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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
05/18/2022 at 03:39:00 PM
Clerk of the Superior Court
By Connie Hines, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

CHRISTIAN HEADLEY, AMERICA
BANDA individually and on behalf of all
similarly situated employees of Defendants in
the State of California; and ERICKA
ESPINOZA, on behalf of all similarly situated
and/or aggrieved employees of Defendants in
the state of California

Plaintiffs,

v.

PROFESSIONAL MAINTENANCE
SYSTEMS, INC.; and DOES 1 THROUGH
50, inclusive,

Defendants.

Case No.: 37-2019-00045619-CU-OE-CTL

[Assigned for all purposes to Hon. Ronald F.
Frazier, Dept. C-65]

**[PROPOSED] ORDER GRANTING
PLAINTIFFS' MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT AND AWARD OF
ATTORNEYS' FEES, COSTS, AND CLASS
REPRESENTATIVE SERVICE AWARDS**

[IMAGED FILE]

Date: April 22, 2022

Time: 8:30 a.m.

Judge: Hon. Ronald F. Frazier

Dept.: C-65

Complaint Filed: August 29, 2019

Trial Date: None Set

Plaintiffs Christian Headley, America Banda, and Ericka Espinoza ("Plaintiffs") and Defendant
Professional Maintenance Systems, Inc. ("Defendant") (together, the "Parties"), through their respective
counsel of record, have reached an agreement to settle the claims asserted in the above-entitled action (the

1 “Action”) pursuant to the terms set forth in the Parties’ Stipulation of Class and PAGA Representative
2 Action Settlement and Release (the “Settlement Agreement”). The Court granted preliminary approval of
3 the Settlement Agreement on October 20, 2021. Due and adequate notice having been given to all Class
4 Members pursuant to California Rules of Court, Rule 3.769, and the Court, having considered all papers
5 filed in this Action, all applicable law, and having been advised that no objections were made to the
6 Settlement Agreement, and for good cause appearing therefor, **HEREBY ORDERS THE**
7 **FOLLOWING:**

8 1. This Order adopts and incorporates by reference the terms and conditions set forth in the
9 Settlement Agreement, which is attached hereto as **Exhibit A**.

10 2. Neither the Settlement nor any of the terms set forth in the Settlement Agreement is an
11 admission by Defendant, nor is this Order or the accompanying Judgment a finding of the validity of any
12 claims in the action or of any wrongdoing by Defendant. Neither this Order, the Judgment, the Settlement
13 Agreement, nor any document referenced herein, nor any action taken to carry out the Settlement
14 Agreement, may be construed as, or may be used as an admission by or against Defendant of any fault,
15 wrongdoing or liability whatsoever. The entering into or carrying out of the Settlement Agreement, and
16 any negotiations or proceedings related thereto, shall not in any event be construed as, or deemed to be
17 evidence of, an admission or concession with regard to the denials or defenses by Defendant and shall not
18 be offered into evidence in any action or proceeding in any court, administrative agency or other tribunal
19 for any purpose whatsoever other than to enforce the provisions of this Order, the Judgment, the Settlement
20 Agreement, or any related agreement or release. Notwithstanding these restrictions, Defendant may file
21 in the action or in any other proceeding this Order, the Judgment, the Settlement Agreement, or any other
22 paper and records on file in the action as evidence of the Settlement to support a defense of res judicata,
23 collateral estoppel, release or other theory of claim or issue preclusion or similar defense as to the Released
24 Claims.

25 3. Consistent with the definitions provided in the Settlement Agreement, the Class and PAGA
26 Employees are defined as follows:

- 27 a. The term “Class” or “Class Members” means all current and former non-exempt
28 employees of Defendants who worked for Defendants in the State of California during

the Class Period.

b. The term “Class Period” means the period beginning on August 29, 2015 through June 9, 2021.

c. The term “PAGA Employees” means all current and former non-exempt employees of Defendants who worked for Defendants in the State of California during the PAGA Period.

d. The “PAGA Period” means the period from March 3, 2020 through June 9, 2021.

4. The Court has jurisdiction over the subject matter of the Action, and personal jurisdiction over Defendants, Plaintiffs, and Class Members.

