IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

JORDAN WYCKOFF, Individually and on Behalf of All Those Similarly Situated,

Plaintiff,

vs.

OFFICE OF THE COMMISSIONER OF BASEBALL, an unincorporated association doing business as MAJOR LEAGUE BASEBALL; ALLAN H. SELIG; ROBERT D. MANFRED, JR.; KANSAS CITY ROYALS BASEBALL CORP.; MIAMI MARLINS, L.P.; SAN FRANCISCO BASEBALL ASSOCIATES LLC; BOSTON RED SOX BASEBALL CLUB L.P.; ANGELS BASEBALL LP; CHICAGO WHITE SOX LTD.; ST. LOUIS CARDINALS, LLC; COLORADO ROCKIES BASEBALL CLUB, LTD.; THE BASEBALL CLUB OF SEATTLE, LLLP; THE CINCINNATI REDS, LLC; HOUSTON BASEBALL PARTNERS LLC; ATHLETICS INVESTMENT GROUP, LLC; ROGERS BLUE JAYS BASEBALL PARTNERSHIP; CLEVELAND INDIANS BASEBALL CO., L.P.; CLEVELAND INDIANS BASEBALL CO., INC.; PADRES L.P.; SAN DIEGO PADRES BASEBALL CLUB, L.P.; MINNESOTA TWINS, LLC; WASHINGTON NATIONALS BASEBALL CLUB, LLC; DETROIT TIGERS, INC.; LOS ANGELES DODGERS LLC; LOS ANGELES DODGERS HOLDING COMPANY LLC; STERLING METS L.P.; ATLANTA NATIONAL LEAGUE BASEBALL CLUB, INC.; AZPB L.P.; BALTIMORE ORIOLES, INC.; BALTIMORE ORIOLES, L.P.; THE PHILLIES; PITTSBURGH ASSOCIATES, L.P.,; NEW YORK YANKEES P'SHIP; TAMPA BAY RAYS BASEBALL LTD.; RANGERS BASEBALL EXPRESS, LLC; RANGERS BASEBALL, LLC; CHICAGO CUBS BASEBALL CLUB, LLC; MILWAUKEE BREWERS BASEBALL CLUB, INC.; MILWAUKEE BREWERS BASEBALL CLUB, L.P.;

Defendants.

CASE NO. 1:15-cv-5186

CLASS ACTION

COMPLAINT FOR VIOLATIONS OF THE SHERMAN ACT AND FOR VIOLATIONS OF FEDERAL WAGE AND HOUR LAWS

JURY TRIAL DEMANDED

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I. NATURE AND BACKGROUND OF SUIT

1. Defendants[1] collectively form and govern a classic cartel known as Major League Baseball ("MLB"). Defendants' cartel has operated for over 100 years, and the cartel has conspired to exploit labor throughout its history. The exploitative practices continue today, and they have harmed Plaintiff Jordan Wyckoff while he worked as an MLB scout in Defendants' industry.

2. This antitrust and wage-and-hour action challenges two aspects of Defendants' exploitative practices.

3. First, this action challenges Defendants' industry-wide agreements to fix and suppress the compensation of employees providing scouting services. Specifically, Defendants have colluded to decrease competition in the labor market for these employees by prohibiting cold-calling and prohibiting employees from discussing employment opportunities with other Defendants without permission from supervisors.

4. For some employees, the conspiracy is made explicit in the Major League Rules ("MLR")—which govern Defendants' business and are attached to this complaint.[2] MLR 3(k) espouses a naked horizontal restraint for employees such as minor league coaches, managers, and other instructors: it mandates that while an employee is employed by a Defendant, "there shall be no negotiations or dealings respecting employment, either present or prospective" between that employee and another Defendant.

5. Defendants have not only applied and enforced this mandate to minor league coaches, managers, and other instructors. Instead, they have also applied and enforced the horizontal restraint against Defendants' scouts. The industry-wide conspiracy has suppressed competition and limited employee mobility, and it has harmed Plaintiff and all those similarly situated by suppressing salaries and employee benefits.

[1] The term "Defendants" applies to all defendants named in this Complaint.

[2] *See* Ex. A.

6. Second, this suit challenges Defendants' illegal wage-and-hour practices. Defendants routinely permit, encourage, and require their scouts to work far in excess of forty hours per week, but they do not pay overtime wages for that work. They have misclassified their scouts as exempt and fail to pay proper wages for work performed. In addition, Defendants have failed to ensure that their scouts' work hours were properly recorded and compensated.

7. This suit seeks to recoup the damages sustained by Defendants' scouts as a result of Defendants' collusive and illegal wage practices. It seeks to recover nationwide antitrust damages resulting from the restricted competition for labor, limited opportunities for career advancement, and suppressed salaries in the industry. And it seeks to recover damages through a nationwide FLSA collective action for the failure to pay overtime pay.

8. This suit also seeks to enjoin the cartel from subjecting future MLB scouts to Defendants' illegal practices.

II. JURISDICTION, VENUE, AND COMMERCE

9. Plaintiff brings this action to recover damages and to obtain injunctive relief from Defendants' violations of Section 1 of the Sherman Act, 15 U.S.C. § 1, Section 207 of the FLSA, 29 U.S.C. § 207, and Section 340 of New York's Donnelly Act, N.Y. Gen. Bus. L. § 340.

10. This Court has subject matter jurisdiction with respect to Plaintiff's federal claims pursuant to 28 U.S.C. §§ 1331 and 1337, and pursuant to Sections 4 and 16 of the Clayton Act, 15 U.S.C. §§ 15, 26, and Section 216 of the FLSA, 29 U.S.C. § 216(b), and jurisdiction over the state law claims pursuant to 28 U.S.C. § 1367 (supplemental jurisdiction). Plaintiff's state law claims are closely related to the federal claims and form part of the same case or controversy under Article III of the United States Constitution.

11. This Court also has jurisdiction pursuant to 28 U.S.C. § 1332 because the amount in controversy for the Proposed Class (defined below) exceeds $5,000,000, and there are members of the Proposed Class who are citizens of a different state than Defendants.

12. Defendants' conduct had and continues to have a direct, substantial, and reasonably foreseeable effect on interstate commerce. Defendants transact substantial business in

multiple states and require their employees who provide scouting services to do business on their behalf in multiple states. Defendants routinely use instruments of interstate commerce, such as interstate railroads, highways, waterways, wires, wireless spectrum, and the U.S. mail, to carry out their operations.

