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7 ATTORNEYS FOR PLAINTIFFS

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES**

BC367430

11	MARK SALSGIVER and VADIM	)	Case No.
12	ISRAILEVICH, individually and on behalf)	
13	of themselves, the general public, and all	)	CLASS AND REPRESENTATIVE ACTION
14	others similarly situated,)	
	Plaintiffs,	)	COMPLAINT FOR DAMAGES, PENALTIES,
		)	AND RESTITUTION
15	vs.	)	1) Unpaid Overtime in Violation of California
16		)	Labor Code, Section 510 and Wage Orders
17	YAHOO! Inc., a Delaware corporation, and	)	No. 4-2001;
18	DOES 1 through 100, inclusive,	)	2) Failure to Provide Meal and Rest Periods
19		)	(Labor Code, Section 226.7 and Industrial
20	Defendants.	)	Wage Order No. 4-2001;
		)	3) Waiting Penalties Pursuant to California Labor
		)	Code, Sections 201 - 203;
		)	4) Knowing and Intentional Failure to Comply
		)	with Itemized Employee Wage Statement
		)	Provisions (Labor Code, Section 226(a); and
)	5) Unfair Competition in Violation of Business
)	& Professions Code, Section 17200, et seq.

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22
23 Plaintiffs, MARK SALSGIVER and VADIM ISRAILEVICH, on behalf of themselves, the general
24 public, and all others similarly situated, allege as follows:

25 **PRELIMINARY ALLEGATIONS**

26 1. Plaintiffs are informed and believe and thereon allege, that Defendant, YAHOO! Inc.
27 (hereinafter referred to as "YAHOO"), is, and at all times herein mentioned was, a corporation,
28 organized and existing under the laws of the State of Delaware, with its principal place of business at
701 First Avenue, Sunnyvale, California 94089.

1 2. The true names and capacities of Defendants, Does 1 through 100, inclusive, are unknown
2 to Plaintiffs who therefore sue said Defendants under such fictitious names. Plaintiffs will amend this
3 First Amended Complaint to insert their true names and capacities when the same have been ascertained.

4 3. Plaintiffs are informed and believe, and thereon allege, that each of the Defendants named
5 herein as Does 1 through 100, inclusive, is, and at all times herein mentioned was, an agent, employee,
6 partner, associate, principal, joint venturer, parent company, subsidiary, affiliated company, predecessor,
7 successor or assignee of the named Defendant and was acting at all times within the course and scope
8 of that relationship and that each of the fictitiously named Defendants consented to, authorized, and/or
9 ratified the acts alleged herein by the named Defendant and is a joint employer of plaintiffs and/or all
10 other class members as defined herein below.

11 4. Plaintiffs are informed and believe and thereon allege that each of the Defendants named
12 herein as Does 1 through 100 is responsible in some manner for the events, happenings and occurrences
13 herein alleged and that any reference to "Defendant" or "Defendants" shall mean "Defendants and each
14 of them".

15 5. Plaintiffs are informed and believe and thereon allege, that at all times herein mentioned,
16 YAHOO and Does 1 through 100, inclusive, were joint employers of Plaintiffs and all others similarly
17 situated in the State of California.

18 6. Plaintiffs are informed and believe and thereon allege that YAHOO is a leading global
19 Internet brand and one of the world's most trafficked Internet portals. YAHOO provides a range of tools
20 and marketing solutions designed to enable businesses to reach its community of users.

21 7. Plaintiff, Mark Salsgiver, was employed by Defendant in the County of Los Angeles, State
22 of California, from in or about August 2003 to in or about November 2005, as a senior consulting
23 engineer and software engineer, performing the job functions of a systems engineer and software
24 engineer.

25 8. Plaintiff, Vadim Israilevich, was employed by Defendant in the County of Los Angeles,
26 State of California, from in or about August 2003 to in or about June 2005, as a systems administrator,
27 performing the job functions of systems administrator.