5. The Court hereby grants final approval of the Settlement as fair, reasonable, and adequate in all respects and orders the Parties to consummate the Settlement in accordance with the terms of the Settlement Agreement.

6. The Court approves the Maximum Settlement Amount of Three Million One Hundred Fifty Thousand Dollars (\$3,150,000.00) to be paid by Defendant in settlement of the Action in accordance with the terms of the Settlement Agreement.

7. The Court has determined that the Class Notice that was mailed to the Class pursuant to the Court’s October 20, 2021 Order Granting Preliminary Approval, fully and accurately informed the Class of the material elements of the proposed Settlement, constituted the best notice practicable under the circumstances, and constituted valid, due, and sufficient notice to all members of the Class.

8. In granting final approval of the Settlement, the Court considered the nature of the claims, the amount and kinds of benefits paid in settlement, the allocation of the Settlement proceeds among the Class, and the fact that the Settlement represents a compromise of the Parties’ respective positions rather than the result of a finding of liability at trial. Additionally, the Court finds that the terms of the Settlement have no obvious deficiencies and do not improperly grant preferential treatment to any individual Class Member.

9. In accordance with the Settlement Agreement and in exchange for the consideration set forth therein, Plaintiffs and all Participating Class Members hereby and forever shall be deemed to have released and discharged Defendant Professional Maintenance Systems, Inc. and its past, present and/or

future, direct and/or indirect, officers, directors, members, owners, officials, servants, managers, managing agents, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, directors, administrators, parent companies, subsidiaries, affiliates, divisions, trusts, predecessors, successors, assigns, and joint venturers (“the Released Parties”) from any and all claims under the Labor Code that are pled in Plaintiffs’ First Amended Complaint, or which could have been pled under the Labor Code and Industrial Welfare Commission Wage Orders, whether known or unknown by Class Members, based on the factual allegations in Plaintiff’s FAC, during the Class Period. In addition, Plaintiffs and all PAGA Employees hereby and forever shall be deemed to have released and discharged the Released Parties from any and all claims for civil penalties that are pled in Plaintiff’s First Amended Complaint and brought pursuant to Labor Code Section 2699, *et seq.*, or which could have been pled under the Labor Code and Industrial Welfare Commission Wage Orders, whether known or unknown by PAGA Employees, based on the factual allegations in Plaintiff’s FAC, during the PAGA Period.

10. The Court finds that two (2) Class Members have requested exclusion from the Class.

11. The Court finds that zero (0) Class Members have objected to the Settlement.

12. Having expended significant efforts to secure a benefit for the Class, the Court approves an award of attorneys’ fees to Class Counsel in the amount of Nine Hundred Forty-Five Thousand Dollars (\$945,000.00) (30% of the Maximum Settlement Amount) to be paid from the Maximum Settlement Amount pursuant to the terms of the Settlement Agreement.

13. Having incurred various costs in the course of litigating the Action in the form of court filing fees, mediation fees, document copying and scanning fees, legal research charges, postage and overnight delivery expenses, certified mail expenses, telephone expenses, and travel expenses, the Court approves Class Counsel’s request for reimbursement of actual and reasonably-incurred litigation costs in the amount of Twenty Thousand Dollars (\$20,000.00), to be paid from the Maximum Settlement Amount pursuant to the terms of the Settlement Agreement.

14. Except as expressly provided herein, the Parties shall each bear all of their own fees and costs in connection with this matter.

15. The Court approves the requested Class Representative Service Awards to Plaintiffs of Twenty Thousand Dollars (\$20,000.00), the full amount of which is to be paid from the Maximum

Settlement Amount, to be allocated as Ten Thousand Dollars (\$10,000.00) to Plaintiff Christian Headley, Five Thousand Dollars (\$5,000.00) to Plaintiff America Banda, and Five Thousand Dollars (\$5,000.00) to Plaintiff Ericka Espinoza, determining that this amount is fair and reasonable compensation for their work performed on behalf of the Class and for the risks Plaintiffs undertook initiating and pursuing the Action.

