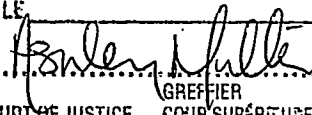


AMENDED THIS FEB. 1/2019 PURSUANT TO
MODIFIÉ CE _____ CONFORMÉMENT À
 RULE/LA RÈGLE 26.02 ("A")

THE ORDER OF _____
L'ORDONNANCE DU _____
DATED / FAIT LE _____

Court File No.: CV-18-00603648-00CP

.....
REGISTRAR / GREFFIER
SUPERIOR COURT OF JUSTICE / COUR SUPÉRIEURE DE JUSTICE



**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

KIONNA HORNER

Plaintiff

- and -

PRIMARY RESPONSE INC. and GARDA CANADA SECURITY CORPORATION

Defendants

PROCEEDING UNDER THE *CLASS PROCEEDING ACT, 1992*

AMENDED STATEMENT OF CLAIM

TO THE DEFENDANTS

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your statement of defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES,

LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$25,000 for costs, within the time for serving and filing your statement of defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$400.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court.

Date: ~~August~~, 2018 -Am-
~~February~~, 2019 -Am-

August 20, 2018

Issued by U. D. SKINNER¹¹
Local registrar

Address of court office 393 University Avenue,
10th Floor
Toronto, ON, M5G 1E6

TO: PRIMARY RESPONSE INC.
60 Modern Road
Toronto, ON M1R 3B6

AND TO: GARDA CANADA SECURITY CORPORATION
2345 Stanfield Road
Suite #400
Mississauga, ON L4Y 3Y3

CLAIM

1. The Plaintiff, Kionna Horner (the “Plaintiff”), claims:
 - (a) an Order certifying this proceeding as a class proceeding and appointing the Plaintiff as representative plaintiff for the Class (as described below);
 - (b) \$25 million in general damages for the Class, or such other sum as this Honourable Court deems just;
 - (c) A Declaration that it is an implied or express term of all contracts of employment between the Class Members and the Defendants that the Class Members are or were to be paid wages, vacation pay, public holiday and premium pay and overtime pay in accordance with the *Employment Standards Act, 2000* (“ESA”);
 - (d) a Declaration that the Defendants breached the Class Members’ contracts of employment and the duty of good faith owed to the Class Members by:
 - (i) failing to monitor, record and maintain accurate records of all actual hours worked by the Class Members;
 - (ii) failing to implement and maintain an effective, reasonable and accurate Class-wide system or procedure, which is centrally and uniformly controlled and applied, for, among other things, recording all hours worked by the Class Members and ensuring that the Class Members are compensated for all hours worked;
 - (iii) failing to advise the Class Members of their entitlement to overtime pay for hours worked in excess of the overtime threshold;
 - (iv) imposing on the Class Members an overtime averaging agreement that unlawfully averages weekly overtime entitlement over a two-week pay period;

- (v) unlawfully concealing or failing to disclose the expiry of its overtime averaging agreement and the denial of its new overtime averaging agreement application to the Class Members;
 - (vi) creating and/or permitting and/or suffering a working environment and circumstances in which the Class Members are: (i) required and/or permitted and/or suffered to work hours in excess of those scheduled, including hours both below and in excess of the overtime threshold under the *ESA*, in order to carry out the duties assigned to them; (ii) dissuaded from reporting hours worked in excess of those scheduled, including both hours below and in excess of the overtime threshold under the *ESA*; and (iii) dissuaded from claiming or obtaining compensation for their unpaid hours worked, including hours both below and in excess of the overtime threshold under the *ESA*;
 - (vii) requiring and/or permitting and/or suffering the Class Members to work hours in excess of those scheduled, including hours both below and in excess of the overtime threshold under the *ESA*, but failing to appropriately compensate the Class Members as required for all hours worked; and
 - (viii) imposing on the Class Members a Uniform Deposit policy which makes unlawful deductions from the Class Members' wages.
- (e) a declaration that the Defendants were unjustly enriched, to the deprivation of the Class Members, in that it received the value of the unpaid hours worked by the Class Members, including hours both below of and in excess of the overtime threshold under the *ESA*, without providing the appropriate compensation, with no lawful basis, and an order requiring the Defendants to disgorge to the Class all amounts withheld by them in respect of such unpaid hours;
- (f) a declaration that the Defendants were negligent in the performance of their contracts of employment with the Class Members by, among other things:

