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 16 Liberto and Oliver Odle, individually and on behalf
 of all those similarly situated

17 **UNITED STATES DISTRICT COURT**

18 **NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION**

19 AARON SENNE, MICHAEL LIBERTO, and
 20 OLIVER ODLE, Individually and on Behalf of
 All Those Similarly Situated,
 21
 Plaintiffs,

22 vs.

23 OFFICE OF THE COMMISSIONER OF
 24 BASEBALL, an unincorporated association
 doing business as MAJOR LEAGUE
 25 BASEBALL; ALLAN HUBER "BUD" SELIG;
 KANSAS CITY ROYALS BASEBALL CORP.;
 26 MIAMI MARLINS, L.P.; and SAN
 FRANCISCO BASEBALL ASSOCIATES
 27 LLC,

28 Defendants.

CASE NO.

CLASS ACTION

**COMPLAINT FOR VIOLATIONS OF
 FEDERAL AND STATE WAGE AND
 HOUR LAWS**

JURY TRIAL DEMANDED

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I. NATURE AND BACKGROUND OF SUIT

1
2 1. The collective Defendants¹ are either members of or govern the cartel known as Major
3 League Baseball (“MLB”). The organization traces its roots to the nineteenth century. Unfortunately
4 for many of its employees, its wage and labor practices remain stuck there.

5 2. MLB’s longstanding exemption from the United States’ antitrust laws allows it to openly
6 collude on the working conditions for the development of its chief commodity: young baseball
7 players.²

8 3. MLB has a long, infamous history of labor exploitation dating to its inception. To hoard
9 players and depress salaries during its early years, the cartel inserted a provision (known as the reserve
10 clause) into players’ contracts that allowed teams to retain the contractual rights to players for their
11 entire careers. Moreover, it quickly quashed any rival leagues, which preserved MLB’s system of
12 artificially low salaries and nonexistent contractual mobility.

13 4. Players at the highest level of the game (“major leaguers”) eventually unionized to
14 counteract MLB’s collusive power. Since negotiating sports’ first collective bargaining agreement in
15 1968, major leaguers have enjoyed increased contractual mobility and an explosion in salaries. For
16 instance, the most recent collective bargaining agreement negotiated by the union representing major
17 leaguers—the Major League Baseball Players’ Association (“MLBPA”)—requires Defendants to pay
18 major leaguers a minimum of \$500,000 per season.

19 5. Unlike the major leaguers, players in the minor leagues (“minor leaguers”) have no union,
20 even though they comprise the overwhelming majority of baseball players employed by the
21 Defendants. The MLBPA does not represent the interests of minor leaguers.

22 6. Efforts to unionize minor leaguers have been unsuccessful because minor leaguers fear
23 retaliation by the seemingly omnipotent Defendants. Striving towards a lifelong dream of playing in
24 the major leagues, minor leaguers are reluctant to upset the status quo. As one minor leaguer, Dan
25

26 _____
¹ The term “Defendants” applies to all defendants named in this Complaint.

27 ² Plaintiffs’ Complaint does not allege violations of antitrust laws.
28

1 Peltier, testified before Congress not long ago, “[W]hat minor league player is going to jeopardize his
2 career by challenging the system?”³

3 7. Mr. Peltier further testified:

4 [It is] very much like the indentured servitude of the 1700’s. When you first sign, you
5 are owned by that team for basically 7 seasons. A team can buy you, sell you, send you
6 to another country, or fire you whenever they want. They can cut you if you get hurt.
7 A player, on the other hand, cannot try to play for someone else. He can’t try out for
8 his home team. You have to play for the team that drafted you even if they are loaded
at your position....[T]his obsession with making the majors should not be a
justification for the current treatment of minor league players, and I certainly hope it
would not be used as an excuse to give major league and minor league owners a legal
blank check.⁴

9 8. The Defendants have preyed upon minor leaguers, who are powerless to combat the
10 collusive power of the MLB cartel. MLB continues to actively and openly collude on many aspects of
11 minor leaguers’ working conditions, including, but not limited to, wages, contract terms, drug testing,
12 and discipline. For example, while major leaguers’ salaries have increased by more than 2,000 percent
13 since 1976, minor leaguers’ salaries have, on average, increased only 75 percent since that time.
14 Meanwhile inflation has risen by more than 400 percent over that same time period.

15 9. Through this collective exercise of power, MLB has suppressed minor leaguers’ wages in
16 violation of federal and state law. Most minor leaguers earn between around \$3,000 and \$7,500 for *the*
17 *entire year* despite routinely working over 50 hours per week (and sometimes 70 hours per week) during
18 the roughly five-month championship season. They receive no overtime pay, and instead routinely
19 receive less than minimum wage during the championship season.

20 10. Worse still, the Defendants have conspired to pay no wages at all for significant periods of
21 minor leaguers’ work. Consistent with MLB’s rules,⁵ the Defendants do not pay minor leaguers their
22 salaries during spring training, even though the Defendants require minor leaguers to often work over
23 fifty hours per week during spring training. Similarly, the Defendants do not pay salaries during other

24
25 ³ *Major League Baseball Antitrust Reform, Hearing on S. 53 Before the S. Comm. on the Judiciary*, 105th Cong.
26 13–15 (June 17, 1997) (Testimony of Dan Peltier, Former Baseball Player).

27 ⁴ *Id.*

28 ⁵ See Exhibit A, Major League Rules (“MLR”) Attachment 3, UPC ¶ VII.D.

1 training periods such as instructional leagues⁶ and winter training.

2 11. Recent government investigations illustrate that MLB's illegal wage and labor practices are
3 rampant. In 2013, one of the Defendants settled a U.S. Department of Labor ("DOL") action for
4 illegally compensating clubhouse employees. The DOL is currently conducting other investigations
5 for similar conduct across the industry. In addition to the government investigations, private litigation
6 has been instituted against MLB for wage and hour violations involving the use of unpaid employees.

7 12. According to a recent MLB memo, the DOL has stated that wage and hour violations "are
8 endemic to [the] industry."⁷ Recognizing the effect of the Defendants' centralized power on employee
9 wages, the DOL made a presentation to the Defendants at their 2013 Winter Meetings concerning the
10 Franchises' possible violations of federal and state wage and hour laws.

11 13. The Defendants have been on notice that they are not exempt from federal minimum
12 wage and overtime requirements since at least 1995 and 1998, when the Sixth Circuit issued a pair of
13 decisions making clear that the industry is not exempt.⁸ Yet wage abuses continue, as the Defendants
14 continue to misclassify workers and willfully violate federal and state laws.

15 14. Congress passed the Fair Labor Standards Act⁹ ("FLSA") in 1938 to protect workers from
16 the types of wage and labor abuses experienced by minor leaguers. As President Franklin D.
17 Roosevelt said prior to its passage, "[The Act must] protect workers unable to protect themselves
18 from excessively low wages and excessively long hours . . . [and] should reiterate the oft-repeated
19 pledge of political parties that labor is not a mere commodity."¹⁰

20

21 ⁶ At the end of each championship season, each MLB Franchise selects around 30–45 players to
22 participate in an instructional league to further hone the minor leaguers' skills. The Franchises
generally host the instructional league at their spring training sites. It usually lasts around one month.

23 ⁷ See Memorandum from Robert D. Manfred Jr. to All Presidents and Club Counsel, Sept. 12, 2013,
24 available at <http://www.fairwarning.org/wp-content/uploads/2013/10/Sept.-12memo.pdf>.

25 ⁸ See *Bridewell v. The Cincinnati Reds*, 68 F.3d 136, 139 (6th Cir. 1995), *cert. denied*, 516 U.S. 1172 (1996);
Bridewell v. The Cincinnati Reds, 155 F.3d 828, 829 (6th Cir. 1998).

26 ⁹ 29 U.S.C. §§ 201 *et seq.*

27 ¹⁰ See Message from the President of the United States to the Congress of the United States, Nov. 15,
1937, at 3, 6.

28

1 15. As is permitted by the FLSA, many states have also passed wage and hour laws to further
2 these protections.¹¹

3 16. This suit seeks to recoup the damages sustained by minor leaguers as a result of MLB's
4 illegal wage and labor practices. It seeks to recover damages through a nationwide FLSA collective
5 action. It also seeks to recover complementary class action damages under the state laws of California
6 (where five of the Defendants are located; where an entire minor league, the California League,
7 operates; and where hundreds of minor leaguers work during the winter), as well as Florida, Arizona,¹²
8 North Carolina, and New York.¹³

9 17. Moreover, this suit seeks to enjoin the cartel known as MLB from subjecting future minor
10 leaguers to Defendants' illegal wage and labor practices.

11 II. PARTIES

12 1. Plaintiffs

13 18. Plaintiff and representative plaintiff Aaron Senne is a former minor leaguer who worked in
14 the Florida Marlins' organization from 2010 to 2013. Mr. Senne is a covered employee within the
15 meaning of the FLSA and the applicable state wage and hour laws. Mr. Senne currently resides in
16 Rochester, Minnesota. Mr. Senne is a representative plaintiff for the Minor League Collective, the
17 Florida Class, the North Carolina Class, and the New York Class.

18 19. Plaintiff and representative plaintiff Michael Liberto is a former minor leaguer who
19 worked in the Kansas City Royals' organization from 2010 to 2013. Mr. Liberto is a covered employee
20 within the meaning of the FLSA and the applicable state wage and hour laws. Mr. Liberto currently
21 resides in The Woodlands, Texas. Mr. Liberto is a representative plaintiff for the Minor League

22 _____
23 ¹¹ The Act contains a savings clause that allows states to enact more protective wage and hour laws. 29
24 U.S.C. § 218(a). Consequently, actions may be brought simultaneously under both state and federal
25 law. *See Busk v. Integrity Staffing Solutions, Inc.*, 713 F.3d 525, 528–30 (9th Cir. 2013) (stating that both a
collective action under the FLSA and a class action under state law may be brought in the same
action).

26 ¹² All members of the cartel maintain spring training sites in Florida and Arizona and many minor
league teams operate within these two states.

27 ¹³ Minor league work occurs in New York and North Carolina.

1 Collective and the Arizona Class.

2 20. Plaintiff and representative plaintiff Oliver Odle is a former minor leaguer who worked in
3 the San Francisco Giants' organization from 2007 to 2011. Mr. Odle is a covered employee within the
4 meaning of the FLSA and the applicable state wage and hour laws. Mr. Odle currently resides in
5 Pryor, Oklahoma. Mr. Odle is a representative plaintiff for the Minor League Collective, the
6 California Class, and the Arizona Class.

7 **2. Defendants**

8 21. **The Office of the Commissioner of Baseball, d/b/a MLB.** The Office of the
9 Commissioner of Baseball, doing business as MLB, is an unincorporated association comprised of the
10 thirty Major League baseball clubs ("the Franchises").¹⁴ MLB has unified operation and common
11 control over the Franchises, as well as agent corporations such as Major League Baseball Properties,
12 Inc. and Major League Baseball Enterprises, Inc.¹⁵ All do business as MLB.

13 22. Under the broad meaning of "employ" used by the FLSA and the applicable state laws,
14 MLB employed (and/or continues to employ) Plaintiffs, all similarly situated employees, and all
15 employees of the proposed classes. As described more thoroughly below, the Defendants' cartel has
16 developed a unified constitution and unified rules to closely control many fundamental aspects of the
17 minor leaguers' employment, including, *inter alia*, hiring, contracts, wages, periods of wage payment
18 and nonpayment, other working conditions, and control over the minor leaguers before, during, and
19 after the championship season.

