

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
ASHEVILLE DIVISION
FILE NO: 1:10-CV-190

JOHN BONHAM, CHARLYNN BONHAM, on)
behalf of themselves and others similarly)
situated,)
Plaintiffs,)

v.)

WOLF CREEK ACADEMY, ABOUT FACE)
MINISTRIES, PATRICIA A. JONES, JAMES)
E. JONES, JEREMEY C. JONES,)
Defendants.)

COMPLAINT
(JURY TRIAL REQUESTED)

NOW COMES Plaintiffs, John Bonham and Charlynn Bonham (collectively “the Bonhams;” individually “Mr. Bonham” and “Mrs. Bonham”) and on behalf of themselves and other similarly situated employees, alleges and complains as follows:

GENERAL ALLEGATIONS

1. This is an action to recover unpaid wages owed to Plaintiffs and other similarly situated employees pursuant to the Fair Labor Standards Act, 29 U.S.C. § 201, *et seq.* (“FLSA”).
2. Plaintiffs also bring state law claims against Defendants that are separate from the FLSA claim and only brought in their own capacity and not on behalf of others similarly situated.

JURISDICTION

3. This Court has original jurisdiction over cause of action one pursuant to 28 U.S.C. § 1331 and 29 U.S.C. § 216(b).
4. This court has original jurisdiction over claims two through twelve pursuant to 28 U.S.C.A. § 1332(a)(1) because the amount in controversy exceeds \$75,000.00 and Plaintiffs are citizens of South Carolina and Defendants are citizens of North Carolina.
5. Causes of action two through twelve are also related to the federal claims that they form part of the same case or controversy such that this Court may exercise supplemental jurisdiction over those claims pursuant to 28 U.S.C. § 1367.
6. Venue is proper in the United States District Court for the Western District of North Carolina pursuant to 28 U.S.C. § 1391 because a substantial part of the events giving rise to the claim occurred in this District.

PARTIES

7. Plaintiffs the Bonhams are residents and citizens of the State of South Carolina. At all times alleged herein, they were residents of Madison County, North Carolina and employees of Wolf Creek.
8. Defendant Wolf Creek Academy ("Wolf Creek") is a North Carolina Corporation with its registered office address listed as 41 Beauty Spot Cove Road, Mars Hill, North Carolina located in Madison County, North Carolina.
9. Upon information and belief, defendants Patricia Jones ("Mrs. Jones"), James Jones and Jeremy Jones (collectively "the Jones family") are residents and citizens of Madison County, North Carolina. Patricia and James Jones are the founders and owners of Wolf Creek. Jeremy Jones is their son who, along with his parents, manages the business operations of Wolf Creek.
10. Defendant About Face Ministries is an unincorporated entity owned by the Jones family that, upon information and belief, is located in Madison County, North Carolina.

FACTS

11. Wolf Creek is a boarding school for troubled teens located in Madison County, North Carolina. Wolf Creek boards the teens in "cottages" where they live with "house parents."
12. Wolf Creek offers their services to teens outside of North Carolina. Most of the teens at Wolf Creek are not from North Carolina. Their parents, who reside outside North Carolina, pay Wolf Creek for their services. Wolf Creek competes with other similar boarding schools around the country. Wolf Creek operates a website that advertises their services to the entire country.
13. Wolf Creek reported on their tax forms to the IRS that they had over \$1 million in gross revenue for the tax years 2006, 2007 and 2008. Upon information and belief, Wolf Creek also had over \$1 million in gross revenue in 2009.
14. The school operated by Wolf Creek lacked plumbing and running water during the Bonhams' tenure with Defendants. The students take all their classes online on computers in a one room school building with a "teacher" who manages the computer software. Wolf Creek has previously provided mental health counseling to the teens although they have not employed a licensed counselor since November, 2009. They state on their website that they provide licensed therapy to the teenagers.
15. Even though Wolf Creek is located in Madison County, it does not own any real estate in Madison County. The property used by Wolf Creek is owned by the Jones family and Guy Lindsey, a member of the board of directors. Many of the other assets used by Wolf Creek are owned by the Jones family.