28 9. Defendants are individually, jointly and severally liable for the acts herein alleged as the

1 employer of the named Plaintiffs and each Plaintiffs' class member because each Defendant, directly
2 or indirectly, or through an agent or any other person, employed or exercised control over the wages,
3 hours and working conditions of Plaintiffs and each Class member.

4 JURISDICTION

5 10. The California Superior Court has jurisdiction over this action pursuant to California
6 Constitution, Article VI, Section 10, which grants the Superior Court original "jurisdiction in all causes
7 except those given by statute to other trial courts." The statutes under which this action is brought do
8 not specify any other basis or court for jurisdiction and the amount of monetary damages claimed by
9 Plaintiffs exceeds the minimum jurisdiction of this Court.

10 11. Plaintiffs are informed and believe and thereon allege that the California Superior Court
11 has jurisdiction over YAHOO because YAHOO has filed a Statement and Designation by Foreign
12 Corporation with the California Secretary of State's office, has designated an agent for service of
13 process in the County of Los Angeles, State of California, it employs numerous California residents as
14 employees within the State of California, it conducts substantial business in the State of California, and
15 it has availed itself of the California market so as to render the exercise of jurisdiction by the California
16 courts consistent with the judicial notions of fair play and substantial justice.

17 VENUE

18 12. Venue is proper in the County of Los Angeles because the obligation and/or liability to the
19 named Plaintiffs, and to many of the putative class members, arose in the County of Los Angeles, State
20 of California.

21 CLASS AND REPRESENTATIVE ALLEGATIONS

22 13. Plaintiffs bring this action on their own behalf, on behalf of the general public, and on
23 behalf of all persons similarly situated within the following classes:

24 A) Class "A" is defined as all current or former employees employed within the State of
25 California by Defendant who perform the job functions of systems engineer, software engineer, and/or
26 systems administrator no matter what their job title is, including, but not limited to, senior consulting
27 engineer, consulting engineer, systems engineer, software engineer and/or systems administrator, within
28 four years of the filing of the complaint until date of judgment, who performed work in excess of eight

1 hours in one day and/or forty hours in one week, and did not receive overtime compensation, for the
2 period commencing four years prior to the date of the filing of the complaint and continuing through the
3 date of judgment.

4 B) Class "B" is defined as all current or former employees employed within the State of
5 California by Defendant who perform the job functions of systems engineer, software engineer, and/or
6 systems administrator, no matter what their job title is, including, but not limited to, senior consulting
7 engineer, consulting engineer, systems engineer, software engineer, and/or systems administrator, within
8 four years of the filing of the complaint until the date of entry of judgment, who were not provided a
9 thirty minute meal period after working more than five hours per day and/or who were not provided a
10 ten minute rest period every four hours worked.

11 C) Class "C" is defined as all current or former employees employed within the State
12 of California by Defendant who perform the job functions of engineer, software engineer, and/or systems
13 administrator, no matter what their job title is, including, but not limited to, senior consulting engineer,
14 consulting engineer, systems engineer, software engineer and/or systems administrator, within four years
15 of the filing of the complaint until the date of entry of judgment, who were not furnished, either as a
16 detachable part of the check, draft or voucher paying the employees wages, separately when wages were
17 paid by personal check or cash, an accurate itemized statement in writing showing the total hours
18 worked by each employee and/or furnished with all applicable hourly rates in effect during the pay
19 period and the corresponding number of hours worked at each hourly rate by the employee.

20 14. Plaintiffs are informed and believe that each Class consists of at least 500 employees and
21 such numerosity makes joinder of each member of each class impractical.