20 23. **Allan Huber "Bud" Selig.** Since 1998, Allan Huber "Bud" Selig has served as the
21 Commissioner of Baseball. Mr. Selig is the former owner of an MLB Franchise.

22

23

24 ¹⁴ See Exhibit B, Major League Constitution ("MLC"), Art. II § 1; see also ECF No. 25, *City of San Jose,*
25 *et al. v. Officer of the Commissioner of Baseball, et al.*, No. 13-cv-02787-RMW, at n. 2 (N.D. Cal. August 7,
2013).

26 ¹⁵ These entities are not named as Defendants at this time but Plaintiffs reserve the right to name
27 these entities as Defendants if information obtained during the course of this lawsuit connects these
28 entities to the illegal conduct alleged.

1 24. The Commissioner is the “Chief Executive Officer of Major League Baseball.”¹⁶ Serving in
2 this capacity, Mr. Selig has the power to, among other things, discipline players, announce rules and
3 procedures, and preside over meetings.¹⁷

4 25. Mr. Selig also has “executive responsibility for labor relations,”¹⁸ meaning that Mr. Selig is
5 the chief bargaining agent for the owners during negotiations with the major league union.

6 26. Since he oversees all labor matters, Mr. Selig is also assumedly the chief agent for the
7 owners when it comes to forming labor practices involving minor leaguers, and he owes a duty to the
8 owners to act in their best interest. Moreover, Mr. Selig implements, enforces, and often directs the
9 development of MLB’s rules, guidelines, and policies concerning the employment of minor league
10 players.

11 27. Mr. Selig also serves as MLB’s agent in numerous other areas. For instance, Mr. Selig
12 serves as “the fiscal agent of the Major League Central Fund”; has the power to “negotiate and enter
13 into settlement agreements” for nationwide broadcasting rights; can receive funds “made payable to
14 the Commissioner as agent for the Clubs”; and can even invest central funds on behalf of the
15 Defendants.¹⁹

16 28. The MLB owners elect the Commissioner of Baseball by a vote.²⁰ They also pay the
17 Commissioner’s salary.²¹

18 29. Under the broad meaning of “employ” and “employer” used by the FLSA and the
19 applicable state laws, which allow a chief executive to be held jointly and severally liable, Mr. Selig
20 employed (and/or continues to employ) Plaintiffs, all similarly situated employees, and all employees
21 of the proposed classes. As described later in this complaint, Mr. Selig oversees and closely controls

22
23 ¹⁶ MLC Art. II § 2.

24 ¹⁷ MLC Art. II §§ 2, 3.

25 ¹⁸ MLC Art. II § 2.

26 ¹⁹ MLC Art. X; *see also* MLR 30 (saying that all funds in the hands of the Commissioner are joint funds
of the MLB Clubs).

27 ²⁰ MLC Art. II §§ 8, 9.

28 ²¹ MLC Art. II § 8.

1 many aspects central to the minor leaguers' employment, including, *inter alia*, hiring, contract terms,
2 discipline and firing, amount of wages, on-field work rules, and when wages are to be paid.²²

3 30. Upon information and belief, and as described more fully below, Mr. Selig also had direct
4 involvement in the formation of programs affecting working conditions for minor leaguers, such as
5 the unilateral implementation of drug testing in 2001 and HGH testing in 2010, as well as the
6 implementation of a system to suppress signing bonuses for minor leaguers entering MLB's
7 developmental system for the first time. The Commissioner also has implemented and oversees a
8 tobacco policy, and all minor leaguers must abide by the policy.²³

9 31. **Franchise Defendants.** The below named MLB franchises are defendants in this lawsuit
10 and referred to collectively as the "Franchise Defendants":

11 32. *Kansas City Royals.* Kansas City Royals Baseball Corp. (d/b/a "Kansas City Royals") is an
12 MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the
13 Kansas City Royals employed (and/or continue to employ) Plaintiffs, similarly situated employees,
14 and employees of the Proposed Classes.

15 33. *Miami Marlins.* Miami Marlins, L.P. (d/b/a "Miami Marlins") is an MLB Franchise. As a
16 member of Major League Baseball, acting jointly and on its own behalf, the Miami Marlins employed
17 (and/or continue to employ) Plaintiffs, similarly situated employees, and employees of the Proposed
18 Classes. The Miami Marlins were known and operated as the Florida Marlins until changing its name
19 in 2012. Plaintiffs are informed and believe that the Miami Marlins is the successor in interest to the

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22 ²² See MLR Attachment 3, Minor League Uniform Player Contract ("UPC") ¶¶ VI (describing the
23 conditions of employment), VII (payment of salaries), XXIII (granting Commissioner right to
24 suspend the contract), XXVI (requiring approval by the Commissioner for the contract to have
25 effect); *see also, e.g.*, Addendum C to MLR Attachment 3 (salary form requiring approval by the
26 Commissioner); MLR 4 (giving Commissioner power to oversee the amateur draft, one of the chief
avenues of hiring players); MLR 13 (giving Commissioner the power to suspend players); MLR 3(e)
(requiring all contracts to be approved by the Commissioner); MLR 14 (giving Commissioner the
power to accept or deny an application for retirement); MLR 15 (giving Commissioner power to place
players on an Ineligible List for misconduct, or to take any other disciplinary action in the best interest
of baseball).

27 ²³ MLR Attachment 3, UPC ¶ VI.E.
28

1 years before the filing of this action until its resolution, but who had no service time in the major
2 leagues at the time of performing work as a minor leaguer in Florida. Excluded from the Florida Class
3 are Defendants and their officers, directors, assigns, and successors, or any individual who has, or
4 who at any time during the class period has had, a controlling interest in Defendants. Also excluded
5 are the Court and any members of the Court's immediate family, counsel for plaintiffs, as well as
6 persons who submit timely and proper requests for exclusion from the Florida Class.

7 39. **Arizona Class.** For Counts 11 to 13 (violations of Arizona wage laws and quantum meruit
8 under Arizona law), the Arizona Class is defined as follows: all minor leaguers employed by
9 Defendants under initial UPCs who worked, will work, and/or continue to work as minor leaguers in
10 the state of Arizona at any time three years before the filing of this action until its resolution, but who
11 had no service time in the major leagues at the time of performing work as a minor leaguer in
12 Arizona. Excluded from the Arizona Class are Defendants and their officers, directors, assigns, and
13 successors, or any individual who has, or who at any time during the class period has had, a
14 controlling interest in Defendants. Also excluded are the Court and any members of the Court's
15 immediate family, counsel for plaintiffs, as well as persons who submit timely and proper requests for
16 exclusion from the Arizona Class.

17 40. **North Carolina Class.** For Counts 14 to 16 (violations of North Carolina's wage laws
18 and quantum meruit under North Carolina law), the North Carolina Class is defined as follows: all
19 minor leaguers employed by Defendants under initial UPCs who worked, will work, and/or continue
20 to work as minor leaguers in the state of North Carolina at any time two years before the filing of this
21 action until its resolution, but who had no service time in the major leagues at the time of performing
22 work as a minor leaguer in North Carolina. Excluded from the North Carolina Class are Defendants
23 and their officers, directors, assigns, and successors, or any individual who has, or who at any time
24 during the class period has had, a controlling interest in Defendants. Also excluded are the Court and
25 any members of the Court's immediate family, counsel for plaintiffs, as well as persons who submit
26 timely and proper requests for exclusion from the North Carolina Class.

27 41. **New York Class.** For Counts 17 to 20 (violations of New York's wage laws and quantum
28 meruit under New York law), the New York Class is defined as follows: all minor leaguers employed

1 by Defendants under initial UPCs who worked, will work, and/or continue to work as minor league
2 players in the state of New York at any time six years before the filing of this action until its
3 resolution, but who had no service time in the major leagues at the time of performing work as a
4 minor leaguer in New York. Excluded from the New York Class are Defendants and their officers,
5 directors, assigns, and successors, or any individual who has, or who at any time during the class
6 period has had, a controlling interest in Defendants. Also excluded are the Court and any members of
7 the Court's immediate family, counsel for plaintiffs, as well as persons who submit timely and proper
8 requests for exclusion from the New York Class.

9 42. *Common characteristics of the Proposed Classes.* All of the Proposed Classes share the following
10 characteristics, making them all optimal for class resolution:

11 43. Each of the Proposed Classes is so numerous that joinder of all members is impracticable.
12 While the exact number of Class members in each Class is unknown to Plaintiffs at this time,
13 Plaintiffs are informed and believe that several hundred (and in the case of the Florida and Arizona
14 Classes several thousand) geographically-dispersed Class members worked, will work, and continue to
15 work as minor leaguers in each of the applicable states, either during spring training, at promotional
16 events, during other training and work periods, or during championship seasons occurring within the
17 states.

18 44. Plaintiffs' claims are typical of the claims of the other members of each of the Proposed
19 Classes. Plaintiffs and the members of the Proposed Classes were subject to the same or similar
20 compensation practices arising out of Defendants' common course of conduct in violation of the
21 federal and state laws as alleged herein. Plaintiffs and the Proposed Classes have sustained similar
22 types of damages as a result of these common practices.

23 45. Plaintiffs will fairly and adequately protect the interests of the members of all members of
24 the Proposed Classes because they possess the same interests and suffered the same general injuries as
25 class members. Plaintiffs have retained counsel competent and experienced in class action litigation,
26 including wage and hour class action litigation.

27 46. Common questions of law and fact exist as to all members of the Proposed Classes and
28 predominate over any questions affecting solely individual members of the Class. Among the many

1 questions of law and fact common to the Proposed Classes are:

- 2 (a) whether Defendants set wages at a rate below the minimum wages required under the
3 applicable laws;
- 4 (b) whether Defendants paid and continue to pay no wages at all during certain pay
5 periods, contrary to the requirements of applicable laws;
- 6 (c) whether any exemptions apply to the industry or to minor leaguers;
- 7 (d) whether Defendants require all minor leaguers to sign the same UPC, which controls
8 minor leaguers' pay and pay periods and enables the unlawful practices;
- 9 (e) whether all minor leaguers signed substantially the same UPC;
- 10 (f) whether Defendants willfully, or with reckless disregard, carried out their unlawful
11 practices;
- 12 (g) the compensability of certain work periods and the appropriate method of measuring
13 damages for the injuries sustained by Plaintiffs and other members of the Proposed
14 Classes as a result of Defendants' unlawful activities; and
- 15 (h) Whether Defendants have acted or refused to act on grounds generally applicable to
16 the Plaintiff Class, thereby making final injunctive or declaratory relief appropriate
17 with respect to the Plaintiff Class as a whole.

18
19
20 47. A class action is superior to other available methods for the fair and efficient adjudication
21 of this controversy because joinder of all members in each of the Proposed Classes is impracticable.
22 The prosecution of separate actions by individual members of the Proposed Classes would impose
23 heavy burdens on the courts and the parties, and would create a risk of inconsistent or varying
24 adjudications of the questions of law and fact common to the Class. A class action, on the other hand,
25 would achieve substantial economies of time, effort, and expense, and would assure uniformity of
26 decision as to persons similarly situated, without sacrificing procedural fairness or bringing about other
27 undesirable results.

1 54. Additionally and/or alternatively, this Court has jurisdiction over Plaintiffs' state law
2 claims under 28 U.S.C. § 1332 because the amount in controversy for the Proposed Classes exceeds
3 \$5,000,000 and there are members of the Proposed Classes who are citizens of a different state than
4 Defendants, as well as members of the Proposed Classes who are citizens of a foreign state.