- (i) failing to ensure that the Class Members' hours of work were monitored and accurately recorded;
- (ii) failing to implement and maintain an effective, reasonable and accurate Class-wide system or procedure, which is centrally and uniformly controlled and applied, for, among other things, recording all hours worked by the Class Members and ensuring that the Class Members are appropriately compensated for all hours worked;
- (iii) failing to advise the Class Members of their entitlement to overtime pay for hours worked in excess of the overtime threshold;
- (iv) unlawfully concealing or failing to disclose the expiry of its overtime averaging agreement and the denial of its new overtime averaging agreement application to the Class Members;
- (v) imposing on the Class Members an overtime averaging agreement that unlawfully averages weekly overtime entitlement over a two-week pay period;
- (vi) creating and/or permitting and/or suffering a working environment and circumstances in which the Class Members are: (i) required and/or permitted and/or suffered to work hours in excess of those scheduled, including hours both below and in excess of the overtime threshold under the *ESA*, in order to carry out the duties assigned to them; (ii) dissuaded from reporting hours worked in excess of those scheduled, including both hours below and in excess of the overtime threshold under the *ESA*; and (iii) dissuaded from claiming or obtaining compensation for their unpaid hours worked, including hours both below and in excess of the overtime threshold under the *ESA*;
- (vii) requiring and/or permitting and/or suffering the Class Members to work hours in excess of those scheduled, including hours both below and in excess of the overtime threshold under the *ESA*, but failing to

appropriately compensate the Class Members as required for all hours worked; and

- (viii) imposing on the Class Members a Uniform Deposit policy which makes unlawful deductions from the Class Members' wages.
- (g) an order pursuant to s. 23 of the *Class Proceedings Act, 1992*, admitting into evidence statistical information, including statistical information concerning or relating to hours of work performed by members of the Class, and an order directing the Defendants to preserve and disclose to the Plaintiff all records, in any form, relating to hours worked by members of the Class;
- (h) an order, pursuant to s. 24 of the *Class Proceedings Act, 1992*, directing an aggregate assessment of damages;
- (i) an order directing the Defendants to preserve and disclose to the Plaintiff all records (in any form) relating to the hours of work, including hours of work both below and in excess of the overtime threshold under the *ESA*, performed by the Class Members;
- (j) pre-judgment and post-judgement interest pursuant to the *Courts of Justice Act*;
- (k) punitive, aggravated and exemplary damages in the amount of \$2 million, or such other amount as this Honourable Court deems just;
- (l) costs of this action on a substantial indemnity basis, together with applicable HST, or other applicable taxes, thereon;
- (m) the costs of administering the plan of distribution of the recovery in this action in the sum of \$1 million or such other sum as this Honourable Court deems appropriate; and
- (n) such further and other relief as this Honourable Court may deem just.

The Defendants

2. The Defendant, Primary Response Inc. (“Primary Response”), is a Toronto-based company providing private security services across Ontario. Effective January 15, 2018, the Defendant Garda Canada Security Corporation (“Garda”) purchased Primary Response by way of the purchase of shares, and became the sole owner and operator of Primary Response. Effective January 16, 2018, Primary Response amalgamated with Primary Response GW Corporation. The Defendants are a single employer and related employer within the meaning of s. 4(1) of the *ESA* and at common law.