22 15. There is a well-defined community of interest in the questions of law and fact affecting the
23 Classes Plaintiffs seeks to represent. The Class members claims against Defendant involve questions
24 of general or common interest, in that the claims are based on the Defendant's implementation and
25 utilization of a policy pursuant to which all members of Class "A" were denied overtime during the
26 years in question, as required by California Labor Code, Section 510, and Wage Order No. 4-2001, all
27 members of Class "B" were not provided lunch breaks and/or rest periods as required by California
28 Labor Code, Sections 226.7 and 512, and Wage Order 4-2001, Sections 11 and 12, and all members of

1 Class "C" were not furnished with itemized employee wage statements as required by Labor Code,
2 Section 226(a). These questions are such that proof of the stated facts common to the members of each
3 Class will enable each member of the Class to the relief requested in this First Amended Complaint.

4 16. Plaintiffs will fairly and accurately represent the interests of the Class, have consented in
5 writing to bringing this lawsuit, and the claims of Plaintiffs are typical of those in each Class.

6 17. This type of case is uniquely well situated for Class or collective treatment since (1) the
7 employer's practices were uniform; (2) the burden is on the employer to prove any exemption; (3) the
8 burden is on the employer to disprove the hours of overtime claimed by the employees; (4) the burden
9 is on the employer to prove it provided the required meal break and rest period, and (5) the burden is
10 on the employer to prove it furnished the required itemized employee wage statement.

11 18. This action is brought, and may properly be maintained, as a class action under Code of
12 Civil Procedure, Section 382, because there is a well defined community of interest in the litigation and
13 each proposed Class is easily ascertainable. This action satisfies the predominance, commonality,
14 typicality, numerosity, superiority and adequacy requirements for class actions.

15 **FIRST CAUSE OF ACTION**

16 **(By Plaintiffs, individually, and on behalf of all**
17 **Members of Class "A", Against All Defendants)**

18 **Overtime Pay**

19 **(Labor Code Section 510 and Wage Order No. 4-2001)**

20 19. Plaintiffs refer to paragraphs 1 through 18 herein above and by reference thereto
21 incorporate the same herein.

22 20. Defendant has violated provisions of the Labor Code by failing to pay to Plaintiffs and
23 other employee Class "A" members similarly situated, overtime pay as required by Labor Code, Section
24 510, and Wage Order No. 4-2001, Section 3.

25 21. Labor Code, Section 510(a) states that: "Eight hours of labor constitutes a day's work. Any
26 work in excess of eight hours in one work day and any work in excess of forty hours in one work week
27 and the first eight hours worked on the seventh day of work in any one work week shall be compensated
28 at the rate of no less than 1-1/2 times the regular rate of pay for an employee. Any work in excess of

1 twelve hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for
2 an employee. In addition, any work in excess of eight hours on any seventh day of a work week shall
3 be compensated at the rate of no less than twice the regular rate of pay of an employee.”

4 22. Wage Order No. 4-2001, Section 3, states:

5 “3. Hours and Days of Work.

6 1.(A) Daily Overtime - General Provisions

7 (1) The following overtime provisions are applicable to employees 18 years of age
8 or over and to employees 16 or 17 years of age who are not required by law to
9 attend school and are not otherwise prohibited by law from engaging in the subject
10 work. Such employees shall not be employed more than eight (8) hours in any
11 workday or more than 40 hours in any workweek unless the employee receives one
12 and one-half (1½) times such employee’s regular rate of pay for all hours worked
13 over 40 hours in the workweek. Employment beyond eight (8) hours in any
14 workday or more than six (6) days in any workweek is permissible provided the
15 employee is compensated for such overtime at not less than:

16 (a) One and one-half (1½) times the employee’s regular rate of pay for all
17 hours worked in excess of eight (8) hours up to and including 12 hours in
18 any workday, and for the first eight (8) hours worked on the seventh (7th)
19 consecutive day of work in a workweek; and

20 (b) Double the employee’s regular rate of pay for all hours worked in excess
21 of 12 hours in any workday and for all hours worked in excess of eight (8)
22 hours on the seventh (7th) consecutive day of work in a workweek.

23 (c) The overtime rate of compensation to be paid to a nonexempt full-time
24 salaried employee shall be computed by using one-fortieth (1/40) of the
25 employee’s weekly salary as the employee’s regular hourly rate of pay.