5 55. This Court also has jurisdiction over Plaintiffs' claims under the FLSA pursuant to 29
6 U.S.C. § 216(b).

7 56. All Defendants are subject to personal jurisdiction in California since all Defendants
8 transact a significant amount of business in California.

9 57. Defendants' conduct had a direct, substantial, and reasonably foreseeable effect on
10 interstate commerce. The Defendants host baseball games, operate baseball leagues, and transact
11 business in multiple states. The Defendants routinely use instruments of interstate commerce, such as
12 interstate railroads, highways, waterways, wires, wireless spectrum, and the U.S. mail, to carry out their
13 operations.

14 58. Venue is proper in the Northern District of California pursuant to 28 U.S.C. § 1391(b) and
15 (c) because a substantial part of the events or omissions giving rise to the claims occurred in this
16 District. All the Defendants transact business in the Northern District of California; one of the
17 plaintiffs was employed by the San Francisco Giants and worked for a significant period of time at the
18 Giants' minor league affiliate in San Jose, California. Additionally, two MLB Franchises are located in
19 the Northern District of California, and it is believed that one of MLB's officers resides within this
20 District.

21 59. Upon information and belief, each Franchise employs minor leaguers from California,
22 which routinely ranks as the number one provider of minor leaguers in the United States.

23 60. In the last three years, California averaged 221 draft picks per year (compared to, for
24 instance, an average of 32 per year for New York over the same time span). Since most minor
25 leaguers return home during the offseason, where they continue to work for the Franchises without
26 pay, this complaint alleges that all Defendants employ minor leaguers in the state of California in
27 violation of California law.

28 61. Moreover, five Franchises are located in California, and an entire minor league is located

1 within the state.

2 62. All causes of action asserted in this Complaint are closely related to one another and each
3 accrued under the same common set of facts and share a common nucleus of operative facts. Each
4 cause of action emanates from the same uniform contract, from the same policies and practices, as
5 applied to the same group of employees.

6 VI. FACTUAL ALLEGATIONS

7 1. The Booming Business of MLB

8 63. MLB is the preeminent baseball league in the world. Its games are broadcast in 233
9 countries and territories in 17 different languages.²⁴ During the 2013 season, over 74 million fans paid
10 to attend MLB games.

11 64. In 2012, revenue for MLB and its thirty teams reached \$7.5 billion, an increase of 257
12 percent since 1995. Annual revenue will continue to climb as new television contracts begin to
13 perform and is expected to reach \$9 billion dollars by 2014.²⁵

14 65. Franchise values for the thirty MLB teams have grown as well. In 2012 alone, Franchise
15 values increased by 23 percent. The New York Yankees are now the most valuable sports franchise in
16 the United States with an estimated value of \$2.3 billion; the average value of the thirty Franchises
17 stands at \$744 million each.²⁶

18 66. The baseball players employed by the Defendants sustain this rise in revenue, as they
19 comprise the chief product offered by MLB and its teams. Without baseball players, MLB and its
20 teams would not exist. Yet MLB and its Franchises pay most players—the minor leaguers—wages
21 that fall well below minimum wage. They also fail to pay required overtime pay, and often fail to pay

22 _____
23 ²⁴ *MLB International*, MLB.com, http://mlb.mlb.com/mlb/international/mlbi_index.jsp (last visited
Dec. 16, 2013).

24 ²⁵ See Maury Brown, *MLB Revenues \$7.5B for 2012, Could Approach \$9B by 2014*, Biz of Baseball (Dec.
25 10, 2012), http://www.bizofbaseball.com/?catid=30:mlb-news&id=5769:mlb-revenues-75b-for-2012-could-approach-9b-by-2014&Itemid=42&option=com_content&view=article.

26 ²⁶ Mike Ozanian, *Baseball Team Valuations 2013: Yankees on Top at \$2.3 Billion*, Forbes (Mar. 27, 2013),
27 <http://www.forbes.com/sites/mikeozanian/2013/03/27/baseball-team-valuations-2013-yankees-on-top-at-2-3-billion/>.

1 wages at all for work performed, allowing many—if not most—minor leaguers to fall below federal
2 poverty levels.

3 2. Minor Leaguers’ Uniform, Adhesive Contracts

4 67. Since the 1920s, all MLB teams have used an extensive “farm system” to develop players.
5 MLB teams employ a small number of major leaguers that perform in MLB stadiums at the game’s
6 highest level. Rules allow Franchises to only maintain 25 major leaguers on an “active roster” and a
7 few additional players reserved on the “40-man” roster. A few more players are inevitably on the
8 major league disabled list, so each Franchise employs a little over 40 major leaguers.

9 68. But each Franchise simultaneously stockpiles around 150 to 250 minor leaguers that
10 perform at the minor league levels of baseball. It is estimated that, at any given time, the Defendants
11 collectively employ around 6,000 minor leaguers total. The Defendants employ this high number of
12 minor leaguers in their farm systems, hoping they eventually develop into major leaguers.

13 69. MLB and its thirty teams enjoy a longstanding antitrust exemption. This exemption allows
14 the Defendants to operate as a single organization when establishing rules for employing minor
15 leaguers. Moreover, the exemption significantly increases the level of bargaining power the
16 Defendants collectively exercise over the minor leaguers.

17 70. While major leaguers have formed a union that successfully combats the Defendants’
18 collusive bargaining power, minor leaguers have no union. Without a union to counteract MLB’s
19 power, MLB and its teams have exploited minor leaguers by, among other things, continuing to
20 promulgate and impose oppressive rules on minor leaguers’ entry into the industry and on contracts,
21 salaries, and other working conditions.

22 71. The MLB teams acquire minor leaguers in one of two ways: through an amateur draft or
23 through free agency.

24 72. The amateur draft, known as MLB’s Rule 4 draft,²⁷ occurs in June of each year. The
25 genesis of the Rule 4 draft is instructive on the Commissioner’s involvement in developing and
26

27 ²⁷ MLR 4.
28

1 enforcing MLB's policies on payments to major leaguers. Since at least World War II, the Defendants
2 have sought to suppress signing bonuses for the most talented amateur players.²⁸ Various solutions
3 were proposed, but none seemed to work.

4 73. In 1965, Commissioner Ford Frick oversaw the development and implementation of what
5 is now the Rule 4 draft. By forcing amateur players to participate in the draft, MLB and its
6 Commissioner limited those players seeking to enter MLB's developmental system to only negotiating
7 with a single team. Thus, signing bonuses declined.

8 74. Upon information and belief, Bud Selig sought to further curb signing bonuses for
9 draftees in the late 1990s. Acting in his capacity as chief labor agent,²⁹ he directed the development
10 and implementation of an informal "slotting" system with recommended signing bonuses for each
11 high level pick. To enforce the mechanism, Mr. Selig required a Franchise's scouting director to call
12 the Commissioner's office prior to exceeding the recommended slot level. This requirement of
13 approval is an outgrowth of MLB's rules, which require all minor league contracts to be filed with and
14 approved by Mr. Selig.³⁰

15 75. Not satisfied with an informal slotting system, Mr. Selig sought the implementation of a
16 more formal, mandatory slotting system. At his direction, a new, stricter system was instituted in 2012.
17 The current system places limits on the amounts Franchises can spend on signing bonuses.

18 76. MLB's current Rule 4 draft, as developed and enforced by the Commissioner, requires all
19 amateur players from the United States, Canada, and Puerto Rico to participate in the draft in order to
20 sign with an MLB team.³¹ Beginning with the worst MLB team from the previous season, teams select
21 previously amateur players over the course of forty rounds.

22 _____
23 ²⁸ MLB teams offer large signing bonuses to the most talented amateur players as an incentive to
24 forego college. Only the very top amateurs, however, receive large signing bonuses. The majority of
25 amateurs signed through the draft receive quite small signing bonuses, usually around \$2500.

26 ²⁹ MLC Art. II § 2.

27 ³⁰ See MLR 3(e) (requiring all contracts to be approved by the Commissioner); MLR Attachment 3,
28 UPC ¶ XXVI (requiring approval by the Commissioner for the contract to have effect).

³¹ MLR 4(a).

1 77. Players selected in the Rule 4 draft are between the ages of 18 and 22 (with the exception
2 of a few players who are 23). Once selected by a Franchise, a player cannot bargain with any other
3 Franchise, as MLB's rules grant the drafting Franchise exclusive rights to the player.³²

4 78. While some highly talented players retain agents (or advisors) to assist them with
5 negotiations, the National Collegiate Athletic Association—the governing body for college baseball
6 players and prospective college baseball players—prohibits amateur athletes from employing agents or
7 attorneys during contract negotiations.³³ Moreover, the less talented amateurs, who receive small
8 signing bonuses, offer little incentive for agents to represent them. Also, the Defendants' scouts often
9 discourage the use of attorneys/agents. Thus, many—and likely most—minor leaguers are
10 unrepresented when drafted and initially signing UPCs.

11 79. In addition to the draft, teams acquire previously amateur Latin American players through
12 free agency. The Dominican Republic, followed by Venezuela, produces the most Latin American
13 players. MLB rules allow the Franchises to sign the players as early as age sixteen, so most Latinos are
14 either sixteen or seventeen when signing with a Franchise.³⁴

15 80. Most Latino minor leaguers come from poor families and have only the equivalent of an
16 eighth grade education. Before signing, many are only represented by similarly-educated
17 “buscones”—usually former players who maintain training facilities for young amateur players. Some
18 of the Franchises' scouts have been reprimanded in recent years for participating in bribes and
19 kickback schemes with the buscones, and the FBI has even investigated the exploitative practices.³⁵
20 These Latino signees comprise over forty percent of minor leaguers.

21 _____
22 ³² MLR 4(e).

23 ³³ See 2012–2013 NCAA Division I Manual, Article 12 Amateurism, at 68, *available at*
24 [http://grfx.cstv.com/photos/schools/bc/genrel/auto_pdf/2012-](http://grfx.cstv.com/photos/schools/bc/genrel/auto_pdf/2012-13/misc_non_event/12_13_NCAA_Manual.pdf)
25 [13/misc_non_event/12_13_NCAA_Manual.pdf](http://grfx.cstv.com/photos/schools/bc/genrel/auto_pdf/2012-13/misc_non_event/12_13_NCAA_Manual.pdf) (“A lawyer may not be present during discussions of
a contract offer with a professional organization or have any direct contact...with a professional
sports organization on behalf of the individual.”).

26 ³⁴ See MLR 3(a).

27 ³⁵ See Jorge L. Ortiz, *Exploitation, steroids hitting home in Dominican Republic*, USA Today (Mar. 26, 2009),
28 http://usatoday30.usatoday.com/sports/baseball/2009-03-26-dominican-republic-cover_N.htm.

1 81. Similar to the slotting system, Mr. Selig also personally oversaw the development of bonus
 2 pools for Latino players in an effort to curtail Latino signing bonuses. Instituted in 2012, Mr. Selig's
 3 plan allows each Franchise a certain amount to spend on signing bonuses for Latino players.

4 82. Teams also sign additional players from the United States, Canada, and Puerto Rico who
 5 were not drafted in the Rule 4 draft.³⁶ MLB rules place limits on when such free agent acquisitions can
 6 occur. Since they were not selected in the draft, they are viewed as less skilled amateur players and,
 7 even as free agents, have no bargaining power.