16. The Court approves the payment of Twenty-Five Thousand Dollars (\$25,000.00) from the Maximum Settlement Amount pursuant to the terms of the Settlement Agreement to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Action under the Private Attorneys General Act of 2004, Labor Code section 2698, *et seq.*, of which seventy-five percent (75%) - equal to \$18,750.00 - will be paid to the California Labor and Workforce Development Agency, and the remaining twenty-five percent (25%) - equal to \$6,250.00 - will be distributed to PAGA Employees.

17. The Court approves the payment of Thirty-Eight Thousand Dollars (\$38,000.00) to the Settlement Administrator, CPT Group, Inc., for its services in administering the Settlement, the full amount of which is to be paid from the Maximum Settlement Amount.

18. The Court finds that it is in the best interest of the Class for the amount of Individual Settlement Payments to Class Members that are returned or remain uncashed 180 calendar days after redistribution be issued by the Settlement Administrator to The Legal Aid Association of California, a nonprofit organization that supports projects that will benefit Class Members.

19. The Court orders the following schedule of dates and administration milestones for the specified actions in the Action in accordance with the terms of the Settlement Agreement:

EVENT	TIMING
<u>Final Approval Date</u>	The Date the Court Signs the Final Approval Order
<u>Effective Date</u>	The Final Approval Date, provided no objections are received.
<u>Payment Obligation Date</u>	Thirty (30) calendar days after Effective Date.

EVENT	TIMING
Defendant will pay the Settlement Administrator the Qualified Settlement Fund.	
<u>Settlement Administrator to Mail Individual Settlement Payments</u> The Settlement Administrator shall distribute the entire Qualified Settlement Fund.	Seven (7) business days after Defendant makes all the necessary payments into the Qualified Settlement Fund
<u>Void Date for Individual Settlement Checks</u> The settlement checks shall become null and void.	One hundred eighty (180) calendar days after mailing of the Individual Settlement Payment Checks and the funds are redistributed to Class Members whose checks were not returned.

20. A Compliance Hearing is scheduled for Thursday, November 10, 2022 at 8:30 AM in Department C-65 of the above-entitled court. Plaintiffs must file the settlement administrator's report on or before November 1, 2022.

IT IS SO ORDERED.

Dated: 5/18/2022



HONORABLE RONALD F. FRAZIER
JUDGE OF THE SUPERIOR COURT

EXHIBIT A

STIPULATION OF CLASS ACTION AND PAGA REPRESENTATIVE ACTION SETTLEMENT AND RELEASE

This Stipulation of Class Action and PAGA Representative Action Settlement and Release (“Stipulation” or “Settlement”) is made and entered into by and between Named Plaintiffs Christian Headley, America Banda, and Erick Alvarez Espinoza (“Plaintiffs”), individually and on behalf of all others similarly situated, and Defendant Professional Maintenance Systems, Inc., (“Defendant”) with regard to the action pending in the Superior Court of the State of California, County of San Diego and captioned *Christian Headley, individually and on behalf of all similarly situated employees of Defendants in the State of California v. Professional Maintenance Systems, Inc.; and Does 1 through 50 inclusive*, Case No. 37-2019-00045619-CU-OE-CTL, subject to the terms and conditions herein and the approval of the Court.

1. DEFINITIONS

1.1 “Action” means the civil action captioned *Christian Headley, individually and on behalf of all similarly situated employees of Defendants in the State of California v. Professional Maintenance Systems, Inc.; and Does 1 through 50 inclusive*, Case No. 37-2019-00045619-CU-OE-CTL, pending in the Superior Court of the State of California, County of San Diego, Honorable Ronald F. Frazier presiding.

1.2 “Administration Costs” means the actual and direct costs reasonably charged by the Settlement Administrator for its services in administering the Settlement, currently projected by the Parties not to exceed Thirty-Eight Thousand Dollars (\$38,000).

1.3 “Class Counsel” means Plaintiffs’ counsel, Graham S. P. Hollis, Hali M. Anderson, and Ridgeway Woulfe of GrahamHollis A.P.C.

1.4 “Class, Class Members, and Settlement Class” means: 1) the Non-Exempt Class, which is defined as all current and former non-exempt employees of Defendant who worked in the State of California at any time during the Class Period; and 2) the Waiting Time Penalties Subclass, which is defined as all members of the Non-Exempt Class whose employment with Defendant ended at any time from August 29, 2016, through the date of Preliminary Approval or June 9, 2021, whichever comes first.