26 23. Plaintiffs are informed and believe and thereon allege that Plaintiffs, and each member of
27 Class “A”, were not employed in an executive, administrative or professional capacity, nor were they
28 exempt from overtime pay by reason of any other exemption under California law.

1 **Wage Order No. 4-2001, Sections 11 and 12)**

2 29. Plaintiffs refer to paragraphs 1 through 18 herein above and by reference thereto incorporate
3 the same herein.

4 30. Section 226.7 of the Labor Code provides that no employer shall require any employee to
5 work during any meal period or rest period mandated by an applicable order of the Industrial Welfare
6 Commission. That sections goes on to provide that, if an employer fails to provide an employee a meal
7 period or rest period in accordance to the applicable Wage Order, the employer shall pay the employee
8 1 additional hour of pay at the employee's regular rate of compensation for each work day that the meal
9 period or rest period is not provided. The applicable Wage Order in this case is Wage Order No. 4-2001,
10 Sections 11 and 12, which requires that an employee have a thirty minute lunch break after five hours
11 of work, and that employees have a ten minute rest period for each four hours worked.

12 31. Plaintiffs are informed and believe and thereon allege that Plaintiffs, and each member of
13 Class "B", were not employed in an executive, administrative or professional capacity, nor were they
14 exempt from the requirement to provide meal breaks and rest periods by reason of any other exemption
15 under California law.

16 32. Defendant improperly classified Plaintiffs, and members of Class "B", as "exempt".
17 Consequently, Plaintiffs, and other members of Class "B" were not provided meal breaks and rest
18 periods as required by California law.

19 33. Industrial Welfare Commission, Wage Order No. 4, and California Labor Code, Section
20 515.5, each set forth the requirements which must be satisfied in order for an employee in the computer
21 software field to be exempt. Though classified as exempt, Plaintiffs, and members of Class "B", were
22 not exempt, in that said employees hourly rate of pay, or the annualized full time salary equivalent of
23 that after January 1, 2006, does not exceed the minimum applicable hourly rate as set forth in Wage
24 Order No. 4 and California Labor Code, Section 515.5 for each hour worked, and/or prior to January 1,
25 2006, Plaintiffs and members of Class "B" were not paid on an hourly basis.

26 34. Plaintiffs and each member of Class "B" regularly worked more than eight hours each day
27 and did not receive a meal period of thirty minutes for each five hours worked, nor did they receive a
28 ten minute rest period for each four hours worked.

1 41. During the relevant time period, Plaintiffs and many members of Class "A" and Class "B"
2 were terminated by, or resigned from, their positions with Defendant. Defendant, however, did not pay
3 Plaintiffs and/or members of Class "A" their overtime wages, nor did they pay Plaintiffs or members of
4 Class "B" the compensation owed to them for failing to provide meal breaks or rest periods as required
5 by law, which said monies were due upon their termination, or within seventy-two hours of their
6 resignation. Such non-payment was the direct and proximate refusal to do so by Defendant.

7 42. Under Labor Code, Sections 201, 202 and 203, Plaintiffs and those members of Class "A"
8 and Class "B" who no longer work for Defendant, were also entitled to waiting time penalties for not
9 having been paid overtime compensation, as well as compensation for failure to provide lunch breaks
10 and rest periods upon their separation from employment.

11 43. Plaintiffs and all members of Class "A" and Class "B" who terminated employment without
12 being paid the proper payments are entitled to thirty days full pay as waiting penalties.

13 44. Therefore, Plaintiffs and all members of Class "A" and Class "B" demand payment of
14 waiting penalties for Plaintiffs and class members who terminated employment without being paid the
15 proper payments.

16 **FOURTH CAUSE OF ACTION**

17 **(By Plaintiffs, individually, and on behalf of all members of**
18 **Class "A", "B", and "C" Against All Defendants)**

19 **(Unfair Competition)**

20 **(Business & Professions Code, Section 17200, et seq.)**

21 45. Plaintiffs refers to paragraphs 1 through 39 herein above and by reference thereto
22 incorporates the same herein.