8 83. MLB rules, as implemented and enforced by the Defendants and the Commissioner,
 9 require all teams to use the same uniform player contract ("UPC") when signing these previously
 10 amateur players. MLR 3(b)(2) states:

11 To preserve morale among Minor League players and to produce the similarity of
 12 conditions necessary for keen competition, all contracts...shall be in the form of the
 13 Minor League Uniform Player Contract that is appended to these Rules as Attachment
 14 3. All Minor League Uniform Player Contracts between either a Major or a Minor
 15 League Club and a player who has not previously signed a contract with a Major or
 16 Minor League Club shall be for a term of seven Minor League playing seasons....The
 17 minimum salary in each season covered by a Minor League Uniform Player Contract
 18 shall be the minimum amount established from time to time by the Major League
 19 Clubs....

20 84. Moreover, "[a]ll contracts shall be in duplicate," and "[a]ll...must be filed with the
 21 Commissioner...for approval."³⁷ No contract can vary any term without the approval of the
 22 Commissioner.³⁸ A minor leaguer cannot work for an MLB team without signing the UPC because a
 23 "player's refusal to sign a formal contract shall disqualify the player from playing with the contracting
 24 Club or entering the service of any Major or Minor League Club."³⁹

25 85. Thus, the UPC grants the MLB team the exclusive rights to the minor leaguer for seven
 26 championship seasons (about seven years).⁴⁰ During that time period, the MLB team may assign the

27 ³⁶ MLR 4(i).

28 ³⁷ MLR 3(b)(3); *see also* MLR 3(b)(4) (saying that a player cannot play until the UPC is signed).

³⁸ MLR 3(b)(3).

³⁹ MLR 3(d).

⁴⁰ MLR 3(b)(2); MLR Attachment 3, UPC ¶ VI.A.

1 minor leaguer's rights to any other team, and the MLB team may terminate the agreement at any time
2 for almost any reason.⁴¹

3 86. But the minor leaguer cannot leave voluntarily to play for another baseball team—even
4 outside of MLB, and even outside of the United States.⁴² A player doing so “shall be subject to the
5 discipline of the Commissioner.”⁴³ Retirement from baseball during the seven-year term even requires
6 the Commissioner's approval.⁴⁴ Thus, minor leaguers possess very little (and one-sided) contractual
7 mobility.

8 87. The one-sided mobility often traps a player in the minor leagues of a single organization. A
9 minor leaguer selected in the amateur draft can only sign with the MLB team that drafted him. For the
10 next seven years, the MLB team controls the minor leaguer's rights. By the expiration of the contract,
11 much of the value of the minor leaguer as a young prospect has expired because the player has aged.

12 88. The MLB cartel uses a vertically integrated system of development for these minor
13 leaguers. Players begin at the lowest levels of MLB's developmental system, levels known as Rookie
14 and Short-Season A. Ideally they then advance to higher levels: Class-A, Advanced Class-A, Double-
15 A, and Triple-A (one step from the major leagues). Each level acts as a funnel, though, with many
16 minor leaguers never advancing past Class-A, and the vast majority never reaching the major leagues.

17 89. Since the signing of a 1962 Player Development Plan, MLB requires MLB Franchises to
18 maintain a certain number of minor league teams. Commissioner Frick oversaw this requirement,
19 even testifying before Congress about the need for maintaining a high number of minor league teams.
20 Currently, all MLB teams have minor league teams at all the levels of the minor leagues, with most
21 having either seven or eight minor league teams.

22 90. Often the MLB Franchises do not operate the minor league stadium but instead sign
23 agreements with owners of minor league teams. These agreements are known as Player Development

24 _____
25 ⁴¹ MLR 9; MLR Attachment 3, UPC ¶ XVIII.

26 ⁴² MLR 18; MLR Attachment 3, UPC ¶ XVI.

27 ⁴³ MLR 18.

28 ⁴⁴ MLR 14.

1 Contracts (“PDC”), and the teams are affiliates of the MLB Franchises.

2 91. MLB rules make clear that MLB and its Franchises remain the employers of minor
3 leaguers at all times when using PDCs. MLR 56(g) states:

4 The players so provided shall be under contract exclusively to the Major League Club
5 and reserved only to the Major League Club. The Minor League Club shall respect, be
6 bound by, abide by and not interfere with all contracts between the Major League
7 Club and the players that it has provided to the Minor League Club.

8 92. Moreover, MLB requires the MLB Franchise to pay the salaries of the minor league
9 players at all times and allows the MLB Franchise the ability to control assignments.⁴⁵

10 93. MLB’s rules also mandate that the Franchises “select and employ” and “compensate and
11 provide benefits for” the minor league “managers, coaches, instructors and trainers” at all times
12 during a PDC agreement.⁴⁶ These coaches and instructors, directed by MLB and MLB’s Franchises
13 and working under MLB’s rules, oversee the daily work of the players. The MLB Franchise
14 consequently “makes all decisions related to player development, including selecting the coaching staff
15 and deciding which players to assign to the team.”⁴⁷

16 94. The minor league party to the PDC, on the other hand, has little control over players.
17 MLR 56(g) merely requires the minor league party to furnish uniforms, share in the cost of bats and
18 balls, and maintain the minor league stadium.

19 3. The Illegal Minor League Salaries

20 95. Since minor leaguers do not belong to a union, nothing has prevented the Defendants
21 from artificially and illegally depressing minor league wages. Indeed, MLB’s exemption from antitrust
22 laws has only made it easier. Given that MLB carefully controls the entryway into the highest levels of
23 baseball, and given the young minor leaguer’s strong desire to enter the industry, MLB and the
24 Defendants have exploited minor leaguers by paying salaries below minimum wage, by not paying
25 overtime wages, and by often paying no wages at all.

25 ⁴⁵ MLR 56(g).

26 ⁴⁶ MLR 56(g).

27 ⁴⁷ *MiLB.com Frequently Asked Questions*, MiLB.com, <http://www.milb.com/milb/info/faq.jsp?mc=business#3> (last visited Dec. 17, 2013).

28

1 96. Plaintiffs are informed and believe that MLB and the Commissioner issue minor league
 2 salary guidelines for players signed to an initial UPC, and teams deviate very little from these
 3 guidelines. After all, MLR 3(c) requires that all first-year minor leaguers earn “the amount established
 4 by” MLB.⁴⁸ It is currently believed that all first-year minor leaguers employed by the Defendants must
 5 earn \$1100 per month.

6 97. Salaries beyond the first year are very similar across all Franchises. It is believed that
 7 discussions regarding minor league salaries (and other working conditions concerning minor leaguers)
 8 occur when MLB hosts its quarterly owner meetings that all Defendants attend.

9 98. While salary guidelines are not publicly available, the Plaintiffs are informed and believe,
 10 based on the salaries paid by the Defendants across the minor leagues, that MLB currently
 11 recommends the following salaries, paid only during the championship season:

- 12 • \$1,100 per month for Rookie and Short-Season A;
- 13 • \$1,250 per month for Class-A;
- 14 • \$1,500 per month for Class-AA; and
- 15 • \$2,150 for Class-AAA.

16 99. Beyond the first year, the UPC required by MLB, and enforced by Mr. Selig, purports to
 17 allow salary negotiation by the minor leaguer, as the UPC states that salaries will be set out in an
 18 addendum to the UPC and subject to negotiation.⁴⁹ But the same UPC provision states that if the
 19 Franchise and minor leaguer do not agree on salary terms, the Franchise may unilaterally set the salary
 20 and the minor leaguer must agree to it.⁵⁰

21 100. In truth, then, the UPC—and Mr. Selig as enforcer—does not allow for minor league
 22 salary negotiations. It is believed that the Franchises simply follow MLB’s salary guidelines, and the
 23 minor leaguers must accept them. As the 2013 Miami Marlins Minor League Player Guide states,
 24 _____

25 ⁴⁸ As the 2013 Miami Marlins Minor League Player Guide states, “all first-year players receive \$1,100
 26 per month regardless of playing level per the terms of the [UPC].”

27 ⁴⁹ MLR Attachment 3, UPC ¶ VII.A.

28 ⁵⁰ MLR Attachment 3, UPC ¶ VII.A.

1 “This salary structure will be strictly adhered to; therefore, once a salary figure has been established
2 and sent to you, there will be NO negotiations.”

3 101. The UPC required by MLB, and enforced by Mr. Selig, states that salaries are only to be
4 paid during the championship season, which, for most players, lasts about five months out of the
5 year.⁵¹ Due to the funneling that occurs at each level, significantly more minor leaguers perform at the
6 lower levels of the minor leagues than at the upper two levels of the minor leagues (Class-AA and
7 Class-AAA), so Plaintiffs believe that most minor leaguers earn less than \$7,500 per calendar year.
8 Some earn \$3,000 or less.

9 102. Despite only being compensated during the championship season, MLB’s UPC
10 “obligates Player to perform professional services on a calendar year basis, regardless of the fact that
11 salary payments are to be made only during the actual championship playing season.”⁵² Consistent
12 with that obligation, the UPC states that “Player therefore understands and agrees that Player’s duties
13 and obligations under this Minor League Uniform Player Contract continue in full force throughout
14 the calendar year.”

15 103. MLB’s UPC, and the Defendants’ application of the UPC, requires the minor leaguer to
16 participate in spring training.⁵³ Again, the UPC does not allow for salaries during this period since
17 spring training falls outside the championship season, so minor leaguers work without earning a
18 paycheck. The spring training season usually lasts around one month, during the month of March, but
19 it sometimes lasts longer.

20 104. Around 30–50 minor leaguers per MLB Franchise do not earn a roster spot on a minor
21 league team at the end of spring; they instead remain at the Franchise’s spring training site in
22 “extended spring training.” Since they are not participating in a championship season, MLB’s UPC
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24
25 ⁵¹ MLR Attachment 3, UPC ¶ VII.B. (“Obligation to make such payments to Player shall start with
26 the beginning of Club’s championship playing season...[and] end with the termination of Club’s
27 championship playing season....”).

28 ⁵² MLR Attachment 3, UPC ¶ VI.B.

⁵³ See MLR Attachment 3, UPC ¶ VI.B. (saying that the UPC applies to the “Club’s training season”).

1 again does not require salaries to be paid.⁵⁴ Upon information and belief, most of these players will
 2 not earn paychecks until the end of June, when the Rookie and Short-Season A leagues begin. Thus,
 3 many minor leaguers are not paid for work performed during March, April, May, and most of June.

4 105. At the end of the championship season, around 30–45 minor leaguers per MLB
 5 Franchise are also selected to participate in an instructional league to further hone their skills. Again,
 6 MLB’s UPC—as approved and enforced by Mr. Selig—requires minor leaguers to perform this work
 7 without pay since it is outside the championship season, so the minor leaguers receive no paychecks
 8 during the instructional league.⁵⁵ The instructional leagues usually last around one month.

9 106. MLB’s UPC also requires minor leaguers to maintain “first-class” conditioning
 10 throughout the calendar year⁵⁶ because the player’s “physical condition is important to...the success
 11 of the Club.”⁵⁷ Consequently, a “Club may require Player to maintain Player’s playing condition and
 12 weight during the off-season and to report for practice and condition at such times and places as Club
 13 may determine.”⁵⁸ If the player fails to meet these requirements, the “Club may impose a reasonable
 14 fine upon Player...”⁵⁹

15 107. Carrying out this provision of MLB’s UPC, the Defendants therefore require players to
 16 perform extensive training and conditioning during the winter off-season. It is believed that all
 17 Franchises direct the winter work by issuing training packets to all the players. Many, and perhaps all,
 18 Franchises monitor workouts and punish players for not performing off-season workouts. Per MLB’s
 19 required UPC, as approved by Mr. Selig, minor leaguers receive no wages during this training period
 20 because it is outside the championship season.⁶⁰

21 _____
 22 ⁵⁴ MLR Attachment 3, UPC ¶ VII.B.

