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FILED
Superior Court Of California,
Sacramento
03/24/2010
ebemardo
By _____, Deputy
Case Number:
34-2010-00070624

9 Attorneys for Plaintiff,
CORREN CHANG
10

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 IN AND FOR THE COUNTY OF SACRAMENTO
13

14	CORREN CHANG,)	CASE NO. 34-2010-00070624
15	Plaintiff,)	
16	v.)	AMENDED AS OF COURSE COMPLAINT
17	US LOAN AUDITORS, LLC, a)	FOR DAMAGES
18	California limited liability)	1. RETALIATION IN VIOLATION OF
19	company, and DOES 1 through)	PUBLIC POLICY [WHISTLE BLOWER]
20	100, inclusive,)	2. WRONGFUL TERMINATION IN
	Defendants.)	VIOLATION OF PUBLIC POLICY
)	<u>JURY TRIAL DEMANDED</u>

21 COMES NOW PLAINTIFF AND COMPLAINS:

22 **I. JURISDICTION AND VENUE**

23 1. This action is brought pursuant to the California
24 common law expressed in *Tameny v. Atlantic Richfield Co.* (1980)
25 27 Cal.3d 167, 170, *Collier v. Superior Court* (1991) 228
26 Cal.App.3d 1117; *Sanchez v. Unemployment I.N.S. Appeals Bd.*
27 (1984) 36 Cal.3d 575, 588 and *Gould v. Mt. Maryland Sound*
28 *Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1150, and as



1 codified in Labor Code sections 1102.5, et seq., and the rules,
2 regulations, and directives implementing said statutes. The acts
3 alleged occurred in Sacramento, California. Venue is proper in
4 this Court because the acts and/or injuries occurred in
5 Sacramento County.

6 **II. PARTIES**

7 2. Plaintiff CORREN CHANG (hereinafter "Plaintiff" and/or
8 "Chang"), is and at all times pertinent was, a resident of the
9 State of California County of Sacramento, and an employee of
10 Defendant US Loan Auditors, LLC.

11 3. Defendant US LOAN AUDITORS, LLC, (hereinafter "US Loan"
12 and/or "Defendant Employer") is, and at all times relevant hereto
13 was, a California LLC doing business in the County of Sacramento.

14 4. Plaintiff is informed and believes and thereupon
15 alleges that, except as otherwise alleged in the specific causes
16 of action, at all times relevant hereto, the agents/employees of
17 the defendants were responsible in some actual manner for the
18 acts, events and happenings referenced herein, and that at all
19 times herein mentioned, the agents/employees of the defendants
20 were the partners, principals, agents, co-conspirators, and/or
21 employees of the defendants, and in doing the things herein
22 alleged, each was action within the course and scope of such
23 partnership, agency, service, and/or employment, and with the
24 permission, consent and knowledge of the defendants.

25 5. The true names and capacities of the defendants sued
26 herein under the Code of Civil Procedure, section 474, as DOES 1
27 through 100 are unknown to the plaintiff, who therefore sues said
28 defendants by such fictitious names and will amend this complaint

1 to include their true names and capacities when the same are
2 ascertained, together with appropriate charging allegations.
3 Plaintiff is informed and believes, and on such information and
4 belief alleges, that each of the fictitiously named defendants,
5 unless otherwise alleged, are responsible in some manner for the
6 occurrences herein alleged, and that plaintiff's injuries were
7 proximately caused by these defendants.

8 **II. GENERAL ALLEGATIONS**

9 6. The Plaintiff was employed as an Account
10 Executive/Fraud Investigator (sales representatives) for
11 defendant employer.