16. During the Bonhams' employment, About Face Ministries accepted food donations from Manna Food Bank. The Jones family then took this food and sold it to the house parents at Wolf Creek so they could feed the teenagers. This purchase from About Face Ministries was then incorporated into the tuition charged to the parents.
17. James Jones and Mrs. Jones are Wolf Creek's only officers. Jeremy Jones is the manager. The day to day operations of Wolf Creek are managed by the Jones family.
18. Wolf Creek reported in their tax filings in 2006, 2007 and 2008 that they do not pay James Jones and Mrs. Jones any compensation.
19. The Jones family have told the Bonhams that they have never reported any personal income to the IRS. Jeremy Jones has previously explained to the Bonhams and other employees how to similarly avoid tax liability.
20. The Jones family currently have thirteen vehicles officially registered in Madison County. The tax value of these vehicles is \$84,000.00. The Jones family, however, owns more than thirteen vehicles. They have told the Bonhams that many of their vehicles are registered out of state.
21. The tax value for real property owned by James Jones and Mrs. Jones in Madison County is \$1,494,800.00. The tax value for the entire Jones family and Guy Lindsey in Madison County is \$2,040,100.00.
22. Wolf Creek is a non-profit in name only. Defendants consistently violate the provisions of 501(c)(3) because the Jones family operates Wolf Creek for their benefit, profit from Wolf Creek and engage in activity that is potentially illegal and violates the public policy of North Carolina and the United States.
23. James and Mrs. Jones hired the Bonhams in October, 2008, to work as "house parents." As house parents, they lived with teenage boys between the ages of 13 and 18. The Bonhams had as many as thirty-two boys under their care and as few as eight. The Jones family told them when they accepted employment with Wolf Creek that they would have no more than twelve boys under their care. They were also told that they would only work five days a week.
24. Wolf Creek advertises on their website that "the students...live in a home with their houseparents along with six to eight other students."
25. Any member of the Jones family, together or separately, had the ability to fire the Bonhams at any time.
26. The Jones family provided the Bonhams a weekly schedule for each of the boys. These schedules limited the Bonhams' control over their day to day tasks.
27. The Jones family maintained the Bonhams' employment records.

28. The Bonhams equally divided house parenting duties among themselves and worked approximately the same number of hours for Defendants.
29. Their duties as house parents included, but were not limited to, the following:
 - a. buying groceries for the house;
 - b. cooking for and feeding the boys;
 - c. enforcing house rules;
 - d. resolving disputes;
 - e. transporting the boys to and from school, activities and other errands;
 - f. mentoring the boys;
 - g. communicating with parents usually by email or telephone;
 - h. going to the hospital and pharmacy with the boys;
 - i. planning outings;
 - j. meeting with other Wolf Creek personnel regarding the boys;
 - k. doing laundry, cleaning the house and attending to other chores;
 - l. running physical education ("PE");
 - m. maintaining the boys' paperwork and files; and
 - n. running a daily group meeting and Bible study.
30. On a typical weekday, the Bonhams would get up around 6:00 a.m. to start making breakfast for the boys. After breakfast, they would take the boys to school or their scheduled activity. They would then spend the day responding to parent email, running errands for the boys, attending staff meetings and completing other work-related tasks. In the evening, they cooked and fed the boys dinner, supervised them at night and put them to bed between 10:00 p.m. and 11:00 p.m. The Bonhams would then fill out paperwork and do other administrative tasks until 12:00 a.m. or 1:00 a.m. Between 1:00 a.m. and 6:00 a.m., the Bonhams slept but were regularly woken up to deal with disruptive behavior from the boys.
31. The Bonhams worked a similar schedule on a typical weekend except they let the boys stay up to midnight on Fridays and sleep in till 9:00 am on Saturdays. The Bonhams also took the boys on required outings and to church on the weekends.