23 ⁵⁵ MLR Attachment 3, UPC ¶ VII.B.

24 ⁵⁶ MLR Attachment 3, UPC ¶ XII.

25 ⁵⁷ MLR Attachment 3, UPC ¶ VI.D.

26 ⁵⁸ MLR Attachment 3, UPC ¶ VI.D.

27 ⁵⁹ MLR Attachment 3, UPC ¶ VI.D.

28 ⁶⁰ See MLR Attachment 3, UPC ¶ VII.B.

1 108. In sum, the Defendants, as directed by Mr. Selig, pay illegally low wages during the
2 championship season, no overtime wages, and no wages for work performed outside the
3 championship season. As demonstrated below, the cartel requires players to work very long hours,
4 further demonstrating the illegality of the wage scheme.

5 **4. The Long Hours Worked By Minor Leaguers**

6 109. During the roughly five-month championship season, minor league teams play games
7 either six or seven days per week. The minor leaguer enjoys a day off on average only once every 2–3
8 weeks.

9 110. For Monday through Saturday games, minor leaguers must participate in mandatory
10 pregame activities: stretching, batting practice, fielding practice, throwing, conditioning, etc. With
11 games averaging around three hours in length, minor leaguers usually work around eight mandatory
12 hours at the stadium on these days. For Sunday workdays, players also perform significant amounts of
13 work.

14 111. In a seven-day workweek—which is typical—the minor leaguer consequently works well
15 in excess of forty hours at the stadium. If the minor leaguer enjoys a rare off day during a week, the
16 minor leaguer still works in excess of forty hours per week at the stadium during the altered six-day
17 workweek.

18 112. As part of the maintenance of first-class conditioning required by MLB's UPC, players
19 must also regularly perform strength and conditioning workouts during the season. These workouts
20 are devised and supervised by strength coaches employed by MLB's Franchises. The required
21 workouts thus add additional compensable time onto the minor leaguers' work schedule.

22 113. Additionally, minor leaguers are required to perform protracted travel, usually by a team
23 bus. Half of the games are played away from home, and the usual road trip often entails a handful of
24 bus rides each lasting several hours..

25 114. The minor leaguer arrives to the home stadium before beginning the trip; packs
26 belongings, bats, uniforms, gloves, and other things; loads the bus with these belongings and other
27 items required by the team on the trip; and then proceeds on the trip. The minor leaguer performs a
28 similar process prior to beginning each trip and reverses the process upon returning to the home

1 stadium from the trip.

2 115. This required team travel adds considerable amounts of work onto the player's workweek
3 when on the road.

4 116. Consequently, when strength and conditioning work and required travel work are added
5 onto the workweek, minor leaguers often work over 60–70 hours per week during the season in
6 Plaintiffs' experience.

7 117. As stated above, minor leaguers also perform extensive work outside the championship
8 season for which they earn no salary.

9 118. Spring training usually lasts four weeks or more. Minor leaguers normally work seven
10 days a week, as minor leaguers do not enjoy a day off during the spring training period unless rain
11 renders the baseball fields unplayable.

12 119. Minor leaguers perform considerable amounts of work during spring training,
13 sometimes—and perhaps usually—exceeding forty hour workweeks. Again, MLB's UPC does not
14 allow players to earn salaries during this time, much less overtime wages.⁶¹

15 120. The 30–45 minor leaguers selected for instructional leagues perform a work schedule
16 similar to that performed during spring training. A similar number of players often also attend a pre-
17 spring training minicamp that involves similar work hours. And again, the minor leaguer earns no
18 salary for this work.

19 121. During the winter months of the off-season, minor leaguers work a few hours per day
20 performing required training. This work is performed 4–6 days per week, depending on the month,
21 and results in considerable unpaid hours. This training is not only required by the Franchises but also
22 required by MLB's UPC.⁶²

23

24

25

26 ⁶¹ See MLR Attachment 3, UPC ¶ VII.B.

27 ⁶² See MLR Attachment 3, UPC ¶¶ VI.D., XXII.

28

1 **5. The Careers of the Class Representatives: Aaron Senne, Michael Liberto, and**
2 **Oliver Odle**

3 **5.1 Aaron Senne**

4 122. In June of 2010, Aaron Senne was drafted by the Florida Marlins (now the Miami
5 Marlins) in the tenth round of MLB's 2010 Rule 4 draft.

6 123. Less than a week later, Mr. Senne agreed to terms without seeing a written contract. On
7 or around June 15, he traveled to Jupiter, Florida, site of the Marlins' training facilities. Once there, he
8 underwent a physical, took a drug test, and signed a contract.

9 124. The contract was a UPC, as required by MLB, but the Marlins did not point out or
10 explain the provisions of the contract. Mr. Senne was unrepresented throughout the process.

11 125. Mr. Senne received \$25,000 as a one-time bonus for signing his seven-year contract. He
12 also received two semesters in a college scholarship fund as an incentive for signing.

13 126. The Marlins sent Mr. Senne to Jamestown, New York, site of the Marlins' Short-Season
14 A team (the Jamestown Jammers), where he played for the rest of the 2010 championship season.

15 127. Mr. Senne worked at the Marlins' spring training site in Jupiter for the entire 2011 season.
16 In 2012, he worked the entire championship season in Greensboro, North Carolina. In 2013, he
17 worked in Jupiter.

18 128. Consistent with MLB's guidelines, the Marlins paid Mr. Senne around \$1,100 per month
19 for his work in Jamestown. Thus, for the entire championship season in 2010, Mr. Senne believes he
20 earned about \$3,000. Similarly, Mr. Senne believes he earned slightly in excess of \$3,000 in 2011;
21 around \$7,000 in 2012; and around \$3,000 in 2013. Thus, the Marlins failed to meet minimum wage
22 standards.

23 129. Throughout each of these championship seasons, Mr. Senne routinely worked in excess
24 of forty hours per week but received no overtime pay.

25 130. Mr. Senne remained property of the Marlins throughout each of these championship
26 seasons, and, consistent with MLB rules, the Marlins' coaching staff and front office made all work-

1 related decisions.⁶³

2 131. After each season ended, the Marlins allowed Mr. Senne to travel to his home. A short
3 time later, he began conditioning in order to maintain the first-class conditioning required by his UPC.
4 The Marlins provided a training packet for each winter off-season period.

5 132. As stipulated in MLB's required UPC, Mr. Senne was not paid at all for this winter work,
6 even though the Marlins required it to be performed.

7 133. Before each championship season, Mr. Senne worked at the Marlins' spring training site.
8 The Marlins directed and required all of the work Mr. Senne performed during spring, and Mr. Senne
9 often exceeded forty hours of work per week.

10 134. Consistent with MLB's required UPC, Mr. Senne received no paycheck during this spring
11 work.

12 135. Mr. Senne retired from the game of baseball around June 11, 2013. Per MLB's UPC, it is
13 believed that Mr. Selig approved his retirement.⁶⁴ Also per MLB's UPC, he cannot play for another
14 baseball organization, foreign or domestic—or even play another recreational sport—until the
15 expiration of his contract, even though he has retired.⁶⁵

16 136. To summarize, Mr. Senne, like all minor leaguers working under the direction of MLB,
17 the Franchises, and Mr. Selig, worked for less than minimum wage, received no overtime despite
18 routinely working overtime hours, and often worked for no pay.

19 **5.2 Michael Liberto**

20 137. Like Mr. Senne, Mr. Liberto was selected in the June, 2010 Rule 4 draft. The Kansas City
21 Royals selected him in the twenty-first round.

22 138. Immediately after being drafted, an employee of the Royals contacted Mr. Liberto. He
23 said he would quickly bring a contract to Mr. Liberto and that Mr. Liberto would receive a one-time
24 \$1,000 signing bonus for signing his seven-year UPC.

25 _____
26 ⁶³ See MLR 56(g).

27 ⁶⁴ See MLR 14.

28 ⁶⁵ See MLR Attachment 3, UPC ¶ XVI.

1 139. A short time later, the Royals' employee arrived at Mr. Liberto's house and did not allow
2 any negotiations to occur. He presented a contract, which was a UPC as required by MLB's rules. The
3 employee did not explain any provisions of the contract other than the incentive bonus plan, and
4 instead merely instructed Mr. Liberto where to sign. Mr. Liberto was unrepresented during the
5 process, which took only a few minutes.

6 140. Mr. Liberto then traveled to Surprise, Arizona, site of the Royals' training camp. He
7 underwent a physical and drug test, and he participated in a minicamp.

8 141. At the conclusion of minicamp, Mr. Liberto remained in Surprise for the beginning of
9 the Rookie ball season. Around July 20 of 2010, the Royals moved Mr. Liberto to Burlington, Iowa,
10 site of their Single-A affiliate. In mid-August of 2010, the Royals moved Mr. Liberto to Burlington,
11 North Carolina, site of one of its Short-Season A teams. The Burlington season ended in early
12 September, and the Royals allowed Mr. Liberto to travel home. The day Mr. Liberto arrived home, the
13 Royals called Mr. Liberto and asked him to work at Idaho Falls, Idaho, site of the Royals' other Short-
14 Season A team. Mr. Liberto left the next day and worked in Idaho Falls until the season ended around
15 September 9.

16 142. During the 2011 championship season, Mr. Liberto split time between extended spring
17 training in Arizona; Kane County (in Illinois, home of the Royals' Class-A affiliate); Idaho Falls; and
18 Wilmington, Delaware (site of the Royals' Advanced Class-A affiliate). For the 2012 championship
19 season, Mr. Liberto split time between Wilmington and Northwest Arkansas (site of the Royals'
20 Double-A affiliate). The Royals released Mr. Liberto around the end of the 2013 spring training.

21 143. Similar to Mr. Senne, and consistent with what are believed to be MLB's guidelines, Mr.
22 Liberto received \$1,100 per month during his first championship season. He believes he received
23 around \$3,000 total in 2010, and believes he earned no more than around \$7,500 total during
24 subsequent championship seasons. Thus, he received below the minimum wage.

25 144. Like Mr. Senne and all similarly-situated minor leaguers, Mr. Liberto routinely worked in
26 excess of forty hours per week but received no overtime pay throughout these championship seasons.

27 145. After each season ended, the Royals allowed Mr. Liberto to travel to his home. A short
28 time later, he began conditioning in order to maintain the first-class conditioning required by his UPC.

1 The Royals provided a training packet for this winter off-season work.

2 146. As stipulated in MLB's required UPC, Mr. Liberto was not paid at all for this work, even
3 though the Royals required it to be performed.

4 147. Before each championship season, Mr. Liberto worked at the Royals' spring training site.
5 The Royals directed and required all of the work Mr. Liberto performed during spring, and Mr.
6 Liberto often exceeded forty hours of work per week.

7 148. Consistent with MLB's required UPC, Mr. Liberto received no paycheck for this spring
8 work.

9 149. To summarize, Mr. Liberto, like all minor leaguers working under the direction of MLB,
10 the Franchises, and Mr. Selig, worked for less than minimum wage, received no overtime pay despite
11 routinely working overtime hours, and often worked for no pay at all.