1.5 “Class Period” is the period beginning on August 29, 2015, through the date of the order approving Plaintiffs’ Motion for Preliminary Approval of Class Action Settlement or June 9, 2021, whichever comes first.

1.6 “Class Release Date” means the latest effective date of the release provided by Class Members, which is the date of Preliminary Approval.

1.7 “Class Released Claims” means all causes of action and factual or legal theories that were alleged in the Operative Complaint or reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint, including all of the following claims for relief: (i) failure to provide meal periods; (ii) failure to provide rest periods; (iii) failure to pay

minimum and regular wages; (iv) failure to pay all overtime wages; (v) failure to pay reporting time pay; (vi) failure to indemnify employees for necessary business expenses; (vii) failure to provide accurate itemized wage statements; (viii) failure to pay all wages due upon separation from employment; (ix) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the Operative Complaint; and (x) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. These claims include, but are not limited to, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802; the California Business and Professions Code § 17200, *et seq.*; and all related provisions of the applicable IWC Wage Order and the California Code of Regulations. The PAGA Aggrieved Employees will also release all claims under the California Labor Code Private Attorneys General Act of 2004 (California Labor Code sections 2698 *et seq.*) that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the Operative Complaint.

1.8 “Defendant’s Counsel” means Amy Wintersheimer Findley of Allen Matkins Leck Gamble Mallory & Natsis LLP.

1.9 “Effective Date” means the later of: (i) if no timely objections are filed, or are withdrawn prior to Final Approval, then the date of Final Approval; or (ii) if a Class Member files an objection to the Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or (iii) if a timely appeal is initiated by an objector, then the Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

1.10 “Fee and Expense Award” means such award of fees and costs as the Court may authorize to be paid to Class Counsel for the services they have rendered and will render to the Class in the Action. Class Counsel shall apply to the Court for fees in an amount up to one third (1/3) of the Maximum Settlement Amount (\$3,150,000.00) in attorneys’ fees (i.e., \$1,050,000.00) plus the actual costs and expenses as supported by declaration. Class Counsel’s request for actual costs incurred in the litigation will not exceed Twenty Thousand dollars (\$20,000.00).

1.11 “Final Approval” means the final settlement approval order and judgment that will be entered by the Court.

1.12 “Final Judgment” means the latest of: (a) the date of final affirmance on an appeal of the Judgment; (b) the date of final dismissal with prejudice of the last pending appeal from the Judgment; or (c) if no appeal is filed, the expiration date of the time for the filing or noticing of any form of valid appeal from the Judgment. The Parties intend that the Final Approval Order will encompass an order entering Judgment.

1.13 “Individual Settlement Payment” or “Individual Settlement Allocation” means the portion of the Net Settlement Sum allocable to each participating Class Member.

1.14 “Maximum Settlement Amount” means the maximum amount of Three Million One Hundred Fifty Thousand Dollars (\$3,150,000.00) that Defendant would pay as a result of this Stipulation of Settlement. The Maximum Settlement Amount includes: (1) the Individual Settlement Allocations; (2) the Fee and Expense Award; (3) the Administration Costs; (4) the PAGA Payment; and (5) the Service Awards. The Maximum Settlement Amount excludes the employer’s share of payroll taxes, which shall be paid separately by Defendant. All amounts to be paid by Defendant shall be paid to a qualified settlement fund (“Qualified Settlement Fund”) within thirty (30) days from the date of Final Approval, which shall be administered by the Settlement Administrator. All amounts to be paid to anyone pursuant to this Stipulation of Settlement shall be paid out of the Qualified Settlement Fund. The Maximum Settlement Amount shall not increase unless it is determined that the number of actual workweeks in the Class Period increases above 292,773 by five percent (5%) or more, as described more fully in paragraph 5.1 below.

1.15 “Mediator” means Hon. Steven R. Denton (Ret.).

1.16 “Named Plaintiffs” or “Class Representatives” means Christian Headley, America Banda, and Ericka Alvarez Espinoza.

1.17 “Net Settlement Sum” means the Maximum Settlement Amount less the Fee and Expense Award, the PAGA Payment, Administration Costs, and the Service Awards, as approved and awarded by the Court. This amount will be distributed to the Class Members who do not timely request exclusion from the Settlement.