32. The Bonhams rarely had any personal time during a typical day. They were on-call during any moment of personal time. They were specifically told by James Jones that they were not permitted any personal time when they were on duty.
33. The Jones family often promised that they would hire assistants to help the Bonhams, but the Bonhams only occasionally had help. Any assistants the Jones family hired did not work full time nor did they report directly to the Bonhams. The Bonhams held no supervisory authority over these assistants. The assistants often ignored the Bonhams' instructions and undermined their authority. The Bonhams did not have the ability to hire or fire any individuals.
34. The Bonhams received few days off work. Even when taking a day off, the Bonhams were on-call. They also attended staff meetings, took calls from parents and addressed other student and house concerns on their days off. They could not use their own time effectively during their days off.
35. The Jones family typically only supplied one room in the boys' homes for the Bonhams and their two young children. The housing provided had numerous problems that fell below local, state and federal housing standards. These problems included exposed wiring and plumbing, unidentified mold, improper plumbing, exposed nails, uncompleted framework, improper insulation, unframed windows and frequently frozen pipes that limited access to running water.
36. The communal rooms shared with the boys had similar problems, including, but not limited to, leaky faucets, perpetually clogged toilets, improper draining of the laundry room that causes the room to flood, water seepage from the foundation that caused mold and mildew, holes in the wall, missing door knobs and locks and broken windows.
37. The Bonhams complained numerous times to the Jones family about the substandard living conditions, but the Jones family did not make sufficient, if any, repairs to the housing.
38. James and Patricia Jones hired the Bonhams in October, 2008. They agreed to pay Mr. Bonham a \$3,000 a month salary. This salary allegedly covered both Mr. Bonham and Mrs. Bonham's services. They told the Bonhams that they were only paying Mr. Bonham because it saved them money to have fewer employees on the payroll.
39. Defendants agreed to pay for the expenses associated with managing the household. Defendants paid for some directly and provided cash to the Bonhams to cover the other expenses. The Bonhams occasionally had to purchase extra food or fund part of an outing. Defendants had agreed to reimburse these extra expenses although the reimbursement was often delayed and sometimes not paid at all.
40. Shortly after the Bonhams began, the salary to Mr. Bonham increased to \$4,000 a month. The Jones family continued to only pay Mr. Bonham.
41. Mr. Bonham was only paid \$700 for the Bonhams' first three weeks of work.

42. In March, 2009, the pay to Mr. Bonham increased to \$5,000 a month. The Jones family still did not pay Mrs. Bonham any wages. This increase was to allow the Bonhams to retain separate housing for their days off work.
43. James Jones rented this housing to the Bonhams for \$700 a month. The Bonhams were also responsible for the utility bills. While in this second house, the Bonhams surprisingly saw an advertisement in the paper announcing that the house was up for auction. James Jones assured them everything was okay, but they were soon visited by a real estate agent who came to the house to change the locks. She told them that their landlord, James Jones, had illegally rented them the house. She ordered them to exit the premises within 24 hours. They were eventually given nine days to leave.
44. In September, 2009, the Jones family informed the house parents, including the Bonhams, that they had "changed" their employee status from "employees" to "independent contractors." The pay to Mr. Bonham remained \$5,000 a month. The Bonhams' job duties and responsibilities remained the same. The Bonhams never signed a contract for employment. The Bonhams were not consulted about the "change" in employment status prior to the Jones family making the "change." They in fact raised concerns about the change. The decision to "change" the employment status was solely made by the Jones family.
45. The Jones family also gave the Bonhams a profit and loss statement in September. This statement allegedly showed how Mr. Bonham would make more than \$5,000 a month with the new arrangement by comparing the budgeted expenses with the actual expenses. The Bonhams received similar, although incorrect, profit and loss statements until November, 2009, when the Jones family stopped providing them.
46. The terms of the Bonhams' compensation did not materially change after September, 2009. Defendants were still responsible for expenses. Instead of giving the Bonhams cash to cover expenses, however, Defendants provided the Bonhams a credit card to pay the expenses.
47. The credit card was in James Jones name and contained a \$2900 credit limit. The limit was too low to sufficiently cover the home's expenses. The Jones family would purchase items on the credit card without the Bonhams' knowledge resulting in a shortage of funds.
48. The Jones family failed to reimburse the Bonhams for at least \$3,500 of personal funds that the Bonhams used to pay for expenses to run the home.
49. The actual expenses to run the home regularly exceeded the budgeted expenses outlined in September. The Bonhams regularly questioned the Jones family about this overage. The Jones family told the Bonhams not to worry about the overage because the budget presented in September only applied if their home contained greater than sixteen boys for three consecutive months.
50. Between September, 2009, and March, 2010, the Bonhams' home did not have more than sixteen boys for three consecutive months.