12 **5.3 Oliver Odle**

13 150. Around June 5, 2007, Oliver Odle was drafted by the San Francisco Giants in the 22nd
14 round of the 2007 Rule 4 draft.

15 151. Shortly after selecting Mr. Odle, a Giants employee called Mr. Odle and asked him if he
16 could quickly sign a contract and fly to the Giants' spring training complex the next day.

17 152. The Giants arranged for Mr. Odle to arrive to their spring complex in Scottsdale,
18 Arizona, on or around June 11. Before arriving, Mr. Odle had not seen a contract and the Giants did
19 not permit any negotiations to occur.

20 153. A Giants employee quickly instructed Mr. Odle to sign his contract, which, as required by
21 MLB's rules, was a UPC. The employee did not explain any provisions other than the signing bonus
22 and incentive bonus schedule. Mr. Odle signed the contract and received a one-time signing bonus of
23 \$2,500 for signing the seven-year contract. Like Mr. Senne and Mr. Liberto, he was unrepresented
24 throughout the contractual process.

25 154. Mr. Odle worked at the Giants' Rookie-Level Arizona League team for most of the 2007
26 championship season, though the Giants also required him to work in Salem, Oregon (site of their
27 Short-Season A team) for a brief time.

28 155. The Giants required Mr. Odle to work the entire 2008 season in Augusta, Georgia, site of

1 its Class-A affiliate. Mr. Odle spent most of the 2009 and 2010 season working in San Jose, California
 2 (site of the Giants' Advanced Class-A team), though he spent very brief periods working for the
 3 Giants' team in Fresno, California. Mr. Odle was released during the 2011 spring training.

4 156. Consistent with all first-year minor leaguers—including Mr. Senne and Mr. Liberto—Mr.
 5 Odle believes he received around \$1100 per month during the first championship season. He believes
 6 the Giants paid him between around \$3,000 and around \$7,500 total per championship season. Thus,
 7 the Giants failed to meet minimum wage standards.

8 157. Throughout these championship seasons, Mr. Odle routinely worked in excess of forty
 9 hours per week but received no overtime pay.

10 158. After each season ended, the Giants allowed Mr. Odle to travel to his home. A short
 11 time later, he began conditioning in order to maintain the first-class conditioning required by his UPC.
 12 The Giants provided a training packet for this winter off-season period.

13 159. As stipulated in MLB's required UPC, Mr. Odle was not paid at all for this work, even
 14 though the Giants required it to be performed.

15 160. Before each championship season, Mr. Odle worked at the Giants' spring training site.
 16 The Giants directed and required all of the work Mr. Odle performed during spring, and Mr. Odle
 17 often exceeded forty hours of work per week.

18 161. Consistent with MLB's required UPC, Mr. Odle did not receive a paycheck for this
 19 spring work.

20 162. To summarize, Mr. Odle, like all minor leaguers working under the direction of MLB, the
 21 Franchises, and Mr. Selig, worked for less than minimum wage, received no overtime despite routinely
 22 working overtime hours, and often worked for no pay.

23 **VII. FEDERAL WAGE AND HOUR VIOLATIONS**

24 **Count 1: FLSA Minimum Wage and Overtime Violations**

25 (Plaintiffs and the Minor League Collective Against All Defendants)

26 163. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

27 164. As detailed above, the Defendants have engaged in a long-standing and widespread
 28 violation of the FLSA. The FLSA's minimum wage and overtime requirements, 29 U.S.C. §§ 201 et

1 seq., and the supporting regulations, apply to all Defendants and protect Plaintiffs and the class
2 members.

3 165. At all relevant times, Plaintiffs and all the minor leaguers of the proposed class were
4 (and/or continue to be) employees within the meaning of 29 U.S.C. § 203(e), and were (and/or
5 continue to be) employed by covered enterprises and/or entities engaged in commerce and/or the
6 production or sale of goods for commerce within the meaning of 29 U.S.C. §§ 203(e), (r) and (s). The
7 work also regularly involves interstate commerce.

8 166. At all relevant times, the Defendants jointly employed (and/or continue to employ)
9 Plaintiffs and all similarly-situated minor leaguers within the broad meaning of 29 U.S.C. §§ 203(d)
10 and (g).

11 167. The Defendants constructed, implemented, and engaged in a policy and/or practice of
12 failing to pay Plaintiffs and all similarly-situated minor leaguers the applicable minimum wage for all
13 hours the minor leaguers worked on behalf of Defendants, and continue to engage in such a policy
14 and practice.

15 168. Further, the Defendants constructed, implemented, and engaged in a policy and practice
16 that failed to pay Plaintiffs and all similarly-situated minor leaguers the applicable overtime wage for
17 all hours minor leaguers worked beyond the normal, forty-hour workweek, and continue to engage in
18 such a policy and practice.

19 169. Defendants also implemented and engaged in the policy and/or practice of failing to pay
20 Plaintiffs and all similarly-situated minor leaguers any wages at all for many hours the minor leaguers
21 worked on behalf of Defendants, and continue to engage in such policies and practices.

22 170. As a result of these minimum wage and overtime violations, Plaintiffs and all similarly-
23 situated minor leaguers have suffered and continue to suffer damages in amounts to be determined at
24 trial, and are entitled to recovery of such amounts, liquidated damages, prejudgment interest,
25 attorneys' fees, costs, and other compensation pursuant to 29 U.S.C. § 216(b).

26 171. The Defendants' pattern of unlawful conduct was and continues to be willful and
27 intentional, or the Defendants at least acted with reckless disregard. The Defendants were and are
28 aware, or should have been aware, that the practices described in this Complaint are unlawful. The

1 Defendants have not made a good-faith effort to comply with the FLSA with respect to the
 2 compensation of Plaintiffs and all similarly-situated minor leaguers. Instead, the Defendants
 3 knowingly and/or recklessly disregarded federal wage and hour laws.

4 172. All similarly-situated minor leaguers are entitled to collectively participate in this action by
 5 choosing to “opt-in” and submitting written Consents to Join this action. 29 U.S.C. § 216(b).

6 **Count 2: FLSA Recordkeeping Requirements**

7 (Plaintiffs and the Minor League Collective Against All Defendants)

8 173. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

9 174. The Defendants failed (and continue to fail) to make, keep, and preserve accurate records
 10 with respect to Plaintiffs and all similarly-situated minor leaguers, including hours worked each
 11 workday and total hours worked each workweek, as required by the FLSA, 29 U.S.C. § 211(c), and
 12 supporting federal regulations.

13 175. The lack of recordkeeping has harmed the Plaintiffs and creates a rebuttable presumption
 14 that the employees’ estimates of hours worked are accurate.⁶⁶

15 **VIII. STATE WAGE AND HOUR VIOLATIONS**

16 176. The state Counts seek to recover for all minor league work performed by the Proposed
 17 Classes, including (but not limited to) winter off-season work. Plaintiffs are informed and believe that,
 18 during the winter work periods, most minor leaguers return to the state where they were drafted,
 19 where they work without pay.

20 177. The states enumerated in the Proposed Classes routinely produce high numbers of minor
 21 leaguers.⁶⁷ Thus, Plaintiffs are informed and believe that all Defendants employed and continue to
 22 employ minor leaguers in each of the states enumerated in the Proposed Classes during the relevant
 23

24 ⁶⁶ See *Anderson v. Mt. Clemens Pottery Co.*, 328 U.S. 680, 687-88 (1946).

25 ⁶⁷ For instance, California averaged 221 draft picks per year during the last Rule 4 drafts; Florida
 26 averaged 141 per year; North Carolina averaged 51 per year; Arizona averaged 46 per year; and New
 27 York averaged 32 per year. See *All-time Draft Database*, Baseball America,
 28 <http://www.baseballamerica.com/all-time-draft-db/> (last visited Feb. 6, 2013) (providing a database
 that allows searches of draft picks by state, which allows for counting draft picks).

1 time periods. Upon information and belief, Plaintiffs further allege that each of the Defendants
2 violated the laws in each of the states enumerated in the Proposed Classes due to uncompensated
3 winter off-season work and/or work performed during other portions of the year.

4 **Count 3: California Minimum Wage Violations**

5 (Oliver Odle and the California Class Against All Defendants)

6 178. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

7 179. Pursuant to California law, the Defendants are and were required to pay Plaintiffs and the
8 California Class a minimum wage set by California state law. Cal. Lab. Code §§ 1182 et seq. and 1197.
9 The state's minimum wage requirements apply to the Defendants and protect Plaintiffs and the
10 California Class.

11 180. The Defendants constructed, implemented, and engaged in a policy and/or practice of
12 failing to pay Plaintiffs and all of the California Class the applicable minimum wage for all hours they
13 suffered or permitted the minor leaguers to work in the state, and they continue to engage in such
14 practices.

15 181. As a result of these minimum wage violations, Plaintiffs and the California Class have
16 suffered (and continue to suffer) damages in amounts to be determined at trial, and are entitled to
17 recovery of such amounts, liquidated damages, prejudgment interest, attorneys' fees, costs, and other
18 compensation pursuant to California Labor Code §§ 1194 and 1194.2.

19 182. The Defendants pattern of unlawful conduct was and continues to be willful and
20 intentional, or at least with reckless disregard. The Defendants were aware or should have been aware
21 that the practices described in this Complaint are unlawful. The Defendants have not made a good-
22 faith effort to comply with California's minimum wage requirements with respect to the
23 compensation of Plaintiffs and the California Class, and instead knowingly and/or recklessly
24 disregarded state law.

25 **Count 4: California Unpaid Overtime Violations**

26 (Oliver Odle and the California Class Against All Defendants)

27 183. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

28 184. The laws of California require the Defendants to pay overtime compensation for work in

1 excess of eight hours in a day or forty hours in a week, at a rate of one and one-half times the regular
2 rate of pay for the employee. Cal. Lab. Code § 510. The laws of California further require employees
3 to be compensated at twice the regular rate of pay for work in excess of twelve hours in one day. The
4 state's overtime requirements apply to the Defendants and protect Plaintiffs and the California Class
5 members.

6 185. Throughout the California Class period, Plaintiffs and the California Class routinely
7 worked (and continue to work) in excess of 8 hours per workday, sometimes work(ed) in excess of 12
8 hours in a workday, routinely work(ed) in excess of 40 hours in a workweek, usually work(ed) 7 days
9 in a workweek and sometimes in excess of 8 hours on the seventh day of the workweek.

10 186. The Defendants failed and continue to fail to pay Plaintiffs and the California Class
11 overtime wages as required by California Labor Code § 510.

12 187. As a result of these violations, Plaintiffs and the California Class have suffered and
13 continue to suffer damages in amounts to be determined at trial, and are entitled to recover such
14 amounts, liquidated damages, prejudgment interest, attorneys' fees, costs, and other compensation
15 pursuant to California Labor Code § 1194.

16 188. As a result of these violations, and pursuant to California Labor Code § 558, Plaintiffs
17 and the California Class are also entitled to recover civil penalties in the amount of \$50 per employee
18 per violative pay period for initial violations and \$100 per employee per violative pay period for
19 subsequent violations.

20 189. The Defendants pattern of unlawful conduct was and continues to be willful and
21 intentional, or at least with reckless disregard. The Defendants were aware or should have been aware
22 that the practices described in this Complaint are unlawful. The Defendants have not made a good-
23 faith effort to comply with California's overtime requirements with respect to the compensation of
24 Plaintiffs and the California Class, and instead knowingly and/or recklessly disregarded state law.