3. Primary Response employs 2,000 security guards in the Province of Ontario.

The Plaintiff and the Class

4. The Plaintiff lives in the City of Guelph and was employed by Primary Response as a security guard from February 1, 2016 until June 1, 2018.

5. The Plaintiff brings this action pursuant to the *Class Proceedings Act, 1992* on her own behalf and on behalf of the following class of persons:

All security guards (including concierges), mobile security guards, dispatchers/communications operatives, supervisors and mobile supervisors employed by Primary Response in the Province of Ontario, for the period from ~~August 6, 2016~~ February 27, 2011 to the date certification is granted in this action, save and except for those employed under a Collective Agreement.

(together referred to as the “Class Members” or the “Class”).

6. The Class Members’ employment contracts are subject to the *ESA*, and the terms of the *ESA* are incorporated into the contracts of employment as a matter of fact and/or law.

7. The Class Members plead that as a matter of law, the Defendants owed them a duty of good faith that was incorporated into their contracts of employment.

8. At all material times, the policies and practices of Primary Response that affect the conditions of the Class Members' employment were materially uniform and consistent across Primary Response's operations.

9. At all material times, the duties performed by and associated with the Class Members' job classification were materially uniform and consistent across Primary Response's operations.

10. The Class Members are employed pursuant to standard written employment contracts.

11. The Human Resources policies and practices applicable to the Class Members are incorporated into a standard Security Guard (Officer) Handbook (the "Handbook").

Off-The-Clock Pre-Shift Work

12. The Class Members are required to be at their jobsite, in full uniform and prepared for duty a minimum of fifteen minutes prior to the start of their shift; however, the Defendants do not compensate the Class Members for this work.

13. This requirement is explicitly set out in the Handbook, which states, *inter alia*, as follows:

PR | Security Guard (Officer) Handbook

7.0 Reporting On and Off Duty Basics

Security Guards are required to be at their job site, in full uniform and prepared for duty 15 minutes before your start time.

14. During these minimum of 15 minutes, the Class Members are required to have a shift change conversation with their dispatcher, supervisor or the guard being relieved, and to review memo book entries. Class Members arriving for their shift are also required during this time to show their licence to the employee they are relieving, which is to be recorded in the Tri-form notebook of the employee being relieved. During this minimum of 15 minutes, the Class Member must also contact dispatch to confirm their book-on. The Handbook requires Class Members to be at their post "fully briefed" at the "official shift start time."

15. While they are required to complete a minimum of 15 minutes of work before their “official” shift, the Class Members are not compensated for such time. In effect, there is an “unofficial” shift start time that is a minimum of 15 minutes earlier than the “official” shift start time, during which work is required, permitted or suffered to be performed, for which the Defendants have a policy and practice of not providing any compensation.

16. The Defendants’ failure to compensate the Class Members for this work is a violation of section 11(1) of the *ESA* and section 1(1)(a) of *O. Reg. 285/01*, which stipulates that work shall be deemed to be performed for an employer where “permitted or suffered to be done by the employer” or “in fact performed by an employee although a term of the contract of employment expressly forbids or limits hours of work or requires the employer to authorize hours of work in advance”.

Primary Response’s Unlawful Overtime Averaging Policy / Failure to Pay Overtime

17. Section 22(2.1) of the *ESA* requires an overtime averaging agreement to be approved by the Director of Employment Standards, and s. 22(3) additionally requires a written agreement between the employer and employee. An overtime averaging agreement allows an employer to average overtime hours, to be calculated after 88 hours, over a two week work/pay cycle.

18. Primary Response operates on a 2/3 day condensed work-week rotation, and as a result, Class Members are routinely required, permitted, or suffered to work hours in excess of 44 hours per week.

19. Primary Response had in place an overtime averaging agreement approved by the Director of Employment Standards, but it expired August 5, 2016. On June 20, 2017, Primary Response submitted an overtime averaging application, but it was denied.