12 7. The Plaintiff's job duties as a an Account
13 Executive/Fraud Investigator (sales representatives) consisted as
14 a of calling customers from multiple sources that were provided
15 to the Plaintiff by Defendant US Loan Auditors to attempt to
16 enlist them into a contract to perform forensic loan auditing and
17 to then enlist them into a contract for legal services with US
18 Legal Advisors which was a branch of US Loan Auditors. This work
19 was a part of the regular business of US Loan Auditors. The
20 Plaintiff was instructed to enlist these customers into a
21 contract with the other branch of Defendant Employer; US Legal
22 Advisors. Among the mandatory rules, procedures and
23 requirements, and/or characteristics of the Plaintiff's job were
24 the following:

- 25 a. There were no special skills required for this sales
26 position;
- 27 b. All the Plaintiff's daily activities were under the
28 direct control of her supervisor;

- 1 c. There was no licence required for the Plaintiff to
2 perform her sales tasks;
- 3 d. US Loan Auditors provided all the training, leads,
4 scripts, documentation, supplies and phone for the
5 Plaintiff to perform her job;
- 6 e. US Loan Auditors did all the interviewing, selection
7 and hiring of all the sales reps. The Plaintiff had to
8 fill out a job application to include a resume in order
9 to get hired;
- 10 f. The Plaintiff had to go through a mandatory training
11 process by management and the principals (owners) of US
12 Loan Auditors that included weekly classes provided via
13 a US Loan Auditor Vice President, training via weekly
14 sales meetings, various training webinars and recorded
15 training videos. There was a requirement that the
16 Plaintiff had to complete these classes and obtain a
17 quota of new clients before she was allowed to work.
18 The Plaintiff observed that only a few of the original
19 sales reps started working after the initial training
20 and ride along by the principles. All others
21 thereafter had to get a supervised quota before being
22 allowed to work with potential clients with less
23 supervision. The Plaintiff was required to train new
24 sales reps they hired and placed into the Plaintiff's
25 group following the directions of Plaintiff's
26 supervisor and had no discretion to deviate from those
27 procedures;
- 28 g. The Plaintiff had to obtain permission if she wanted to

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- work from home. When working in the office, the Plaintiff had mandatory office hours (10 am to 7 pm) and there was even assigned seating;
- h. The Plaintiff had to attend mandatory departmental meetings either in person or via webinar, and the Plaintiff was threatened by Sales VP with termination if she did not attend;
 - I. The principals also threatened mandatory meeting attendance absences with termination;
 - j. US Loan Auditors provided all equipment and documentation for the Plaintiff to be able to do her job;
 - k. The Plaintiff observed that field sales reps were provided phone equipment, access to software and business cards by the Defendants;
 - l. The Plaintiff was provided all documents to provide to the clients and all marketing materials;
 - m. The Plaintiff was required to use detailed telephone scripts for "dialer" calls. The Plaintiff was warned, (and found it to be true) because of management feedback and scolding of sales reps, that the principals were listening in on dialer calls to ensure the Plaintiff and other sales reps were following the script and their directions;
 - n. All marketing and business done by US Loan Auditors and any marketing suggestions the Plaintiff might have had to be pre-approved by the principals of US Loan Auditors;

- 1 o. There was mandatory participation required in "dialer"
2 call campaigns;
- 3 p. The Plaintiff, and other sales reps, were required to
4 sign all documentation to include client contracts with
5 US Loan Auditors as the US Loan Auditor rep. The
6 Plaintiff and sales reps also were required to sign
7 contracts for US Legal Advisors - both on the bottom of
8 US Loan Auditors contracts and once on the US Legal
9 Advisors contracts;
- 10 r. The Plaintiff was required to provide client support
11 throughout the entire process, not just through the
12 sale of the product;
- 13 s. US Loan Auditors controlled when and how much the
14 Plaintiff was paid and changed the method and timing of
15 payments several times without my input or knowledge;
- 16 t. The Plaintiff and other sales reps had to have a
17 minimum of five active clients on their desks at all
18 times or be fired; and,
- 19 u. US Loan Auditors had the ability to fire the sales
20 reps; evinced by the fact that the Plaintiff was fired
21 on October 9, 2009, because, she was informed by the
22 principals, she was too aggressive in speaking up for
23 the customers who were being defrauded.

24 8. Upon employment the Plaintiff was provided with a
25 plethora of documents that strictly and closely circumscribed the
26 Plaintiff's job tasks and the exact manner in which she was to
27 perform these tasks.

28 9. In the performance of her duties at US Loan Auditors,

1 the Plaintiff was continually told and reminded that there were
2 very specific rules to be used without question when the
3 Plaintiff was communicating with customers. Additionally, US
4 Loan Auditors supplied the Plaintiff with the instrumentalities,
5 tools, and the place of work to accomplish her job tasks. US
6 Loan Auditors did not permit any latitude in following the manner
7 in which the essential elements of the Plaintiff's job were to be
8 accomplished. The Plaintiff was told to follow a definite script
9 provided by US Loan Auditors in her communications with US Loan
10 Auditor customers.