25 **Count 5: Violation of California "Payday" Requirements**

26 (Oliver Odle and the California Class Against All Defendants)

27 190. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

28 191. California law requires employers to pay employees on designated days at least twice per

1 calendar month. Cal. Lab. Code § 204. Overtime wages must be paid no later than the payday
2 following the payroll period during which overtime wages are earned. These requirements apply to the
3 Defendants and protect Plaintiffs and the California Class members.

4 192. The Defendants failed and continue to fail to pay overtime wages in a timely manner as
5 required by California Labor Code § 204.

6 193. As a result of these violations, Plaintiffs and the California Class have suffered and
7 continue to suffer damages in amounts to be determined at trial, and are entitled to recover penalties
8 in the amount of \$100 per pay period per employee for first-time violations and \$200 per pay period
9 per employee for subsequent violations, along with attorneys' fees and any other damages permitted
10 by statute.

11 **Count 6: California Waiting Time Penalties**

12 (Oliver Odle and the California Waiting Time Subclass Against All Defendants)

13 194. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

14 195. California Labor Code §§ 201 and 202 require Defendants to pay their employees all
15 wages due immediately upon discharge. California Labor Code § 203 states that if an employer fails to
16 pay any wages to an employee who is discharged or quits, wages continue to accrue as a penalty for up
17 to thirty days.

18 196. The Defendants failed and continue to fail to pay minimum wages and overtime wages
19 for work performed in California. These wages remained unpaid at the time Plaintiffs and other
20 members of the California Waiting Time Subclass were discharged or quit. Further, the Defendants
21 failed to pay the wages within the time required by California Labor Code §§ 201 and 202 and
22 continue to remain unpaid today.

23 197. As a result of the Defendants conduct, the wages continue to accrue as a penalty for up
24 to 30 days, as required by § 203. Plaintiffs and members of the California Waiting Time Subclass are
25 entitled to recover from Defendant this statutory penalty for each day unpaid up to the thirty-day
26 maximum, together with interest, attorneys' fees, and costs.

Count 7: California Itemized Wage Statement Violations

(Oliver Odle and the California Class Against All Defendants)

198. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

199. California Labor Code § 226 requires Defendants to provide Plaintiffs and the California Class with regular, written statements showing, among other things, total hours worked, all applicable hourly rates during the pay period, and the corresponding number of hours worked at each rate by the employee. Defendants knowingly and intentionally failed and continue to fail to provide timely, accurate itemized wage statements including this required information.

200. Under § 226(e), an employee suffering injury as a result of a knowing and intentional violation of § 226(a) is entitled to recover the greater of all actual damages or \$50 for the initial violative pay period and \$100 for each subsequent violative pay period (up to a maximum of \$4,000 per employee).

201. As a result of these violations, Plaintiffs and the California Class have been injured (and continue to be injured) by, among other things, not being paid all wages due, not knowing how many hours were worked, and not knowing the relevant wage rate. Thus, Plaintiffs and the California Class suffered and continue to suffer damages in amounts to be calculated at trial, and are entitled to recover the penalties, prejudgment interest, attorneys' fees, costs, and other damages pursuant to California Labor Code § 226.

Count 8: Unfair Business Practices Under California Law

(Oliver Odle and the California Class Against All Defendants)

202. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

203. Plaintiffs bring this cause of action on behalf of themselves and others similarly situated, seeking restitution of all unpaid wages as described above, including interest, for the four-year period preceding the filing of this complaint until the resolution of this action.

204. The Defendants' conduct constitutes an unfair and unlawful business practice under Business and Professions Code §§ 17200, et seq. Defendants conducted and continue to conduct business activities while failing to comply with California's legal mandates for employment. Plaintiffs and others similarly situated suffered and continue to suffer injury in fact and lost and continue to

1 lose money as a result of Defendants' unfair competition.

2 205. Plaintiffs and others similarly situated are entitled to restitution of the uncompensated
3 pay that has accrued and continues to accrue, as well as costs, fees, and any other relief that the Court
4 determines is proper.

5 **Count 9: Quantum Meruit Under California Common Law**

6 (Oliver Odle and the California Class Against All Defendants)

7 206. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

8 207. Although the parties operated and/or continue to operate under express contracts, many
9 of the provisions of the contracts, such as the salary provisions, are invalid and unenforceable.
10 Quantum meruit may be used as a substitute for the unenforceable contract provisions.

11 208. In employing the minor leaguers as baseball players, the Defendants requested that the
12 minor leaguers perform work. Much of this work occurred and continues to occur in California.

13 209. The California Class of minor leaguers performed and continues to perform this work
14 and expects to be compensated for these services. They were not amateurs and expect to be paid for
15 all work performed. By not receiving payment for all services, they were (and continue to be)
16 impoverished.

17 210. The Defendants benefited and continue to benefit from these services because the minor
18 leaguers perform in the Defendants' developmental system for baseball players. The Defendants'
19 developmental system yields the Defendants' chief product of major league players and allows the
20 Defendants to operate their multi-billion-dollar industry. Yet the Defendants do not pay minor
21 leaguers at all during some periods of services and conspired to pay below-market salaries during
22 other periods of services. Thus, the Defendants were (and continue to be) unjustly enriched.

23 211. Under quantum meruit, the Defendants owe the California Class of minor leaguers the
24 salaries that the parties would expect in the open market, in a system in which minor leaguers could
25 freely negotiate with any team.⁶⁸

26 _____
27 ⁶⁸ The quantum meruit measurement of damages demonstrates that statutory damages at law would
28 be an inadequate remedy by, among other things, failing to yield complete relief.

Count 10: Quantum Meruit Under Florida Common Law

(Aaron Senne and the Florida Class Against All Defendants)

212. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

213. Although the parties operated and/or continue to operate under express contracts, many of the provisions of the contracts, such as the salary provisions, are invalid and unenforceable. Quantum meruit may be used as a substitute for the unenforceable contract provisions.

214. In employing the minor leaguers as baseball players, the Defendants acquiesced to the provision of services by directing, controlling, and allowing the minor leaguers to work. Much of this work occurred and continues to occur in Florida.

215. The Florida Class of minor leaguers expected (and continue to expect) to be compensated for these services. They were not amateurs and expected (and continue to expect) to be paid for all work performed.

216. The Defendants benefited and continue to benefit from these services because the minor leaguers perform in the Defendants' developmental system for baseball players. The Defendants' developmental system yields the Defendants' chief product of major league players and allows the Defendants to operate their multi-billion-dollar industry. Yet the Defendants do not pay minor leaguers at all during some periods of services and conspired to pay below-market salaries during other periods of services. Thus, the Defendants were (and continue to be) unjustly enriched.

217. Under quantum meruit, the Defendants owe the minor leaguers the salaries that the parties would expect in the open market, in a system in which minor leaguers could freely negotiate with any team.⁶⁹

Count 11: Arizona Minimum Wage and Wage Law Violations

(Michael Liberto, Oliver Odle, and the Arizona Class Against All Defendants)

218. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

219. Pursuant to Arizona law, the Defendants are and were required to pay Plaintiffs and the

⁶⁹ The quantum meruit measurement of damages demonstrates that statutory damages at law would be an inadequate remedy by, among other things, failing to yield complete relief.

1 Arizona Class a minimum wage set by Arizona state law. Ariz. Rev. Stat. §§ 23-363, 23-364. The
2 state's minimum wage requirements apply to the Defendants and protect Plaintiffs and the Arizona
3 Class members.

4 220. The Defendants constructed, implemented, and engaged in a policy and/or practice of
5 failing to pay Plaintiffs and all of the Arizona Class the applicable minimum wage for all hours they
6 suffered or permitted the minor leaguers to work in the state, and they continue to engage in such
7 practices.

8 221. As a result of these minimum wage violations, Plaintiffs and the Arizona Class have
9 suffered and continue to suffer damages in amounts to be determined at trial, and are entitled to
10 recover such amounts, liquidated damages, prejudgment interest, attorneys' fees, costs, and other
11 compensation pursuant to Section 23-364.

12 222. The Defendants' pattern of unlawful conduct was and continues to be willful and
13 intentional, or at least with reckless disregard. The Defendants were aware or should have been aware
14 that the practices described in this Complaint are unlawful. The Defendants have not made a good-
15 faith effort to comply with Arizona's minimum wage requirements with respect to the compensation
16 of Plaintiffs and the Arizona Class, and instead knowingly and/or recklessly disregarded state law.

17 223. Under Arizona's Wage Law, §§ 23-351 et seq., Defendants have also willfully failed to pay
18 wages to Plaintiffs and the Arizona Proposed Class for work performed. Thus, the Plaintiffs and the
19 Arizona Proposed Class are also entitled to treble the amount of wages unpaid. § 23-355(A).

20 **Count 12: Arizona Recordkeeping Requirements**

21 (Michael Liberto, Oliver Odle, and the Arizona Class Against All Defendants)

22 224. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

23 225. The Defendants failed (and continue to fail) to make, keep, and preserve accurate records
24 with respect to Plaintiffs and the Arizona Class, including hours worked each workday and total hours
25 worked each workweek, as required by the Arizona Minimum Wage Law, Ariz. Rev. Stat. § 23-364,
26 and supporting state regulations.

27 226. The failure to maintain such records "shall raise a rebuttable presumption that the
28 employer did not pay the required minimum wage rate." § 23-364.

Count 13: Quantum Meruit Under Arizona Common Law

(Michael Liberto, Oliver Odle, and the Arizona Class Against All Defendants)

227. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

228. Although the parties operated and/or continue to operate under express contracts, many of the provisions of the contracts, such as the salary provisions, are invalid and unenforceable. Quantum meruit may be used as a substitute for the unenforceable contract provisions.

229. In employing the minor leaguers as baseball players, the Defendants acquiesced to the provision of services by directing, controlling, and allowing the minor leaguers to work. Much of this work occurred in Arizona.

230. The Arizona Class of minor leaguers expected (and continues to expect) to be compensated for these services. They are and were not amateurs and expect to be paid for all work performed. By not receiving payment for all services, they were (and continue to be) impoverished.

231. The Defendants benefited (and continue to benefit) from these services because the minor leaguers perform in the Defendants' developmental system for baseball players. The Defendants' developmental system yields the Defendants' chief product of major league players and allows the Defendants to operate their multi-billion-dollar industry. Yet the Defendants do not pay minor leaguers at all during some periods of services and conspired to pay below-market salaries during other periods of services. Thus, the Defendants were and continue to be unjustly enriched.

232. Under quantum meruit, the Defendants owe the minor leaguers the salaries that the parties would expect in the open market, in a system in which minor leaguers could freely negotiate with any team.⁷⁰

Count 14: North Carolina Minimum Wage Violations

(Aaron Senne and the North Carolina Class Against All Defendants)

233. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

234. Pursuant to North Carolina law, the Defendants are and were required to pay Plaintiffs

⁷⁰ The quantum meruit measurement of damages demonstrates that statutory damages at law would be an inadequate remedy by, among other things, failing to yield complete relief.

1 and the North Carolina Class a minimum wage at least as high as that set by federal law. N.C. Gen.
2 Stat. § 95-25.3. The state's minimum wage requirements apply to the Defendants and protect
3 Plaintiffs and the North Carolina Class members.

4 235. The Defendants were also required to pay all wages accrued on the regular payday, and
5 were not allowed to withhold wages in contravention of the applicable laws. §§ 95-25.6, 95-25.8.