13. Venue is proper in the Southern District of New York pursuant to Section 12 of the Clayton Act, 15 U.S.C. § 22, because Defendants can be found in this District and all Defendants transact substantial business in this District. Indeed, the Office of the Commissioner of Baseball, which oversees the cartel and does business as MLB, is located in the Southern District of New York. At least two other Defendants also reside in this District, and Mr. Wyckoff resides in this District. All Defendants regularly travel to New York for business and transact substantial other business in New York for great monetary benefit.

14. Venue is also proper under 28 U.S.C. § 1391(b), (c) and (d) for the same reasons identified in the preceding paragraph, and because a substantial part of the events or omissions giving rise to the claims occurred in this District.

15. The Court has personal jurisdiction over Defendants pursuant to Section 12 of the Clayton Act, 15 U.S.C. § 22, since venue is proper under the same Clayton Act provision for all Defendants. It also has personal jurisdiction because of the substantial, continuous business that all Defendants conduct in New York, and because the action arises out of or relates to Defendants' conduct in New York. Again, MLB, which oversees the cartel and enforces the cartel's agreements, is headquartered in New York, and two other Defendants are headquartered in New York. All Defendants are coconspirators who participated in and benefitted from the conspiracy, much of which took place in New York, and they knew it would have an effect in New York.

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

III. THE PARTIES

Plaintiff

17. Plaintiff and representative plaintiff Jordan Wyckoff is a former MLB scout who worked in the Kansas City Royals' organization from October 2012 to October 2013. Mr. Wyckoff suffered injuries to his business and property because of the violations described in this complaint, and he is a covered employee within the meaning of the FLSA. Mr. Wyckoff currently resides in New York, New York.

Defendants

18. **The Office of the Commissioner of Baseball, d/b/a MLB.** The Office of the Commissioner of Baseball, doing business as MLB, is an unincorporated association comprised of the thirty MLB clubs ("the Franchises").[3] MLB has unified operation and common control over the Franchises, as well as agent corporations such as Major League Baseball Properties, Inc. and Major League Baseball Enterprises, Inc.[4] All do business as MLB. Its principal place of business is located in New York, New York.

19. As described more thoroughly below, MLB oversees Defendants' cartel and has developed a unified constitution and unified rules to implement and enforce the illegal, collusive agreements. It has participated and continues to participate in the conspiracy to suppress labor competition for scouts and other employees, which harmed Plaintiff.

20. MLB also closely monitors and controls many fundamental employment aspects of Defendants' scouts and other employees, including, *inter alia*, hiring, contracts, periods of wage payment and nonpayment, record-keeping, and other working conditions. Under the broad meaning of "employ" used by the FLSA and the applicable state laws, MLB employed Plaintiff

[3] *See* Ex. A, Major League Constitution ("MLC"), Art. II § 1; *see also* ECF No. 25, *City of San Jose*, 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).

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

and all similarly situated employees.

21. Robert D. Manfred, Jr. is the current Commissioner of Baseball. He became Commissioner in January of 2015 after previously serving as MLB's Chief Operating Officer.

22. The Commissioner is the "Chief Executive Officer of Major League Baseball."[5] Serving in this capacity, Mr. Manfred has the power to, among other things, discipline players, announce rules and procedures, and preside over meetings.[6]

23. Mr. Manfred also has "executive responsibility for labor relations."[7] Since he oversees all labor matters, Mr. Manfred is also assumedly the chief decision maker when it comes to forming labor practices involving MLB scouts, and he owes a duty to the owners to act in their best interest. Moreover, Mr. Manfred implements, enforces, and often directs the development of MLB's rules, guidelines, and policies concerning the employment of the industry's employees.

24. Mr. Manfred also serves as MLB's agent in numerous other areas. For instance, Mr. Manfred serves as "the fiscal agent of the Major League Central Fund"; has the power to "negotiate and enter into settlement agreements" for nationwide broadcasting rights; can receive funds "made payable to the Commissioner as agent for the Clubs"; and can even invest central funds on behalf of the Defendants.[8]

25. The MLB owners elect the Commissioner of Baseball by a vote.[9] They also pay the Commissioner's salary.[10]

26. Before being named Commissioner, Mr. Manfred served as Chief Operating

[5] Ex. A, MLC Art. II § 2.

[6] MLC Art. II §§ 2, 3.

[7] MLC Art. II § 2.

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

[9] MLC Art. II §§ 8, 9.

[10] MLC Art. II § 8.

Officer of MLB. He "reported directly to the Commissioner and oversaw all the traditional functions of the Commissioner's Office, including labor relations, baseball operations, finance, administration and club governance."[11]

27. While serving in both executive capacities, acting jointly and on his own behalf, Mr. Manfred participated and continues to participate in the conspiracy to suppress labor competition for scouts and similar employees.

28. Under the broad meaning of "employ" and "employer" used by the FLSA and the applicable state laws, which allow an executive to be held jointly and severally liable, Mr. Manfred also employed (and/or continues to employ) Plaintiff and all similarly situated employees. Mr. Manfred oversaw and oversees many aspects central to MLB scouts' employment, including, *inter alia*, the terms of the uniform contracts, the approval of contracts, policies related to salaries, and various disciplinary measures.

29. Allan H. "Bud" Selig preceded Mr. Manfred as Commissioner of Baseball. The previous paragraphs describing Mr. Manfred's duties and powers as Commissioner also apply to Mr. Selig's reign as Commissioner.

30. In his capacity as chief executive, acting jointly and on his own behalf, Mr. Selig participated in the conspiracy to suppress labor competition for scouts and similar employees.

31. Under the broad meaning of "employ" and "employer" used by the FLSA and the applicable state laws, which allow an executive to be held jointly and severally liable, Mr. Selig also employed Plaintiff and all similarly situated employees. Mr. Selig oversaw many aspects central to MLB scouts' employment, including, *inter alia*, the terms of the uniform contracts, the approval of contracts, policies related to salaries, and various disciplinary measures.