23 46. Section 226(a) of the Labor Code provides in pertinent part that every employer shall, semi-
24 monthly or at the time of each payment of wages, furnish each of his or her employees, either as a
25 detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages
26 are paid by personal check or cash, an accurate itemized statement in writing showing . . . (2) total hours
27 worked by the employee, except for any employee whose compensation is solely based on a salary and
28 was exempt from payment of overtime under subd. (a) of Section 515 or any applicable Order of the

1 Industrial Welfare Commission, and . . . (9) all applicable hourly rates in effect during the pay period
2 and the corresponding number of hours worked at each hourly rate by the employee.

3 47. Plaintiffs are informed and believe and thereon allege that Defendant violated Labor Code,
4 Section 226(a) in that:

5 a. Plaintiffs and members of Class "C" were not exempt from payment of overtime
6 under subd. (a) of Section 515 or any applicable Order of the Industrial Welfare Commission and were
7 not furnished by Defendant, either as a detachable part of the check, draft, or voucher paying their wages,
8 or separately when wages are paid by personal check or cash, an accurate itemized statement in writing
9 showing the total hours worked by each of its employees; and/or

10 b. Said employees were not furnished an accurate itemized statement in writing
11 showing all applicable hourly rates in effect during the pay period and the corresponding number of
12 hours worked at each hourly rate by the employees.

13 48. By reason of the above, Plaintiffs pray for damages, pursuant to Labor Code, Section
14 226(e), but not as a civil penalty which would otherwise be paid to the State of California, the greater
15 of all actual damages or fifty dollars (\$50) for each employee for the pay period in which the initial
16 violation occurred, and one hundred dollars (\$100) per employee for each violation in a subsequent pay
17 period, up to a maximum of \$4,000 per employee.

18 49. Plaintiffs have complied with the notice requirements of Labor Code, Section 2699.3(a)(1)
19 prior to filing the Complaint. A copy of the letter sent to the California Labor & Workforce
20 Development Agency on January 29, 2007, via certified mail, and copied to YAHOO on the same date
21 via certified mail, in accordance with Section 2699.3(a)(1) is attached hereto, marked Exhibit "A", and
22 by reference thereto incorporated herein.

23 50. On March 1, 2007, the Labor & Workforce Development Agency responded to the notice
24 given pursuant to Labor Code, Section 2699.3(a)(1), as referenced in paragraph 49 above and Exhibit
25 "A" attached hereto, by stating that it does not intend to investigate the allegations and Labor Code
26 violations set forth therein. A copy of said letter is attached hereto as Exhibit "B" and by reference
27 thereto incorporated herein.

28 51. California Business & Professions Code, Section 17200, entitled definition, provides:

1 "As used in this Chapter, unfair competition shall mean and include any
2 unlawful, unfair or fraudulent business act or practice and unfair, deceptive,
3 untrue or misleading advertising and any act prohibited by Chapter 1
4 (commencing with Section 17500) of Part 3 of Division 7 of the Business and
5 Professions Code."

6 52. Defendant's conduct described herein above constitutes an unfair and unlawful business
7 practice in violation of provisions of California Business and Professions Code, Section 17200.

8 53. Defendant has violated provisions of the Labor Code by:

9 a. Failing to pay to Plaintiffs and members of Class "A", overtime pay as required by
10 Labor Code, Section 510 and Wage Order 4-2001, Section 3.

11 b. Failing to provide to Plaintiffs and members of Class "B" meal breaks and rest
12 periods as required by Labor Code, Section 226.7 and Wage Order No. 4-2001, Sections 11 and 12;

13 c. Failing to furnish Plaintiffs and members of Class "C" with an itemized employee
14 wage statement as required by Labor Code, Section 226(a)(2) and (9).

15 54. Plaintiffs demand that Defendant make full restitution for overtime compensation owed to
16 all Plaintiffs and members of Class "A", and each of them, within four years of the filing of the
17 complaint until the date of entry of judgment.