11 10. Throughout the time of plaintiff's employment with
12 Defendant Employer, plaintiff performed the functions of her job
13 in an acceptable manner.

14 11. The Plaintiff disclosed to the Defendant Employer what
15 she reasonably believed were violations of state and/or federal
16 statutes, and/or noncompliance with state and/or federal
17 regulations as follows:

- 18 a. That there was improper/illegal acts between Defendant
19 US Loan and US Legal Advisors that were conflicts in
20 interest and detrimental to the customers;
- 21 b. That fraud was being committed by Defendants against
22 the customers of US Loan and US Legal Advisors on a
23 daily basis;
- 24 c. That Defendant US Loan was committing, and/or
25 conspiring to commit with US Legal Advisors violations
26 of the prohibition of attorneys/non-attorneys sharing
27 fees;
- 28 d. That there were violations of Business & Professions

- 1 Code § 17200, et seq., and Penal Code § 484 (theft);
- 2 e. That customers were charged fees and no work was done
- 3 on their accounts;
- 4 f. That excessive fees were charged to customers knowing
- 5 that the promised work for these exorbitant fees would
- 6 never be accomplished;
- 7 g. That a disbarred attorney was providing legal advice;
- 8 with at least one customer asserting that said
- 9 disbarred attorney was this customers' attorney;
- 10 h. That an attorney for US Loan Auditors was illegally
- 11 asserting a property interest in a customer's property.
- 12 I. That funds/money/assets were being illegally co-
- 13 mingled; and,
- 14 j. That other illegal and non-compliant activities were
- 15 taking place on a daily basis.

16 12. In retaliation for disclosing what she reasonably

17 believed were violations of state and/or federal statutes and/or

18 non-compliance with state and/or federal regulations, Chang was

19 wrongfully terminated in violation of public policy on/about

20 October 9, 2009.

21 **FIRST CAUSE OF ACTION**

22 **(RETALIATION IN VIOLATION OF PUBLIC POLICY)**

23 **[WHISTLE BLOWER]**

24 13. Plaintiff realleges and restates all the paragraphs and

25 causes of action contained herein and incorporate them by

26 reference as though fully set forth at length.

27 14. Defendants, and each of them, for illegal purposes,

28 did, in fact, do the acts as mentioned above and all other acts

of retaliation for plaintiff's disclosure of what she reasonably

1 believed to be the aforementioned illegal and/or non-compliant
2 illegal and non-compliant acts. The above-described acts, and
3 others, of defendants, and each of them, were in violation of
4 plaintiff's valuable statutory and/or common law rights to be
5 free from retaliation for reporting illegal acts which is also
6 expressed in Labor Code sections 1102.5 et seq., and public
7 policy expressed in *Tameny v. Atlantic Richfield Co.* (1980) 27
8 Cal.3d 167, 170, *Collier v. Superior Court* (1991) 228 Cal.App.3d
9 1117; *Sanchez v. Unemployment I.N.S. Appeals Bd.* (1984) 36 Cal.3d
10 575, 588 and *Gould v. Mt. Maryland Sound Industries, Inc.* (1995)
11 31 Cal.App.4th 1137, 1150.

12 15. Plaintiff is informed and believes and thereupon
13 alleges that the defendants, and each of them, intentionally and
14 with reckless disregard of the probable consequences of their
15 actions violated plaintiff's rights guaranteed by the above-
16 mentioned common law and the federal statutes and statutes of the
17 State of California to be free from retaliation because of above-
18 mentioned reporting of wrongdoing and illegal acts by conspiring,
19 participating in, ratifying, authorizing, and/or allowing a
20 retaliatory environment to exist wherein plaintiff was retaliated
21 against as hereinabove set forth.

22 16. As a direct and proximate result of the actions of
23 defendants, and each of them, plaintiff has been caused to suffer
24 and continues to suffer from physical injuries, lost wages and
25 other economic damage, humiliation, anxiety, severe emotional
26 distress, and other benefits all to her economic, non-economic
27 and general damage according to proof at the time of trial.