32. **Franchise Defendants.** The below named MLB franchises are defendants in this lawsuit and referred to collectively as the "Franchise Defendants." The Franchise Defendants each employed (or acted in the interest of an employer toward) Plaintiff or other similarly

[11] *MLB Executives*, MLB.com, http://mlb.mlb.com/mlb/official_info/about_mlb/executives.jsp?bio=manfred_rob (last visited July 1, 2015).

situated current and former employees providing scouting services, and (directly or indirectly, jointly or severally) controlled and directed the terms of employment and compensation of Plaintiff or other similarly situated current and former employees. All participated and continue to participate in the conspiracy alleged in this action, so all caused Plaintiff injury.

33. *Kansas City Royals.* Kansas City Royals Baseball Corp. (d/b/a "Kansas City Royals") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Kansas City Royals participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) Plaintiff and similarly situated employees.

34. *Miami Marlins.* Miami Marlins, L.P. (d/b/a "Miami Marlins") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Miami Marlins participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees. The Miami Marlins were known and operated as the Florida Marlins until changing its name in 2012. Plaintiffs are informed and believe that the Miami Marlins is the successor in interest to the Florida Marlins franchise.

35. *San Francisco Giants***.** San Francisco Baseball Associates LLC (d/b/a "San Francisco Giants") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the San Francisco Giants participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

36. *Boston Red Sox.* Boston Red Sox Baseball Club L.P. (d/b/a "Boston Red Sox") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Red Sox participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

37. *Toronto Blue Jays.* Rogers Blue Jays Baseball Partnership (d/b/a "Toronto Blue

Jays") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Toronto Blue Jays participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

38. *Chicago White Sox.* Chicago White Sox Ltd. (d/b/a "Chicago White Sox") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Chicago White Sox participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

39. *Cleveland Indians.* Cleveland Indians Baseball Co., L.P., and Cleveland Indians Baseball Co, Inc., (d/b/a "Cleveland Indians") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Cleveland Indians participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

40. *Houston Astros.* Houston Baseball Partners LLC (d/b/a "Houston Astros") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Houston Astros participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

41. *Los Angeles Angels of Anaheim.* Angels Baseball LP (d/b/a "Los Angeles Angels of Anaheim") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Los Angeles Angels of Anaheim participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

42. *Oakland Athletics.* Athletics Investment Group, LLC (d/b/a "Oakland Athletics") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Oakland Athletics participated and continues to participate in the conspiracy to

suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

43. *Seattle Mariners.* The Baseball Club of Seattle, LLLP (d/b/a "Seattle Mariners") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Seattle Mariners participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

44. *Cincinnati Reds.* The Cincinnati Reds, LLC (d/b/a "Cincinnati Reds") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Cincinnati Reds participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

45. *St. Louis Cardinals.* St. Louis Cardinals, LLC (d/b/a "St. Louis Cardinals") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the St. Louis Cardinals participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

46. *Colorado Rockies.* Colorado Rockies Baseball Club, Ltd. (d/b/a "Colorado Rockies") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Colorado Rockies participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

47. *San Diego Padres.* Padres L.P., and the San Diego Padres Baseball Club, L.P. (d/b/a "San Diego Padres") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the San Diego Padres participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

48. *Minnesota Twins.* Minnesota Twins, LLC (d/b/a "Minnesota Twins") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Minnesota Twins participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

49. *Washington Nationals.* Washington Nationals Baseball Club, LLC (d/b/a "Washington Nationals") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Washington Nationals participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

50. *Detroit Tigers.* Detroit Tigers, Inc. (d/b/a "Detroit Tigers") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Detroit Tigers participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

51. *Los Angeles Dodgers.* Los Angeles Dodgers LLC and Los Angeles Dodgers Holding Company LLC., (d/b/a "Los Angeles Dodgers") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Los Angeles Dodgers participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

52. *New York Mets.* Sterling Mets L.P. (d/b/a "New York Mets") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the New York Mets participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

53. *Atlanta Braves.* Atlanta National League Baseball Club, Inc. (d/b/a "Atlanta Braves") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Atlanta Braves participated and continue to participate in the conspiracy to

suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

54. *Arizona Diamondbacks.* AZPB L.P. (d/b/a "Arizona Diamondbacks") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Arizona Diamondbacks participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

55. *Baltimore Orioles.* Baltimore Orioles, Inc., and Baltimore Orioles, L.P., (d/b/a "Baltimore Orioles") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Baltimore Orioles participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

56. *Philadelphia Phillies.* The Phillies L.P. (d/b/a "Philadelphia Phillies") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Philadelphia Phillies participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

57. *Pittsburgh Pirates.* Pittsburgh Associates, LP, (d/b/a "Pittsburgh Pirates") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Pittsburgh Pirates participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

58. *New York Yankees.* New York Yankees Partnership (d/b/a "New York Yankees") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the New York Yankees participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

59. *Tampa Bay Rays.* Tampa Bay Rays Baseball Ltd. (d/b/a "Tampa Bay Rays") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Tampa Bay Rays participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

60. *Chicago Cubs.* Chicago Cubs Baseball Club, LLC (d/b/a "Chicago Cubs") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Chicago Cubs participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

61. *Milwaukee Brewers.* Milwaukee Brewers Baseball Club, Inc., and Milwaukee Brewers Baseball Club, L.P., (d/b/a "Milwaukee Brewers") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Milwaukee Brewers participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

62. *Texas Rangers.* Rangers Baseball Express, LLC, and Rangers Baseball, LLC, (d/b/a "Texas Rangers") is an MLB Franchise. As a member of Major League Baseball, acting jointly and on its own behalf, the Texas Rangers participated and continue to participate in the conspiracy to suppress labor competition for scouts and similar employees, and employed (or continue to employ) similarly situated employees.

IV. CLASS ACTION ALLEGATIONS

63. Plaintiff brings the antitrust claims in this action on behalf of himself and all others similarly situated (the "Proposed Class") pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(2), and 23(b)(3). The class is defined as follows:

> All natural persons employed by Defendants on a salaried basis as scouts (whether as a part-time scout, amateur scout, professional scout, international scout, cross-checker, supervisor scout, or other similar employee who provides

scouting services) during the period from four years before the filing of this action until its resolution (the "Class Period"). Excluded from the Proposed Class are any and all judges and justices, and chambers' staff, assigned to hear or adjudicate any aspect of this litigation.