18 55. Plaintiffs demand that Defendant make full restitution for compensation owed to Plaintiffs,
19 and members of Class "B", and each of them, for compensation for failure to provide meal breaks and
20 rest periods in accordance with California law, within four years of the filing of the complaint until the
21 date of entry of judgment.

22 56. Plaintiffs demand that Defendant make full restitution for all damages owed to Plaintiffs
23 and members of Class "C", and each of them, for failure to furnish each such Plaintiff and member of
24 Class "C" an itemized employee wage statement as required by Labor Code, Section 226(a)(2) and (9)
25 in the sum of \$50 per employee for the initial pay period in which a violation occurred and \$100 per
26 employee for each violation in a subsequent pay period, not exceeding an aggregate amount of \$4,000
27 per employee, within four years of the filing of the complaint until the date of entry of Judgment.

28 57. Plaintiffs seek reasonable attorney's fees and costs pursuant to Code of Civil Procedure,

1 Section 1021.5.

2 WHEREFORE, Plaintiffs, on behalf of themselves, and on behalf of all class members similarly
3 situated, request judgment against Defendants, and each of them, as follows:

4 1. On the First Cause of Action for Unpaid Overtime:

- 5 a. Damages according to proof for overtime compensation under California law for
6 all hours worked overtime within three years of the filing of the complaint until the
7 date of entry of judgment;
- 8 b. For all statutory damages according to proof;
- 9 c. For interest at the maximum legal rate on all amounts found due from the date of
10 the undue overtime until paid in full;
- 11 d. For reasonable attorney's fees according to proof.

12 2. On the Second Cause of Action for failing to provide meal and rest periods:

- 13 a. Damages according to proof for one additional hour of pay at each employee's
14 regular rate of compensation for each work day that a meal or rest period was not
15 provided for each such employee entitled to same;
- 16 b. For all statutory damages according to proof;
- 17 c. For interest at the maximum legal rate on all amounts found due from the date of
18 the missed meal or rest period until paid in full;
- 19 d. For reasonable attorney's fees according to proof.

20 3. On the Third Cause of Action for waiting penalties of thirty days of pay as a penalty for not
21 paying all wages due at time of termination for Plaintiffs and members of Class "A" and
22 Class "B" who terminated employment within three years of the filing of the complaint
23 until the date of entry of judgment as provided for by Labor Code, Sections 201 - 203 and
24 for reasonable attorney's fees.

25 4. On the Fourth Cause of Action for Violation of Business & Professions Code, Section
26 17200:

- 27 a. For an order of the Court restoring to Plaintiffs and members of Class "A", Class
28 "B", and Class "C", all overtime compensation due each such employee, all

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compensation due each such employee for failing to provide meal and rest periods as required by law, and all amounts owed to each employee for failing to furnish an accurate itemized employee wage statement, within four years of the filing of the complaint in this matter until the date of entry of judgment.

- b. For reasonable attorney's fees pursuant to Code of Civil Procedure, Section 1021.5.
- 6. For costs of suit incurred herein; and
- 7. For such other relief as the court deems just and proper.

Dated: March 8, 2007

THIERMAN LAW FIRM
UNITED EMPLOYEES LAW GROUP, P.C.
ERIC M. EPSTEIN, A Professional Corporation


By: 
Eric M. Epstein, Esq.
Attorneys for Plaintiffs

EXHIBIT *A*

Law Offices

Eric M. Epstein
A PROFESSIONAL CORPORATION

1901 Avenue of the Stars, Suite 1100
LOS ANGELES, CALIFORNIA 90067-6002
TELEPHONE: (310) 552-5366
TELEFAX: (310) 556-8021

January 29, 2007

CERTIFIED MAIL
Return Receipt Requested

California Labor & Workforce Development Agency
801 K Street, Suite 2101
Sacramento, CA 95814