20. Primary Response unlawfully concealed or failed to disclose the expiry of its overtime averaging agreement and the denial of its new overtime averaging agreement application to the Class Members, and continued to average the Class Members’ overtime over a two week work/pay cycle in violation of the *ESA*.

21. In the absence of a valid overtime averaging agreement and a written agreement between the employer/employee, the Defendants were required to pay overtime for work in excess of the overtime threshold of 44 hours per week.

22. The Defendants required, permitted, or suffered Class Members to work in excess of the overtime threshold of 44 hours per week without paying overtime pay, contrary to s. 22(1) of the *ESA*.

Primary Response's Unlawful Uniform Deductions

23. Section 13 of the *ESA* provides that an employer may not withhold wages or make deductions from an employee's wages unless required due to statute, court order, or where the employee has provided written authorization for the deduction. An authorization must refer to a specific amount or provide a formula from which a specific amount may be calculated.

24. The deductions by the Defendants for uniforms from employees' wages do not meet these conditions, and are contrary to the *ESA*. The Class Members are entitled to damages in respect of the unlawful deductions made from their wages, and to interest on the amounts unlawfully deducted and held by the Defendants.

Breach of *ESA*

25. The Defendants have systemically breached the provisions of the *ESA*, which are incorporated into the contracts of employment of the Class Members, with respect to all Class Members by:

- (a) Failing to ensure that the Class Members' actual hours of work were monitored and accurately recorded;
- (b) Failing to advise the Class Members of their entitlement to overtime pay for hours worked in excess of the overtime threshold;
- (c) Requiring and/or permitting and/or suffering the Class Members to work hours in excess of those scheduled or stipulated in their contracts of employment,

including hours both below and in excess of the overtime threshold, but failing to compensate the Class Members as required for all hours worked.

Breach of Contract/Duty of Good Faith

26. The Defendants have breached the express or implied terms of its contracts of employment with the Class Members, as set out above, including that it compensate for all hours worked, including its obligation to pay overtime at a rate of 1.5 times the Class Members' regular hourly rates for hours worked in excess of the overtime threshold.

27. In the alternative, the Defendants have breached an implied term of the contracts of employment with the Class Members by failing to comply with its obligations under the *ESA* to record and pay for all hours worked, including its obligation and duty to pay overtime, or, in the alternative, its duty to prevent the Class Members from working hours, including overtime, that the Defendants did not intend to compensate.

28. The Class Members are in a position of vulnerability in relation to the Defendants. As a result and otherwise, the Defendants owes a duty to the Class Members to act in good faith, which includes a duty to honour its statutory and contractual obligations to them.

29. The Defendants have breached its duty of good faith by, among other things:

- (a) Failing to ensure that the Class Members' hours of work were monitored and accurately recorded;
- (b) Requiring and/or permitting and/or suffering the Class Members to work hours in excess of those scheduled, including hours both below and in excess of the overtime threshold, but failing to compensate the Class Members as required for all hours worked;
- (c) Failing to advise the Class Members of their right to recover for such unpaid hours and, in particular, of the express or implied terms of their contracts under the *ESA*;

- (d) Retaining for itself the benefit of amounts due to the Class Members in respect of such unpaid hours;
- (e) Failing to advise the Class Members of their entitlement to overtime pay for hours worked in excess of the overtime threshold;
- (f) Unlawfully concealing or failing to disclose the expiry of its overtime averaging agreement and the denial of its new overtime averaging agreement application to the Class Members;
- (g) Failing to implement and maintain an effective, reasonable and accurate Class-wide system or procedure, which is centrally and uniformly control and applied, for, among other things:
 - (i) Recording all hours worked by the Class Members;
 - (ii) Ensuring that the Class Members were compensated at the appropriate rates for all hours worked or otherwise prevented from working overtime that the Defendants did not intend to compensate; and

Unjust Enrichment

30. The Defendants have been unjustly enriched as a result of receiving the benefit of the unpaid hours worked by the Plaintiff and the other members of the Class. The precise value of such unpaid hours of work is not known to the Plaintiff but is within, or should be within, the exclusive knowledge of the Defendants as the Defendants are required under the *ESA* to accurately record the hours worked by the Class Members.