64. The Proposed Class is so numerous that joinder of all members is impracticable. Plaintiff does not yet know the exact size of the Proposed Class because such information is in the exclusive control of Defendants. Based upon the nature of the class and commerce involved, Plaintiff believes that there are at least one thousand Proposed Class members, and that Proposed Class members are geographically dispersed throughout the United States.

65. Plaintiff's claims are typical of the claims of the other members of the Proposed Class. Plaintiff and the members of the Proposed Class were subject to the same or similar employment restraints and compensation practices arising out of Defendants' common course of illegal conduct. Plaintiff and the Proposed Class have sustained similar types of damages as a result of these common practices.

66. Many common questions of law and fact exist as to all members of the Proposed Class, including but not limited to:

(a) whether Defendants' conduct violated the Sherman Act or other antitrust acts;

(b) whether Defendants' conspiracy or associated agreements constitute a per se violation of the Sherman Act or other antitrust acts;

(c) whether Defendants' conspiracy or associated agreements restrained trade, commerce, or competition for skilled labor among Defendants;

(d) whether Plaintiff and the Proposed Class suffered antitrust injury or were threatened with injury;

(e) the difference between the total compensation Plaintiff and the Proposed Class received from Defendants and the total compensation Plaintiff and the Proposed Class would have received from Defendants in the absence of Defendants' illegal acts, contracts, combinations, and conspiracy; and

(f) the type and measure of damages suffered by Plaintiff and the Proposed Class.

67. Plaintiff will fairly and adequately protect the Proposed Class's interests because he possesses the same interests and suffered the same general injuries as class members. Plaintiff has also retained counsel competent and experienced in class action litigation, including antitrust and wage-and-hour litigation.

68. The numerous common questions enumerated above—along with other questions of law and fact common to the Class—predominate over any individualized questions.

69. A class action is superior to other available methods for adjudication because joinder is impracticable. Prosecuting separate actions by individual members of the Proposed Class would impose heavy burdens on the courts and parties and would create a risk of inconsistent adjudications of common questions of law and fact. A class action, however, would achieve substantial judicial economies and assure uniformity of decision as to similarly situated persons without sacrificing procedural fairness. Plaintiffs do not anticipate any difficulty in the management of this action as a class action.

70. Also, the Proposed Class has a high degree of cohesion and the amounts at stake for Proposed Class members—while substantial in the aggregate—are often not great individually. As individuals, Proposed Class members would lack resources to vigorously litigate against Defendants' powerful cartel, and many current and even former employees would hesitate to bring an individual action out of fear of retaliation.

71. Lastly, final injunctive relief is appropriate to the Proposed Class as a whole; Defendants have acted and continue to act on grounds generally applicable to the Proposed Class.

V. COLLECTIVE ACTION ALLEGATIONS

72. Plaintiff brings the FLSA claims on behalf of himself and all persons similarly situated who elect to opt into this action and who work or have worked for Defendants as MLB scouts on or after July 2, 2012 (the "MLB Scout Collective").

73. Plaintiff and other MLB scouts are similarly situated in that they are subject to Defendants' common compensation policies, patterns, or practices, including without limitation

Defendants' policy, pattern, or practice of permitting, encouraging, or requiring MLB scouts to work more than 40 hours per week without paying overtime wages for that work, and without ensuring that all of their work hours were properly recorded and compensated.

74. The Defendants are liable under the FLSA for, *inter alia*, failing to properly compensate Plaintiff and the members of the MLB Scout Collective. While the exact numbers of employees in the MLB Scout Collective are unknown, Plaintiff is informed and believes that it will consists of over one thousand similarly situated individuals who have been, will be, or continue to be employed as scouts by Defendants, and who were not paid entitled overtime pay and sometimes were not paid the minimum wage. This Collective would benefit from the issuance of a court-supervised notice of the lawsuit and the opportunity to join the lawsuit.

VI. FACTUAL ALLEGATIONS

1. The booming business of MLB in both trade and commerce.

75. MLB is the preeminent baseball league in the world. Its games are broadcast in 233 countries and territories in 17 different languages.[12] During the 2014 season, over 75 million fans paid to attend MLB games.

76. In 2014, revenue for MLB and its thirty teams reached $9 billion, an increase of 321 percent since 1995, adjusted for inflation.[13]

77. Franchise values for the thirty MLB teams have grown as well. In 2014 alone, Franchise values increased by 48 percent. The New York Yankees are now the most valuable sports franchise in the United States with an estimated value of $3.2 billion; the average value of the thirty Franchises stands at $1.2 billion each.[14]

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[12] *MLB International*, MLB.com, http://mlb.mlb.com/mlb/international/mlbi_index.jsp (last visited June 25, 2015).

[13] *See* Maury Brown, *Major League Baseball Sees Record $9 Billion In Revenues For 2014*, Forbes (Dec. 10, 2014), http://www.forbes.com/sites/maurybrown/2014/12/10/major-league-baseball-sees-record-9-billion-in-revenues-for-2014/.

[14] Mike Ozanian, *MLB Worth $36 Billion As Team Values Hit Record $1.2 Billion Average*, Forbes (Mar. 25, 2015), http://www.forbes.com/sites/mikeozanian/2015/03/25/mlb-worth-36-billion-as-team-values-hit-record-1-2-billion-average/.

78. During the Class Period, Defendants employed Proposed Class members throughout the United States, including in New York and this judicial district. Their conduct substantially affected interstate commerce throughout the United States and caused antitrust injury throughout the United States.

2. Defendants' employment of scouts.

79. Despite this substantial growth in revenue, Defendants have a long history of exploiting workers dating to the nineteenth century. Although MLB franchises are competitors, they have joined together to form uniform rules and policies, such as the Major League Rules, many of which govern the employment of various types of workers. This combination allows them to control and allocate markets, including labor markets. The MLB franchises even formed an unincorporated association to control the combination, which the public knows as MLB. This combination is the very definition of a cartel, with MLB being the explicit enforcer of the combination.

80. Just recently, the Department of Labor announced numerous investigations into Defendants' employment practices, terming their inexcusable employment practices as "endemic" to the industry. Defendants also face several private actions emanating from their employment practices. The exploitative employment practices reach numerous types of employees, including scouts.

81. Defendants collectively employ several hundred—and potentially over one thousand—scouts. A scout's basic job is to evaluate baseball players. Depending on the type of scout, a scout might evaluate either amateur players, professional players, or both. But regardless, the basic job duties of the scout are similar.