Re: Labor Code Section 226; Yahoo! Inc. failed to furnish to each employee an accurate itemized statement showing the total number of hours worked, all applicable hourly rates, and the number of hours worked at each hourly rate, in violation of Section 226

Dear Sir or Madam:

This office represents a class of current and former employees of Yahoo! Inc. (the "Company") who were employed by the Company within the State of California and who were not furnished, either as a detachable part of the check, draft or voucher paying the employees wages, or separately when wages were paid by personal check or cash, an accurate itemized statement in writing showing the total hours worked by each employee and/or were not furnished with all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. The Company has its main offices at 701 First Avenue, Sunnyvale, CA 94089.

The aforesaid employees of the Company allege that the Company violated Labor Code, Section 226, in that:

1. Said employees are not exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission and they were not furnished, either as a detachable part of the check, draft or voucher paying their wages, or separately when wages were paid by personal check or cash,¹ an accurate itemized statement in writing showing the total hours worked

¹ Said employees were never paid by personal check or cash.

January 29, 2007

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by each such employee; and/or

2. Said employees were not furnished an accurate itemized statement in writing showing all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

The employees further allege that such violations entitle them to pursue a civil action pursuant to 2699(a) of the Labor Code, in accordance with the requirements of Labor Code, Section 2699.3.

This letter is written pursuant to the requirements of Labor Code, Section 2699.3(a)(1) and a certified copy of this letter is being sent concurrently herewith to the Company. Please notify me within 30 calendar days of the date this letter is postmarked whether or not you intend to investigate the above violation.

Very truly yours,

ERIC M. EPSTEIN, A Professional Corporation

By: 

Eric M. Epstein

cc: Yahoo! Inc.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

CALIFORNIA LABOR &
 WORKFORCE DEVELOPMENT
 AGENCY
 801 K STREET
 STE. 2101
 SACRAMENTO, CA 95814

2. Article Number
(Transfer from service label)

7004 1350 0003 1942 6564

PS Form 3811, February 2004

Domestic Return Receipt

102585-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 X *[Signature]* Addressee

B. Received by (Printed Name) C. Date of Delivery
Nicki Asuncion 1-31-07

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

YAHOO! INC.
 101 FIRST AVENUE
 SUNNYVALE, CA
 94089

2. Article Number
(Transfer from service label)

7004 1350 0003 1942 6571

PS Form 3811, February 2004

Domestic Return Receipt

102585-02-M-1540

COMPLETE THIS SECTION ON DELIVERY

A. Signature Agent
 X *[Signature]* Addressee

B. Received by (Printed Name) C. Date of Delivery
 2/1/07

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

EXHIBIT B



LABOR & WORKFORCE DEVELOPMENT AGENCY

Labor & Workforce Development Agency

March 1, 2007

Eric M. Epstein, Esq.
Law Offices of Eric M. Epstein
1901 Avenue of the Stars, Ste. 1100
Los Angeles, CA 90067-6002

C.T. Corporation System
Agent for Service of Process for
Yahoo! Inc.
818 West Seventh Street
Los Angeles, CA 90017

Re: LWDA No: 1991
Employer: Yahoo!, Inc.
Employee: Un-Named

Dear Employer and Representative of the Employee:

This is to inform you that the Labor and Workforce Development Agency (LWDA) received your notice of alleged Labor Code violations pursuant to Labor Code Section 2699, postmarked January 29, 2007 and after review, does not intend to investigate the allegations.

As a reminder to you, the provisions of Labor Code Section 2699(i) provides that "...civil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the LWDA for enforcement of labor laws and education of employers and employees about their rights and responsibilities under this code". Labor Code Section 2699(l) specifies "[T]he superior court shall review and approve any penalties sought as part of a proposed settlement agreement pursuant to this part".

Consequently you must advise us of the results of the litigation, and forward a copy of the court judgment or the court-approved settlement agreement.

Sincerely,

Doug Hoffner
Undersecretary

California
Agriculture
Resources

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