51. The Bonhams did not receive greater than \$5,000.00 a month because of the new arrangement. The Jones family did give Mr. Bonham an "incentive check" of over \$800 one month because "they were doing a good job." The check did not seem related to any budget.
52. The Bonhams regularly worked over forty hours a week.
53. Defendants never paid the Bonhams any overtime pay for any hours worked over forty a week.
54. Defendants never paid any other house parent any overtime pay for any hours worked over forty a week.
55. Defendants provided Mr. Bonham with both a W-2 and a Form 1099-MISC for 2009. The Form 1099-MISC overestimated his taxable income by approximately \$13,000.
56. The Jones family sent a second 1099-MISC to the Bonhams because they believed the Bonhams had reported them to the IRS. The Bonhams' accountant told them that the second 1099-MISC was not properly done because it failed to note that it was a corrected 1099-MISC meaning it would be counted as extra income.
57. The Form 1099-MISC represented their income when the Bonhams were "independent contractors" from September, 2009 to their December, 2009. The W-2 represented their income they were "employees" from January, 2009 to August, 2009.
58. The Bonhams' employment status did not change in September, 2009. They remained employees even though the Jones family called them independent contractors.
59. Mr. Bonham has incurred higher tax liability for 2009 because Defendants miscategorized his employment status as independent contractors rather than employees and incorrectly reported Mr. Bonham's wages for 2009.
60. The Jones family intentionally miscategorized the Bonhams employment status to avoid paying a higher payroll tax.
61. The Jones family similarly miscategorized the income of other employees at Wolf Creek.
62. The Jones family have told the Bonhams that they are able to get away with things because they are a small corporation.
63. The Jones family regularly allowed teenagers with a violent history to live in the Bonhams' home without the Bonhams' knowledge. Defendants advertise that they do not accept violent teenagers.
64. Fights broke out between the boys on a daily basis. The Bonhams feared for their safety and their children's safety. The Bonhams lived and worked in a dangerous environment.