82. Scouts evaluate players' skills using a 20-to-80 scale. Each skill category is evaluated. For instance, a position player is evaluated on skills such as running, hitting for power, hitting for average, fielding, and arm strength. If a scout believes a player to be at the major league average in one of these categories of skills, the scout grades that skill as a 50. A

grade below 50 means that the skill is below average, and a grade above 50 means it is above average, with 80 being the max.

83. Most scouts incur significant travel while performing their jobs, and they do so throughout much of the year. When scouting amateur players, scouts travel extensively to showcases and amateur tournaments, and to games and practices at high schools, junior colleges, and four-year colleges. Some scouts also travel extensively internationally to evaluate international amateur players. And when scouting professional players, the scout travels extensively to a number of different locations to evaluate players, sometimes domestically, and sometimes internationally. It is not uncommon for a scout to spend more than 175 days on the road each year.

84. During peak work periods, scouts work exhaustive hours. They must evaluate players while attending games or watching videos of games, and they must write reports. Even without including travel, it is not unusual for a scout to work over fifty hours per week many weeks. When travel is included, many weeks exceed sixty hours per week.

85. These employment practices are true to all types of scouts—whether a scout of amateur or pro players, and whether an area scout, a part-time scout, a crosschecker, or other similar employee providing scouting services.

86. Defendants require all these employees to sign uniform contracts "on forms prescribed by the Commissioner before rendering services to a Major or Minor League Club."[15] An executed copy of such contracts must "be filed with the Commissioner or the Commissioner's designee for approval within 10 days after the execution of the contract."[16] The uniform contract also dictates that the employee will be subject to MLB's drug policy and tobacco policy, and will be subject to discipline by MLB and the Commissioner of Baseball. It additionally dictates when and how salaries will be paid, which requires MLB and the Commissioner's approval.

[15] Ex. A, MLR 3(i).

[16] *Id.*

87. The uniform contract incorporates the MLRs and the Major League Constitution. As stated in the uniform contract, the MLRs and Constitution seek to "defin[e] relations between clubs and their employees" and to provide MLB and the Commissioner with "broad powers of control and discipline." This means that MLB and the Commissioner of Baseball retain ultimate control over the types of contracts these employees enter into, and they also control many of the conditions of employment.

3. The conspiracy to suppress labor competition.

88. MLB scouts do not belong to a union. These employees thus lack the ability to bargain collectively for better wages and working conditions, and it has made them powerless to combat Defendants' prolonged, collusive behavior.

89. On the contrary, Defendants routinely act collectively since they operate as a cartel. Although Defendants are horizontal competitors who must compete for fans and employees, they have colluded to lessen competition in a number of areas. The MLRs and Constitution explicitly describe much of the collusion, and MLB and the Commissioner sit atop the cartel and enforce the collusive agreements. The collusion has allowed Defendants to suppress industry-wide competition for skilled labor, and it has subsequently allowed Defendants to suppress the industry-wide compensation provided to skilled workers.

90. Again, all scouts must sign uniform contracts that must be approved by MLB and the Commissioner. These contracts incorporate the MLRs and Constitution. One of the MLRs is an explicit horizontal agreement to suppress competition for workers. Rule 3(k) dictates the following:

> To preserve discipline and competition, and to prevent the enticement of players, coaches, managers and umpires, there shall be no negotiations or dealings respecting employment, either present or prospective, between any player, coach or manager and any Major or Minor League Club other than the Club with which the player is under contract, or acceptance of terms, or by which the player is reserved or which has the player on its Negotiation List, or between any umpire and any baseball employer other than the baseball employer with which the umpire is under contract, or acceptance of terms, unless the Club or baseball employer with which the person is connected shall have, in writing, expressly authorized such negotiations or dealings prior to their commencement.[17]

91. The Rule only mentions players, coaches, managers, and umpires, but Defendants apply the Rule much more broadly. For instance, Defendants also apply the Rule to those employees who provide scouting services to suppress the competition for these employees.

92. Scouting contracts typically last for one year—from one fall to the next fall. If a scout is under contract with a Defendant ("Team A") then the scout cannot talk about employment opportunities with any other Defendant until the contract expires. Conversely, another Defendant ("Team B") cannot cold call that scout to discuss an employment opportunity until the contract expires.

93. Either the scout or the other Defendant ("Team B") must receive permission from a high-level manager of Team A—like a scouting director—before discussing such employment opportunities. Typically, Team A will not grant Team B permission to communicate about potential employment opportunities unless Team B plans to promote the scout to a higher position. If the move will be a horizontal move in a similar capacity, Team A will not grant permission. Even if the move is a promotion, Team A will sometimes not grant permission. It is not unheard of for Team A to either fire or not rehire the employee simply for asking for permission.

[17] Ex. A, MLR 3(k).

94. Defendants often take the agreements even further, especially when one Defendant's executive becomes the executive of another Defendant. For instance, in August 2014 the San Diego Padres hired A.J. Preller as their top baseball officer—their General Manager. Preller had previously worked for the Texas Rangers. When the Padres hired Preller away from the Rangers, they agreed that Preller would not poach any employees from the Rangers absent certain pre-designated exceptions. Other Defendants have reached similar agreements.

95. MLB and the Commissioner sit atop the cartel, and it is believed that they enforce these agreements through disciplinary measures. Indeed, MLB and the Commissioner craft the MLRs, enforce the MLRs, and approve all uniform employee contracts.

96. Defendants' limited exemption from antitrust laws does not shield them from the collusive activity described in this Complaint. Simply put, the market for scouts' labor falls outside the realm of the limited exemption.

4. The effects on the labor market for skilled employees providing scouting services.

97. Defendants are essentially the only employer of baseball scouts in the United States, and they are likely the dominant employer of baseball scouts in the world. College baseball teams do not employ the equivalent of MLB scouts, and domestically no other independent baseball league employs the equivalent of MLB scouts. With few exceptions, if you want to work as a baseball scout in the United States, you must work for one of the Defendants.

98. Within this labor market, Defendants compete with each other for skilled labor, i.e., for talented scouts. Defendants place importance on the acquisition and development of baseball players, and so a scout who is good at evaluating baseball players has great value.