31. The Plaintiff and the other members of the Class have suffered a deprivation, in the form of wages corresponding to the unpaid hours that they have worked.

32. There is no juristic reason why the Defendants should be permitted to retain the benefit of the unpaid hours worked by the Plaintiff and the other members of the class. The Handbook is unlawful and does not provide a juristic reason.

Negligence

33. The Defendants owed a duty of care to the Plaintiff and the other Class Members to ensure that they were properly compensated for all hours worked at the appropriate rates. The Defendants have breached this duty by, among other things:

- (a) Failing to ensure that the Class Members' hours of work were monitored and accurately recorded;
- (b) Requiring and/or permitting and/or suffering the Class Members to work hours in excess of those scheduled, including hours both below and in excess of the overtime threshold, but failing to compensate the Class Members as required for all hours worked;
- (c) Failing to advise the Class Members of their right to recover for such unpaid hours and, in particular, of the express or implied terms of their contracts under the *ESA*;
- (d) Retaining for itself the benefit of amounts due to the Class Members in respect of such unpaid hours;
- (e) Failing to advise the Class Members of their entitlement to overtime pay for hours worked in excess of the overtime threshold;
- (f) Unlawfully concealing or failing to disclose the expiry of its overtime averaging agreement and the denial of its new overtime averaging agreement application to the Class Members;
- (g) Failing to implement and maintain an effective, reasonable and accurate Class-wide system or procedure, which is centrally and uniformly control and applied, for, among other things:
 - (i) Recording all hours worked by the Class Members;

- (ii) Ensuring that the Class Members were compensated at the appropriate rates for all hours worked or otherwise prevented from working overtime that the Defendants did not intend to compensate; and
- (h) Failing to maintain accurate records of all actual hours worked by the Class Members;
- (i) Such further particulars as known to the Defendants will be provided at discovery and prior to the trial herein.

Preferable Procedure

34. A class proceeding is preferable to a multitude of individual complaints to the Employment Standards Branch or individual claims in Small Claims Court.

35. A class proceeding will advance the three goals of the *Class Proceedings Act, 1992*, namely, judicial economy, access to justice, and behaviour modification.

36. A class proceeding will advance the goal of judicial economy by preventing the need for thousands of individual employment standards complaints, and potential appeals thereof.

37. A class proceeding will advance the goal of access to justice by providing a remedy for Class Members, who, as non-unionized employees, face well-documented systemic barriers to enforcing their rights under the *ESA*.

38. Finally, a class proceeding will promote behaviour modification by addressing the systemic policies and practices of the Defendants.

39. Accordingly, a class proceeding is the preferable procedure for addressing the Plaintiff's claims.

Aggravated, Exemplary, and Punitive Damages

40. The Plaintiff pleads that the actions, conduct and omissions of the Defendants as aforesaid were unlawful, high-handed and carried out in bad faith. Moreover, they were carried out to enrich the Defendants and with a complete disregard for the rights and interests of the

Class Members, who were and are to the knowledge of the Defendants vulnerable to the actions, decisions and power of the Defendants.

41. The actions, conduct and omissions as aforesaid warrant awards of aggravated, exemplary and punitive damages.

The Plaintiff proposes that this action be tried in Toronto.

~~August~~, 2018 -Am-

~~February~~, 2019 -Am-

AUGUST 20, 2018

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Plaintiff

and
PRIMARY RESPONSE INC., et al.
Defendants

Court File No.: CV-18-00603648-00CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

Proceeding under the *Class Proceedings Act, 1992*

AMENDED STATEMENT OF CLAIM

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