendants be ordered to pay liquidated damages owed under the MWO in an amount to be determined at trial;
 7. That the Court award Plaintiffs their costs including, but not limited to attorneys' fees;
- and
8. That the Court order such further and other relief as it deems just and proper.

Dated: April 5, 2011

DENNIS J. HERRERA
 City Attorney
 DANNY CHOU
 Chief of Complex and Special Litigation
 OWEN CLEMENTS
 Chief of Special Litigation
 JILL FIGG
 KATHLEEN S. MORRIS
 Deputy City Attorneys

By: _____

KATHLEEN S. MORRIS
 Attorneys for Plaintiffs
 THE PEOPLE OF THE STATE OF CALIFORNIA
 and the CITY AND COUNTY OF SAN FRANCISCO