99. In a properly functioning and lawfully competitive labor market, each Defendant would openly compete for these employees by soliciting current employees of one or more other Defendants. A properly functioning market would involve "cold calling": the practice by which a prospective employer freely communicates with prospective employees—even if the employee does not express interest.

100. For example, if Team B believes that a certain scout performs his job well, then Team B would be free to contact that scout about an employment opportunity. Conversely, if a scout employed by Team A perceives Team B to be a better organization—whether because of increased wages, better benefits, or otherwise—then the scout would be free to communicate with Team B about potential employment.

101. Poaching and cold calling are thus important aspects of a lawfully competitive labor market. Companies perceive other, rival companies' current employees, especially those who are not actively seeking other employment, in a more favorable way for at least two reasons.

102. First, a rival company's current employees have more value because current, satisfied employees are perceived to be more qualified, harder working, and more stable than those employees who are unemployed or who are actively seeking employment. Thus, a company seeking to hire a new employee will lessen the risks associated with hiring a new employee by seeking to hire a rival's employee. Defendants' rules inhibit such lateral hiring of current employees because, unless Team A grants permission, Team B cannot talk to Team A's current scout about an employment opportunity; Team B can only do so if the scout is no longer under contract with Team A, at which time the scout will likely be viewed by Team B as less valuable.

103. Second, hiring a rival company's current employee will inflict a cost on the rival by removing a dependable employee from the rival. Thus, the practice not only results in a gain for the hiring company but also harms a competitor, which results in a larger net gain for the hiring company. Defendants' rules inhibit this practice because, unless Team B receives permission, it essentially only allows Team B to hire Team A's scout if Team A decides not to re-hire the scout, meaning that the subsequent hiring will not inflict the same cost on the rival.

104. For these reasons, cold calling and poaching are useful and key competitive tools for companies seeking to recruit employees, especially employees with unique skills and abilities such as scouts. With scouting contracts expiring at a similar annual time throughout the industry, the effects of this restraint are heightened even more.

105. These practices significantly impact employee compensation in many ways. For example, an employee of Team A will lack information regarding Team B's pay packages unless cold calling and open communications are permitted; without such information, the employee lacks leverage when negotiating with Team A. Similarly, if an employee for Team A receives an offer for higher compensation from Team B, the employee can either accept Team B's offer or attempt to negotiate a pay increase with Team A. Either way, the employee's compensation increases.

106. An employee of Team A who receives information regarding potential compensation from a rival employer will also likely inform other Team A employees. Those Team A employees can then also use that information to negotiate pay increases or move to another employer—even if they did not receive a cold call.

107. The increased mobility combined with the increased information and transparency regarding compensation levels tends to increase compensation across all current employees in the labor market. After all, there is pressure amongst rival employers to match or exceed the highest compensation package offered by rivals in order to gain and retain skilled labor. Further, the possibility of losing talent to a rival means companies will take steps to reduce the risks of poaching by assuring that employees are not undercompensated.

108. Again, these effects on compensation are not limited to particular individuals who receive cold calls or who wish to speak to a rival company about an employment opportunity. The effects instead impact all similarly situated employees because of the effect on information flow and on competition for labor.

109. It is believed that Defendants maintain baseline compensation levels for different employee categories that apply to employees within the categories. Thus, they seek to maintain parity within certain job categories (for example, among junior scouts relative to scouts with more experience scouting) and across job categories. It is also believed that Defendants monitor salaries paid by other Defendants within these job categories.

110. Thus, by suppressing competition for labor, Defendants' compensation baselines are decreased, and overall compensation packages are decreased across the market. The prohibitions on cold calling and on talking with a rival Defendant therefore deleteriously effect the compensation of all employees in the labor market.

111. The origins of Defendants' prohibitions are unknown, but it is believed that they have been in place for decades. This longstanding policy has consequently greatly affected compensation packages in the labor market in a negative manner.

5. Defendants engaged in willful violations of the FLSA

112. The restrained labor market is also rife with wage-and-hour abuses. All of the work that Plaintiff and the other similarly situated scouts have performed has been assigned by Defendants, or Defendants have been aware of should have been aware of all of the work that Plaintiff and other MLB Scouts have performed.

113. As part of their regular business practice, Defendants have intentionally, willfully, and repeatedly engaged in a policy, pattern, or practice of violating the FLSA. This policy, pattern, or practice includes but is not limited to: (1) willfully failing to pay Plaintiff and other MLB Scouts proper overtime wages for hours they worked in excess of 40 hours in a workweek; and (2) willfully failing to record and properly compensate for all of the time that Plaintiff and

other MLB Scouts have worked for the benefit of Defendants.

114. Defendants are aware or should have been aware that the FLSA requires them to pay Plaintiff and other MLB Scouts for all hours worked, and to pay them an overtime premium for hours worked in excess of 40 hours per workweek.

115. Defendants' conduct alleged herein has been widespread, repeated, and consistent, and it is contrary to the FLSA.

6. The effect on Jordan Wyckoff.

116. On October 31, 2012, Jordan Wyckoff signed a Major League Club Uniform Employee Contract with the Kansas City Royals to be a scout. As a uniform contract, it incorporated the MLRs and MLC, and it required the approval of the Commissioner's office. The contract was to expire on October 31, 2013.

117. The Royals assigned Mr. Wyckoff the duties of scouting players in the Northeast. He was based in New Jersey but was also assigned states such as New York, Massachusetts, Connecticut, New Hampshire, and Vermont. He first scouted amateur players, but then he also scouted professional players after the amateur draft took place in June of 2013.

118. The Royals paid Mr. Wyckoff a salary of $15,000 for the entire year, paid semi-monthly in conformance with the uniform contract supplied and approved by MLB. They termed him a "part-time" scout but actually expected him to work full time and perform the same duties as other full-time scouts.

119. Mr. Wyckoff worked throughout the year, with his busiest months being from January to June. He tirelessly traveled throughout New Jersey, New York, and the rest of his assigned territory to evaluate amateur players. He attended high school and college practices and games, and he attended showcases for amateur players. When evaluating a player and ultimately writing a report on a player, he attempted to gain as much information as possible.

120. During these peak months, he often worked in excess of forty hours per week. Yet he was paid the same semi-monthly salary—he was not paid overtime pay when his hours exceeded forty hours per week.