65. The Bonhams regularly complained to the Jones family about the violent boys, but they continued to allow boys with a violent past to live in their home without the Bonhams' knowledge.
66. At several staff meetings, the Jones family, specifically James Jones, threatened to "discredit" and "make life difficult" for any employee who resigned from Wolf Creek or complained to any outside authority about Wolf Creek's activities. They would explain how they had discredited others who had resigned from Wolf Creek. They would also tell the Bonhams that they were easily replicable.
67. The fear of retaliation, the stress of the job's hourly requirements, the ever-present threat of physical danger to themselves and their children, the substandard housing and other conditions of the Bonhams' employment caused the Bonhams to suffer panic attacks and extreme migraines, experience depression, fear leaving their current home or being around others, cry uncontrollably and endure insomnia.
68. The threat of violence became more immediate in February, 2010. A particular student in the Bonhams' residence ("DH") wrote a letter threatening to kill a fellow housemate. In this letter, DH talked about stabbing the Bonhams' eleven year old daughter Beth to death. Specifically, DH told the other teen that he "would kill you just like I did to Big Beth." He continued to reference their daughter, "ya'll know about that night when I killed that fat bitch and buried her in a ditch." Similar threats continue in the letter.
69. The Bonhams had addressed DH's violent tendencies with the Jones family before. DH's mother told Mrs. Bonham about DH's violent tendencies. She told Mrs. Bonham that DH was violent and his counselor warned her to keep DH away from children because he had harmed small children in the past. Mrs. Bonham then confronted Mrs. Jones about DH. She told Mrs. Bonham that DH's mother told her the same thing, but that DH's mom was a "little crazy." Mrs. Jones told Mrs. Bonham that they should just keep their kids away from DH.
70. The letter's direct reference to killing their daughter caused Mrs. Bonham to again confront Mrs. Jones about DH. Mrs. Jones, in response, called the letter a "poem" and said that it was not a big deal. Mrs. Bonham told Mrs. Jones that they would not work with DH in the house. Mrs. Jones grabbed Mrs. Bonham by the arm and warned her to be quiet about DH. Mrs. Bonham again told Mrs. Jones that they would quit if they did not remove DH from the home.
71. DH, at the time the Bonhams discovered the letter, was in Colorado and scheduled to return in a few days. Jeremy Jones brought DH back to the house when DH returned. Mrs. Bonham told Jeremy Jones that it was not acceptable that he be under the same roof as their young children. Jeremy Jones told her to "get over it" and that "she was easily replicable."
72. The Bonhams promptly resigned on March 1, 2010.
73. When Mr. Bonham went to pick up his last paycheck of \$2,500, James Jones and Jeremy Jones refused to pay Mr. Bonham any amount. Instead, they told Mr. Bonham

that he owed them money. Mrs. Jones eventually wrote him a check for \$202.02 that she said was for "Contract – Bonus – Final."

74. The Bonhams continued to endure emotional distress after they left Wolf Creek because of the above-alleged actions of the Jones family.

FIRST CAUSE OF ACTION – FAIR LABOR STANDARDS ACT

75. Plaintiffs re-allege and incorporate herein all allegations set out in paragraphs 1 through 74 above.
76. Defendants were an enterprise engaged in interstate commerce pursuant to 29 U.S.C. § 203(s).
77. Defendants, including the Jones family, were "employers" of the Bonhams and the other house parents as the term "employer" is defined by 29 U.S.C. § 203(d).
78. The Bonhams and the other house parents were "employees" during their tenure at Wolf Creek as the term "employee" is defined by 29 U.S.C. § 203(e)(1).
79. The Bonhams and the other house parents were not exempt employees under the provisions of the FLSA, 29 U.S.C. § 201 *et. seq.* and corresponding regulations.
80. Employers subject to the FLSA must pay non-exempt employees minimum wage and overtime pay for any hours worked over forty a week.
81. The Bonhams and the other house parents regularly worked more than forty hours a week but Defendants failed to pay the Bonhams and the other house parents any overtime pay during their employment with Defendants in violation of 29 U.S.C. § 207.
82. Defendants' failure to pay overtime to the Bonhams and the other house parents was intentional and not in good faith. Defendants did not have reasonable grounds for believing that failing to pay overtime to the Bonhams and other house parents was not in violation of the FLSA.
83. Defendants have failed to pay other house parents who were similarly situated to the Bonhams any overtime pay pursuant to 29 U.S.C. § 207.
84. The Bonhams have been damaged by Defendants' failure to pay them their lawful wages.
85. Other similarly situated employees have been damaged and will continue to be damaged by Defendants' failure to pay them their lawful wages.

SECOND CAUSE OF ACTION – NORTH CAROLINA WAGE & HOUR ACT

86. Plaintiffs re-allege and incorporate herein all allegations set out in paragraphs 1 through 85 above.

87. Defendants' failure to pay the Bonhams their lawful wages and acting as otherwise alleged herein further violates N.C. Gen. Stat. § 95-25.4.

THIRD CAUSE OF ACTION – BREACH OF FIDUCIARY DUTY

88. Plaintiffs re-allege and incorporate herein all allegations set out in paragraphs 1 through 87 above.
89. A relationship of trust and confidence existed between the Bonhams and Defendants.
90. Defendants had a fiduciary duty to truthfully and properly characterize the Bonhams' wages and employment status.
91. Defendants breached their fiduciary duty to the Bonhams when they mischaracterized their wages and employment status.
92. The Bonhams have been damaged by Defendants' breach of this fiduciary duty.