6 236. The Defendants constructed, implemented, and engaged in a policy and/or practice of
7 failing to pay Plaintiffs and all of the North Carolina Class the applicable minimum wage for all hours
8 they suffered or permitted the minor leaguers to work in the state, and they continue to engage in
9 such practices. The Defendants also failed to pay all wages accrued on the regular payday and
10 wrongfully withheld some wages.

11 237. As a result of these minimum wage violations, Plaintiffs and the North Carolina Class
12 have suffered and continue to suffer damages in amounts to be determined at trial, and are entitled to
13 recover such amounts, liquidated damages, prejudgment interest, attorneys' fees, costs, and other
14 compensation pursuant to section 95-25.22.

15 238. The Defendants' pattern of unlawful conduct was and continues to be willful and
16 intentional, or at least with reckless disregard. The Defendants were aware or should have been aware
17 that the practices described in this Complaint are unlawful. The Defendants have not made a good-
18 faith effort to comply with North Carolina's minimum wage requirements with respect to the
19 compensation of Plaintiffs and the North Carolina Class, and instead knowingly and/or recklessly
20 disregarded state law.

21 **Count 15: North Carolina Overtime Violations**

22 (Aaron Senne and the North Carolina Class Against All Defendants)

23 239. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

24 240. The laws of North Carolina require the Defendants to pay overtime compensation. N.C.
25 Gen. Stat. § 95-25.4. The state's overtime requirements apply to the Defendants and protect Plaintiffs
26 and the North Carolina Class members.

27 241. The Defendants were also required to pay all wages accrued on the regular payday, and
28 were not allowed to withhold wages in contravention of the applicable laws. §§ 95-25.6, 95-25.8.

1 242. Throughout the North Carolina Class Period, Plaintiffs and the North Carolina Class
2 routinely worked (and continue to work) far more than 40 hours in a workweek. The Defendants
3 failed and continue to fail to pay Plaintiffs and the North Carolina Class overtime wages as required. §
4 95-25.4. The Defendants also failed to pay all wages accrued on the regular payday and wrongfully
5 withheld some wages.

6 243. As a result of these violations, Plaintiffs and the North Carolina Class have suffered and
7 continue to suffer damages in amounts to be determined at trial, and are entitled to recover such
8 amounts, liquidated damages, prejudgment interest, attorneys' fees, costs, and other compensation
9 pursuant to section 95-25.22.

10 244. The Defendants pattern of unlawful conduct was and continues to be willful and
11 intentional, or at least with reckless disregard. The Defendants were aware or should have been aware
12 that the practices described in this Complaint are unlawful. The Defendants have not made a good-
13 faith effort to comply with North Carolina's overtime requirements with respect to the compensation
14 of Plaintiffs and the North Carolina Class, and instead knowingly and/or recklessly disregarded state
15 law.

16 **Count 16: Quantum Meruit Under North Carolina Common Law**

17 (Aaron Senne and the North Carolina Class Against All Defendants)

18 245. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

19 246. Although the parties operated and/or continue to operate under express contracts, many
20 of the provisions of the contracts, such as the salary provisions, are invalid and unenforceable.
21 Quantum meruit may be used as a substitute for the unenforceable contract provisions.

22 247. In employing the minor leaguers as baseball players, the Defendants requested that the
23 minor leaguers perform work that occurred and continues to occur in North Carolina.

24 248. The North Carolina Class of minor leaguers performed and continues to perform this
25 work and expects to be compensated for these services. They were not amateurs and expect to be
26 paid for all work performed. By not receiving payment for all services, they were (and continue to be)
27 impoverished.

28 249. The Defendants benefited and continue to benefit from these services because the minor

1 leaguers perform in the Defendants' developmental system for baseball players. The Defendants'
 2 developmental system yields the Defendants' chief product of major league players and allows the
 3 Defendants to operate their multi-billion-dollar industry. Yet the Defendants do not pay minor
 4 leaguers at all during some periods of services and conspired to pay below-market salaries during
 5 other periods of services. Thus, the Defendants were (and continue to be) unjustly enriched.

6 250. Under quantum meruit, the Defendants owe the North Carolina Class of minor leaguers
 7 the salaries that the parties would expect in the open market, in a system in which minor leaguers
 8 could freely negotiate with any team.⁷¹

9 **Count 17: New York Minimum Wage Violations**

10 (Aaron Senne and the New York Class Against All Defendants)

11 251. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

12 252. Pursuant to New York law, the Defendants are and were required to pay Plaintiffs and
 13 the New York Class a minimum wage set by New York state law. N.Y. Lab. Law § 652. The state's
 14 minimum wage requirements apply to the Defendants and protect Plaintiffs and the New York Class
 15 members.

16 253. The Defendants constructed, implemented, and engaged in a policy and/or practice of
 17 failing to pay Plaintiffs and all of the New York Class the applicable minimum wage for all hours they
 18 suffered or permitted the minor leaguers to work in the state, and they continue to engage in such
 19 practices.

20 254. As a result of these minimum wage violations, Plaintiffs and the New York Class have
 21 suffered and continue to suffer damages in amounts to be determined at trial, and are entitled to
 22 recover such amounts, liquidated damages, prejudgment interest, attorneys' fees, costs, and other
 23 compensation pursuant to New York Labor Law § 663.

24 255. The Defendants' pattern of unlawful conduct was and continues to be willful and
 25 intentional, or at least with reckless disregard. The Defendants were aware or should have been aware

26 _____
 27 ⁷¹ The quantum meruit measurement of damages demonstrates that statutory damages at law would
 28 be an inadequate remedy by, among other things, failing to yield complete relief.

1 that the practices described in this Complaint are unlawful. The Defendants have not made a good-
2 faith effort to comply with New York's minimum wage requirements with respect to the
3 compensation of Plaintiffs and the New York Class, and instead knowingly and/or recklessly
4 disregarded state law.

5 **Count 18: New York Overtime Violations**

6 (Aaron Senne and the New York Class Against All Defendants)

7 256. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

8 257. The laws of New York require the Defendants to pay overtime compensation. 12
9 N.Y.C.R.R. § 142-2.2. The state's overtime requirements apply to the Defendants and protect
10 Plaintiffs and the New York Class members.

11 258. Throughout the New York Class Period, Plaintiffs and the New York Class routinely
12 worked (and continue to work) in excess of 40 hours in a workweek. The Defendants failed and
13 continue to fail to pay Plaintiffs and the New York Class overtime wages as required by New York
14 law. 12 N.Y.C.R.R. § 142-2.2.

15 259. As a result of these violations, Plaintiffs and the New York Class have suffered and
16 continue to suffer damages in amounts to be determined at trial, and are entitled to recover such
17 amounts, liquidated damages, prejudgment interest, attorneys' fees, costs, and other compensation
18 pursuant to New York Labor Law § 663.

19 260. The Defendants pattern of unlawful conduct was and continues to be willful and
20 intentional, or at least with reckless disregard. The Defendants were aware or should have been aware
21 that the practices described in this Complaint are unlawful. The Defendants have not made a good-
22 faith effort to comply with New York's overtime requirements with respect to the compensation of
23 Plaintiffs and the New York Class, and instead knowingly and/or recklessly disregarded state law.

24 **Count 19: New York Wage Statement Violations**

25 (Aaron Senne and the New York Class Against All Defendants)

26 261. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

27 262. New York Labor Law § 195.3 requires Defendants to provide Plaintiffs and the New
28 York Class with regular, written statements showing, among other things, deductions, the regular rate

1 of pay, the overtime rate of pay, and the corresponding number of hours worked at each rate by the
2 employee. Defendants knowingly and intentionally failed and continue to fail to provide timely,
3 accurate itemized wage statements including this required information.

4 263. Under New York's Wage Theft and Prevention Act, Plaintiffs and the members of the
5 New York Class who suffered injury as a result of a violation of § 195.3 are entitled to recover in a
6 civil suit \$100 per pay period, up to a maximum of \$2500 per employee.

7 264. As a result of these violations, Plaintiffs and the New York Class have been injured (and
8 continue to be injured) by, among other things, not being paid all wages due, not knowing how many
9 hours were worked, and not knowing the relevant wage rate. Thus, Plaintiffs and the New York Class
10 suffered and continue to suffer damages in amounts to be calculated at trial.

11 **Count 20: Quantum Meruit Under New York Common Law**

12 (Aaron Senne and the New York Class Against All Defendants)

13 265. Plaintiffs re-allege and incorporate by reference all allegations in all preceding paragraphs.

14 266. Although the parties operated and/or continue to operate under express contracts, many
15 of the provisions of the contracts, such as the salary provisions, are invalid and unenforceable.
16 Quantum meruit may be used as a substitute for the unenforceable contract provisions.

17 267. In employing the minor leaguers as baseball players, the Defendants requested that the
18 minor leaguers perform work that occurred and continues to occur in New York.

19 268. The New York Class of minor leaguers performed and continues to perform this work
20 and expects to be compensated for these services. They were not amateurs and expect to be paid for
21 all work performed. By not receiving payment for all services, they were (and continue to be)
22 impoverished.

23 269. The Defendants benefited and continue to benefit from these services because the minor
24 leaguers perform in the Defendants' developmental system for baseball players. The Defendants'
25 developmental system yields the Defendants' chief product of major league players and allows the
26 Defendants to operate their multi-billion-dollar industry. Yet the Defendants do not pay minor
27 leaguers at all during some periods of services and conspired to pay below-market salaries during
28 other periods of services. Thus, the Defendants were (and continue to be) unjustly enriched.

1 Code §§ 201, 202, and 203 for withholding compensation at the time of termination of
2 Plaintiffs and the California Waiting Time Subclass, and an award of appropriate
3 damages for the violations that have accrued and continue to accrue until the
4 resolution of this action;

- 5 • A determination that Defendants violated and continue to violate the itemized wage
6 statement requirements of California Labor Code § 226 as to Plaintiffs and the
7 California Class, and an award of appropriate damages for the violations that have
8 accrued and continue to accrue until the resolution of this action;
- 9 • A determination that Defendants violated and continue to violate the itemized wage
10 statement requirements of New York Labor Law § 195.3 as to Plaintiffs and the New
11 York Class, and an award of appropriate damages for the violations that have accrued
12 and continue to accrue until the resolution of this action;
- 13 • An award of quantum meruit under California, Arizona, Florida, North Carolina, and
14 New York common law;
- 15 • Designation of Plaintiffs as class representatives of the Classes, designation of counsel
16 of record as Class Counsel, and a reasonable incentive payment to Plaintiffs;
- 17 • Pre-judgment and post-judgment interest as permitted by law;
- 18 • An injunction requiring Defendants to pay all statutorily required wages pursuant to
19 state and federal law and an order enjoining Defendants from continuing or reinstating
20 their unlawful policies and practices as described within this Complaint;
- 21 • Reasonable attorneys' fees and costs of the action; and
- 22 • Such other relief as this Court shall deem just and proper.

23 **X. DEMAND FOR JURY TRIAL**

24 Pursuant to Rule 38(a) of the Federal Rules of Civil Procedure, Plaintiffs demand a jury trial as
25 to all issues triable by a jury.

1 DATED: February 7, 2014

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9 By: /s/ Daniel L. Warsaw

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10 Attorneys for Plaintiffs' Aaron Senne, Michael Liberto
11 and Oliver Odle, individually and on behalf of all those
12 similarly situated

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