121. An example of a workweek during a peak month is as follows. On Monday, May 13, 2013, Mr. Wyckoff drove from Madison, New Jersey to Horseheads, New York to evaluate a potential prospect and to administer eye and psychological testing. He then drove to Buffalo, New York, to meet and evaluate another potential prospect.

122. The next day, he evaluated potential college prospects during pregame workouts and a game at the University of Buffalo. He then traveled to Setauket, New York, and, on Wednesday, evaluated another potential prospect. On Thursday, he traveled back to Madison, New Jersey. Once there, he wrote reports on the many potential prospects that he had evaluated. He also finalized video that he had taken of the prospects and uploaded it to the server.

123. On Friday, Saturday, and Sunday, he then evaluated potential prospects during a college series between St. John's University and Seton Hall University. He evaluated players during both pregame workouts and the actual games.

124. During this seven-day period beginning on May 13, 2013, Mr. Wyckoff estimates that he worked close to 60 hours, including required travel time. He was only paid approximately $300 for that week, which means he was paid around $5 or $5.50 per hour that week (below the minimum wage required by law). He was not paid an overtime rate even though he worked far more than forty hours that week.

125. Mr. Wyckoff worked many such weeks, especially during the peak months. He never received overtime compensation for exceeding forty hours in a workweek, and his wages often fell below the minimum required by the law.

126. Higher level scouts, such as crosscheckers, supervised his work. Other high-ranking officials, such as the scouting director, assistant general managers, and the general manager also supervised his work and used the information he provided.

127. When Mr. Wyckoff's contract expired, the Royals chose not to renew it for another year. By the time this occurred, the other Defendants had already made the decision to re-hire most or all of their own scouts, so there were very few other scouting positions available. Also, since he was no longer employed, he may not have been perceived as favorably as he was when employed as a scout. He was unable to find a scouting job with another team.

128. The anticompetitive restraint on the labor market consequently affected him in at least two ways. First, it led to suppressed compensation of only $15,000 because of the lower compensation baselines (discussed above) caused by less information in the labor market and suppressed labor competition in the market. And second, it prevented Mr. Wyckoff from discussing potential employment opportunities with other Defendants before his uniform contract expired, which ultimately made it more difficult to find employment with another Defendant once the Royals failed to renew his contract.

129. Thus, like all members of the Proposed Class, Mr. Wyckoff felt the effects of the cartel's illegal practices. Through the uniform contracts, MLRs, Constitution, and industry practices, Defendants conspired to reduce compensation and mobility by suppressing competition for skilled labor to Mr. Wyckoff's detriment.

VII. CLAIMS FOR RELIEF

Violations of Section 1 of the Sherman Act

130. Plaintiff, on his own behalf and on behalf of all those similarly situated, re-alleges and incorporates by reference all preceding allegations in all preceding paragraphs.

131. Defendants entered into and engaged in unlawful agreements in restraint of the trade and commerce described above. These actions violated and continue to violate Section 1 of the Sherman Act, 15 U.S.C. § 1. Since at least four years before the filing of this action, the trusts formed by Defendants' cartel have restrained trade and commerce in violation of Section 1 of the Sherman Act, and the behavior continues today.

132. Defendants' agreements have included concerted action and concerted undertakings with the purpose and effect of (a) fixing the compensation of Plaintiff and the Proposed Class at artificially low levels; and (b) eliminating, to a substantial degree, competition among Defendants for skilled labor.

133. As a direct and proximate result of Defendants' combinations and contracts to restrain trade and eliminate competition for skilled labor, Plaintiff and members of the Proposed Class have suffered injury to their property and have been deprived of the benefits of free and fair competition on the merits.

134. Defendants' unlawful agreements have had the following effects, among others: (a) competition among Defendants for skilled labor has been suppressed, restrained, and eliminated; and (b) Plaintiff and class members have received lower compensation from Defendants than they otherwise would have received in the absence of Defendants' unlawful agreements, and, as a result, Plaintiff and the Proposed Class have been injured in their property and have suffered damages in an amount to be proved at trial.

135. Each Defendant's agreements or conspiratorial acts were authorized, ordered, or done by their respective officers, directors, agents, employees, or representatives while actively engaged in the management of each Defendant's affairs.

136. Defendants' agreements, combinations and/or conspiracies are *per se* violations of Section 1 of the Sherman Act.

137. Accordingly, Plaintiffs and the Proposed Class seek three times their damages caused by Defendants' violations of Section 1 of the Sherman Act, the costs of bringing suit, reasonable attorneys' fees, and a permanent injunction enjoining Defendants from ever again entering into similar agreements in violation of Section 1 of the Sherman Act.

Violations of New York's Donnelly Act

138. Plaintiff, on his own behalf and on behalf of all those similarly situated, re-alleges and incorporates by reference all preceding allegations in all preceding paragraphs.

139. Defendants entered into and engaged in unlawful agreements in restraint of the trade and commerce described above. These actions violated and continue to violate New York's Donnelly Act, N.Y. Gen. Bus. L. § 340. Since at least four years before the filing of this action, the contracts, agreements, arrangements, or combinations formed by Defendants' cartel have restrained trade, commerce, and the furnishing of services in violation of the Donnelly Act, and the behavior continues today.

140. Defendants' agreements and arrangements have included concerted action and concerted undertakings with the purpose and effect of (a) fixing the compensation of Plaintiff and the Proposed Class at artificially low levels; and (b) eliminating, to a substantial degree, competition among Defendants for skilled labor.

141. With MLB overseeing the cartel and enforcing its rules, agreements, and arrangements from its headquarters in New York, much illicit behavior occurred (and continues to occur) in New York. Defendants conduct significant business in New York. Thus, the illicit behavior has significantly impacted trade and commerce in New York.

142. As a direct and proximate result of Defendants' combinations and contracts to restrain trade and eliminate competition for skilled labor, Plaintiff and members of the Proposed Class have suffered injury to their property and have been deprived of the benefits of free and fair competition on the merits.

143. Defendants' unlawful agreements have had the following effects, among others: (a) competition among Defendants for skilled labor has been suppressed, restrained, and eliminated; and (b) Plaintiff and class members have received lower compensation from Defendants than they otherwise would have received in the absence of Defendants' unlawful agreements, and, as a result, Plaintiff and the Proposed Class have been injured in their property and have suffered damages in an amount to be proved at trial.