FOURTH CAUSE OF ACTION – CONSTRUCTIVE FRAUD

93. Plaintiffs re-allege and incorporate herein all allegations set out in paragraphs 1 through 92 above.
94. The Bonhams reasonably trusted that Defendants would truthfully and properly characterize their wages and employment status.
95. Defendants sought to benefit themselves by breaching their fiduciary duty to accurately characterize the Bonhams' wages and employment status.
96. By breaching this fiduciary duty, Defendants violated the Bonhams' trust and confidence in Defendants.
97. The Bonhams have been damaged by Defendants' actions as alleged herein.

FIFTH CAUSE OF ACTION – CONVERSION

98. Plaintiffs re-allege and incorporate herein all allegations set out in paragraphs 1 through 97 above.
99. Defendants' failure to accurately characterize and report the Bonhams' wages and employment status to the IRS caused Bonhams to incur higher tax liability and suffer other damages
100. Defendants enjoy less tax liability because they intentionally and incorrectly characterized and reported the Bonhams' wages and employment status.
101. The Bonhams would not have incurred a higher tax liability and suffer other damages if Defendants did not incorrectly characterize and report the Bonhams' wages and employment status.

102. Defendants therefore wrongly denied the Bonhams property or violated the Bonhams' right to property that belonged to them.
103. Defendants profited from the above-alleged conversion of the Bonhams' property.

SIXTH CAUSE OF ACTION – FRAUD

104. Plaintiffs re-allege and incorporate herein all allegations set out in paragraphs 1 through 103 above.
105. Defendants concealed from the Bonhams the material fact that violent teenagers were living in the same household as their family.
106. Defendants knew that many of the boys had a dangerous and violent past and posed a danger to the Bonhams, their children and other boys in the house.
107. The Bonhams did not have equal opportunity to ascertain whether the boys in the home had a violent history.
108. Defendants had a duty to disclose the violent history of the boys in the home to the Bonhams.
109. Defendants intended to deceive the Bonhams by hiding the fact that the boys in the Bonhams' home were violent.
110. The Bonhams reasonably and detrimentally relied on Defendants to not place violent individuals in the same home as their family without their knowledge.
111. Defendants' above alleged fraudulent actions and others that may later become apparent caused the Bonhams extreme emotional distress and anguish and other recoverable damages.

SEVENTH CAUSE OF ACTION – NEGLIGENT MISREPRESENTATION

112. Plaintiff re-alleges and incorporates herein all allegations set out in paragraphs 1 through 111 above.
113. Defendants owed the Bonhams a duty of care to notify them that violent teenagers may be living in their home.
114. Defendants breached this duty of care to the Bonhams by allowing violent individuals to live in the home without the Bonhams' knowledge.
115. Defendants justifiably and reasonably relied on Defendants not to place violent individuals in the same home as their family without telling them.
116. Defendants knew or should have known that Defendants would suffer damages because of their negligent misrepresentations described herein.

117. As a consequence of Defendants' actions, the Bonhams have suffered extreme emotional distress and anguish and other damages.

EIGHTH CAUSE OF ACTION – NEGLIGENCE

118. Plaintiffs re-allege and incorporate herein all allegations set out in paragraphs 1 through 117 above.
119. Defendants had a duty to the Bonhams to correctly characterize and report the Bonhams' wages and employment status and to keep a safe working environment.
120. Defendants breached this duty by their actions alleged herein.
121. Defendants proximately caused the Bonhams to suffer damages because of their actions alleged herein.