28 17. Because the above-mentioned acts were accomplished with

1 malice and with reckless disregard of plaintiff's rights,
2 plaintiff is entitled to an award of exemplary damages against
3 the defendants, and each of them, in an amount to be proven at
4 the time of trial.

5 **SECOND CAUSE OF ACTION**
6 **(WRONGFUL TERMINATION IN VIOLATION OF PUBLIC POLICY)**

7 18. Plaintiff realleges and restates all the paragraphs and
8 causes of action contained herein and incorporate them by
9 reference as though fully set forth at length.

10 19. The above-described acts of defendants, and each of
11 them, were in violation of plaintiff's valuable rights to be free
12 from retaliation for reporting illegal acts which is expressed in
13 the public policy expressed in *Tameny v. Atlantic Richfield Co.*
14 (1980) 27 Cal.3d 167, 170, *Collier v. Superior Court* (1991) 228
15 Cal.App.3d 1117; *Sanchez v. Unemployment I.N.S. Appeals Bd.*
16 (1984) 36 Cal.3d 575, 588 and *Gould v. Mt. Maryland Sound*
17 *Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1150, which is also
18 expressed in Labor Code section 1102.5 and 1106 and the Common
19 Law.

20 20. As a direct and proximate result of the negligent
21 and/or willful conduct of the defendants, and each of them, the
22 plaintiff was caused to suffer and continues to suffer
23 humiliation, anxiety, severe emotional stress, and loss of past
24 and future wages all to her economic and non-economic (general)
25 damages according to proof at the time of trial.

26 21. Defendants, and each of them, did the things
27 hereinabove alleged, intentionally, oppressively, maliciously,
28 and with an evil motive to vex, injure and/or annoy the plaintiff

1 in violation of the above-described statutes. As a result, the
2 plaintiff is entitled to punitive or exemplary damages against
3 the defendants, and each of them, in an amount to be determined
4 at the time of trial.

5 **PRAYER**

6 WHEREFORE, Plaintiff prays for judgment against Defendants,
7 and each of them;

8 1. For a money judgment representing compensatory damages
9 including lost wages, commissions, and other employment benefits,
10 and all other sums of money together with interest on said
11 amounts in an amount to be proven at the time of trial.

12 2. For a money judgment for mental pain and anguish,
13 emotional distress and general damages in an amount to be proven
14 at the time of trial.

15 3. For punitive or exemplary damages against the
16 defendants in an amount to be proven at the time of trial.

17 4. For prejudgment interest, if applicable.

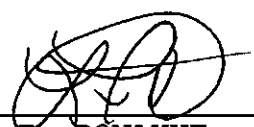
18 5. For costs of suit including attorney's fees as
19 authorized by any federal and/or state law, if applicable.

20 6. For such and other further relief as the Court may deem
21 just and proper.

22 **JURY TRIAL**

23 Plaintiff demands trial by jury as to all matters and issues
24 so triable by law.

25 DATED: March 23, 2010



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27 LEO F. DONAHUE
28 Attorney for Plaintiff,
CORREN CHANG

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STATE OF CALIFORNIA, COUNTY OF SACRAMENTO

I am employed in the County of Sacramento, State of California. I am over the age of 18 and not a party to the within action; my business address is: 11344 Coloma Road, Suite 160, Gold River, CA 95670.

On March 23, 2010, I served the foregoing document(s) in the case *US Loan Auditors, LLC, v. Chang*, described as:

AMENDED AS OF COURSE COMPLAINT FOR DAMAGES

on the interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

Amy L. Pierce, Esq.
PILLSBURY WINTHROP SHAW PITTMAN LLP
2600 Capitol Avenue, Suite 300
Sacramento, CA 95816-5930

XXX (BY MAIL) I caused such envelope with postage thereon fully prepaid to be placed in the United States mail in Sacramento County, California.

(BY PERSONAL SERVICE) I caused such envelope to be delivered by hand to the offices of the addressee(s).

(BY FACSIMILE) I caused such document(s) to be telecopied to the offices of the addressee(s).

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 23, 2010, in Gold River, Sacramento County, California.


SUSAN G. WAID