144. Each Defendant's agreements or conspiratorial acts were authorized, ordered, or done by their respective officers, directors, agents, employees, or representatives while actively engaged in the management of each Defendant's affairs.

145. Defendants' agreements, combinations and/or conspiracies are *per se* violations of the Donnelly Act.

146. Accordingly, Plaintiffs and the Proposed Class seek three times their damages caused by Defendants' violations of the Donnelly Act, the costs of bringing suit, reasonable attorneys' fees, and a permanent injunction enjoining Defendants from ever again entering into similar agreements in violation of the Donnelly Act.

FLSA Minimum Wage and Overtime Violations

147. Plaintiff, on his own behalf and on behalf of all those similarly situated, re-alleges and incorporates by reference all allegations in all preceding paragraphs.

148. As detailed above, Defendants have engaged in a long-standing and widespread violation of the FLSA. The FLSA's minimum wage and overtime requirements, 29 U.S.C. §§ 201 et seq., and the supporting regulations, apply to all Defendants and protect Plaintiff and the Collective.

149. At all relevant times, Plaintiff and all the Collective's members were (and/or continue to be) employees within the meaning of 29 U.S.C. § 203(e), and were (and/or continue to be) employed by covered enterprises and/or entities engaged in commerce and/or the production or sale of goods for commerce within the meaning of 29 U.S.C. §§ 203(e), (r) and (s). The work also regularly involves interstate commerce.

150. At all relevant times, MLB and the Kansas City Royals jointly employed Plaintiff and members of the Collective, and MLB and the Franchise Defendants jointly employed and continue to employ members of the Collective within the broad meaning of 29 U.S.C. §§ 203(d) and (g).

151. Defendants constructed, implemented, and engaged in a policy and/or practice of failing to, at times, pay Plaintiff and some members of the Collective the applicable minimum wage for all hours the MLB scouts worked on behalf of Defendants, and continue to engage in such a policy and practice.

152. Further, Defendants constructed, implemented, and engaged in a policy and

practice that failed to ever pay Plaintiff and the Collective the applicable overtime wage for all hours MLB scouts worked beyond the normal, forty-hour workweek, and continue to engage in such a policy and practice.

153. As a result of these minimum wage and overtime violations, Plaintiffs and the Collective have suffered and continue to suffer damages in amounts to be determined at trial, and are entitled to recovery of such amounts, liquidated damages, prejudgment interest, attorneys' fees, costs, and other compensation pursuant to 29 U.S.C. § 216(b).

154. The Defendants' pattern of unlawful conduct was and continues to be willful and intentional, or the Defendants at least acted with reckless disregard. The Defendants were and are aware, or should have been aware, that the practices described in this Complaint are unlawful. The Defendants have not made a good-faith effort to comply with the FLSA with respect to the compensation of Plaintiff and all similarly situated MLB scouts. Instead, the Defendants knowingly and/or recklessly disregarded federal wage-and-hour laws.

155. All similarly situated MLB scouts are entitled to collectively participate in this action by choosing to "opt-in" by consenting to join this action. 29 U.S.C. § 216(b).

FLSA Recordkeeping Requirements

156. Plaintiff, on his own behalf and on behalf of all those similarly situated, re-alleges and incorporates by reference all allegations in all preceding paragraphs.

157. Defendants failed (and continue to fail) to make, keep, and preserve accurate records with respect to Plaintiff and all similarly situated MLB scouts, including hours worked each workday and total hours worked each workweek, as required by the FLSA, 29 U.S.C. § 211(c), and supporting federal regulations.

158. The lack of recordkeeping has harmed Plaintiff and the Collective and creates a rebuttable presumption that the employees' estimates of hours worked are accurate.[18]

[18] *See Anderson v. Mt. Clemens Pottery Co.*, 328 U.S. 680, 687–88 (1946).

VIII. PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on his own and on behalf of all other similarly situated persons, seeks the following relief:

- That at the earliest possible time, Plaintiff be allowed to give notice of this collective action, or that the Court issue such notice, to members of the MLB Scout Collective, as defined above. Such notice shall inform them that this civil action has been filed, of the nature of the action, and of their right to join this lawsuit if they believe they were denied (and/or continue to be denied) proper wages;
- Unpaid minimum wages and overtime wages, that have accrued and continue to accrue until the resolution of this action, and an additional and an equal amount as liquidated damages pursuant to the FLSA and the supporting regulations;
- Statutory damages for Defendants' recordkeeping violations pursuant to federal law;
- Certification of the Proposed Class, as set forth above, pursuant to Rule 23 of the Federal Rules of Civil Procedure;
- A finding that Defendants have violated Section 1 of the Sherman Act by engaging in an illegal trust, contract, combination, or conspiracy, and that Plaintiff and the members of the Class have been damaged and injured in their business and property as a result of this violation;
- A finding that the alleged combinations and conspiracy be adjudged and decreed as per se violations of the Sherman Act;
- Treble damages awarded under the Sherman Act to Plaintiffs and the members of the Proposed Class for the damages sustained by them as a result of Defendants' conduct;
- A finding that Defendants have violated New York's Donnelly Act by engaging in an illegal contract, agreement, arrangement, or combination, and that Plaintiff

and the members of the Class have been damaged and injured in their business and property as a result of this violation;

- A finding that the alleged combinations and conspiracy be adjudged and decreed as per se violations of the Donnelly Act;
- Treble damages awarded under the Donnelly Act to Plaintiffs and the members of the Proposed Class for the damages sustained by them as a result of Defendants' conduct;
- Judgment entered against Defendants for the amount to be determined and as permitted by law and equity;
- Designation of Plaintiff as class representative of the Class, designation of counsel of record as Class Counsel, and a reasonable incentive payment to Plaintiff;
- Pre-judgment and post-judgment interest as permitted by law;
- A declaratory judgment that the practices complained of herein are unlawful under the FLSA, the Sherman Act, and the Donnelly Act;
- An injunction requiring Defendants to pay all statutorily required wages pursuant to federal law and an order enjoining Defendants from continuing or reinstating their unlawful policies and practices as described within this Complaint;
- Reasonable attorneys' fees and costs of the action;
- Such other relief as this Court shall deem just and proper.

IX. DEMAND FOR JURY TRIAL

Pursuant to Federal Rule of Civil Procedure Rule 38(a), Plaintiff demands a jury trial as to all issues triable by a jury.

DATED: July 2, 2015

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