NINTH CAUSE OF ACTION – PIERCING THE CORPORATE VEIL

122. Plaintiffs re-allege and incorporate herein all allegations set out in paragraphs 1 through 121 above.
123. Defendants maintain few assets in Wolf Creek. Upon information and belief, Wolf Creek is undercapitalized.
124. Defendants failed to comply with the formalities of a non-profit corporation in North Carolina and the United States.
125. Wolf Creek is a mere alter ego or instrumentality of the Jones family.
126. Wolf Creek is dominated and controlled by the Jones family.
127. The Jones family has used Wolf Creek to perpetrate a fraud or wrong or otherwise acted unlawfully in violation of Plaintiffs' and others' legal rights.
128. The Jones family's wrongs and unlawful acts have proximately caused the Bonhams to suffer damages.

TENTH CAUSE OF ACTION – INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

129. Plaintiff re-alleges and incorporates herein all allegations set out in paragraphs 1 through 128 above.
130. Defendants acted extremely and outrageously and beyond all possible bounds of decency by their actions alleged herein.
131. Defendants intended for the Bonhams to suffer severe emotional distress.
132. The Bonhams did in fact suffer severe emotional distress because of Defendants' actions.

133. The Bonhams have been damaged because of Defendants' action as alleged herein.

ELEVENTH CAUSE OF ACTION – NEGLIGENT INFLICTION OF EMOTIONAL DISTRESS

134. Plaintiff re-alleges and incorporates herein all allegations set out in paragraphs 1 through 133 above.

135. Defendants negligently engaged in conduct.

136. It was reasonably foreseeable that their conduct would cause the Bonhams to experience extreme emotional distress.

137. The Bonhams did in fact suffer severe emotional distress as a proximate result of Defendants' negligence.

TWELFTH CAUSE OF ACTION – UNFAIR AND DECEPTIVE TRADE PRACTICES

138. Plaintiff re-alleges and incorporates herein all allegations set out in paragraphs 1 through 137 above.

139. The acts and omissions of Defendants as set forth herein were in or effecting commerce and constitute unfair and deceptive trade practices as prescribed by Chapter 75 of the North Carolina General Statutes.

140. Defendants committed an unfair and deceptive act by their actions alleged herein.

141. The unlawful and deceptive acts and omissions of Defendants as set forth herein proximately caused actual injury and damages to the Bonhams.

PUNITIVE DAMAGES

142. Plaintiff re-alleges and incorporates herein all allegations set out in paragraphs 1 through 141 above.

143. The acts and omissions of Defendants as set forth herein were intentional, fraudulent, malicious, willful and wanton and done with a reckless and wanton disregard of the rights of the Bonhams.

144. The Bonhams are entitled to recover punitive damages pursuant to Chapter 1 D-15, *et seq.* of the North Carolina General Statutes as a result of Defendants' intentional, fraudulent, malicious, willful and wanton acts and omissions as set forth herein.

WHEREFORE, Plaintiffs, pray this Court for the following relief:

1. The Plaintiffs be allowed to give notice, or the Court issue such notice, to all similarly situated employees or former employees of Defendants over the last three years informing them that this action has been filed, the nature of the action, the protections

- afforded participants in this action and their right to opt-into this lawsuit if they worked overtime but were not paid compensation and benefits pursuant to 29 U.S.C. § 216(b).
2. That this Court award the Bonhams and other similarly situated employees or former employees their unpaid wages;
 3. That this Court award the Bonhams and other similarly situated employees or former employees liquidated damages pursuant to 29 U.S.C. § 216(b);
 4. That this Court award any and all compensatory damages to the Bonhams for Defendants' failure to properly characterize the Bonhams' wages and employment status;
 5. That this Court award full compensatory, incidental, emotional distress and other allowable damages to the Bonhams;
 6. That this Court award any other legal and equitable relief, including any injunctive or declaratory relief, that would be entitled to Plaintiffs;
 7. That this Court treble Plaintiffs damages pursuant to N.C. Gen. Stat. 75-16;
 8. That this Court award punitive damages against Defendants;
 9. That this Court award pre- and post- judgment interest;
 10. Plaintiffs demand a trial by jury;
 11. For such other or further relief as this court shall deem just and appropriate.

This the 3rd day of September, 2010.

THE JOHN C. HUNTER LAW FIRM, PLLC

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