1.18 “Notice” means the Court-approved form of Notice of Proposed Class Action Settlement, substantially in the same form as **Exhibit A**, attached hereto.

1.19 “Objection/Exclusion Deadline” means the date forty-five (45) calendar days following the date on which the Settlement Administrator first mails the Notice to the Class Members.

1.20 “Operative Complaint” means, collectively, Plaintiffs’ Complaint and the First Amended Complaint, which are attached as **Exhibit B** to this Settlement.

1.21 “PAGA” means the Labor Code Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.*

1.22 “PAGA Aggrieved Employees” means all non-exempt employees who worked for Defendant in California at any time during the PAGA Period.

1.23 “PAGA Award” means the portion of the Gross Settlement Amount that is allocated to civil penalties pursuant to the PAGA, and as awarded by the Court. The PAGA Award may not exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), of which seventy-five percent (75%) (\$18,750.00) will be distributed to the LWDA and twenty-five percent (25%) (\$6,250.00) will be distributed among the PAGA Aggrieved Employees, on a pro-rata basis, based on their respective workweeks during the PAGA Period. This amount shall be classified as penalties subject to an IRS Form 1099. In the event that the Court awards less than the full amount requested for the PAGA Award, the un-awarded amount will be made available for distribution to Participating Class Members as part of the Net Settlement Sum.

1.24 PAGA Period means the period from March 3, 2020, through the date of Preliminary Approval or June 9, 2021, whichever comes first.

1.25 "PAGA Payment" means the sum of Twenty-Five Thousand Dollars (\$25,000.00), which shall be allocated from the Maximum Settlement Amount to penalties under the Labor Code § 2698 *et seq.*, the Private Attorneys General Act ("PAGA"). Of the total PAGA Payment (\$25,000.00), seventy five percent (75%) of this sum or Eighteen Thousand Seven Hundred Fifty Dollars (\$18,750) will be paid to the California Labor and Workforce Development Agency ("LWDA"), and the remaining twenty five percent (25%) or Six Thousand Two Hundred Fifty Dollars (\$6,250.00) will be added to the Net Settlement Sum to be distributed to the Class.

1.26 "Participating Class Member(s)" is defined as a Class Member who does not timely exclude himself or herself from the Settlement and will therefore receive his or her share of the Net Settlement Sum automatically without the need to return a claim form. Each Participating Class Member will be paid his/her Individual Settlement Payment.

1.27 "Parties" means Named Plaintiffs and the Class and Defendant, collectively.

1.28 "Payment Obligation Date" means the date which is thirty (30) calendar days after the Court grants Final Approval of the Settlement.

1.29 "Preliminary Approval" means an Order of the Court approving this Settlement, and the exhibits thereto, and setting a hearing for Final Approval of the Settlement, including approval of attorneys' fees and costs.

1.30 "Qualifying Workweeks" means the number of weeks that Participating Class Members worked for Defendant as non-exempt employees during the Class Period.

1.31 "Released Parties" means Defendant, and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, owners, and joint venturers.

1.32 "Remainder" means the unclaimed funds of the Net Settlement Sum allocated to the Class if fewer than all Class Members cash the Individual Settlement Allocation checks sent to them after a redistribution.

1.33 "Request for Exclusion" means a letter or written request submitted by a Class Member to the Settlement Administrator and postmarked by the Objection/Exclusion Deadline that includes the Class Member's name and signature, the last four digits of his or her Social Security Number and the following statement or something similar to "I request to be excluded from the class action proceedings in the matter of *Christian Headley, individually and on behalf of all similarly situated employees of Defendants in the State of California v. Professional Maintenance Systems, Inc.; and Does 1 through 50 inclusive*, Case No. 37-2019-00045619-CU-OE-CTL, pending in the Superior Court of the State of California, County of San Diego."

1.34 "Service Awards" means the sums paid to Named Plaintiffs Christian Headley, America Banda, and Ericka Alvarez Espinoza in recognition of their effort in obtaining the benefits

of the Settlement and additionally, in recognition for their willingness to provide a full and separate general release of any and all claims against Defendant. The Service Award to Named Plaintiff Headley shall not exceed Ten Thousand Dollars (\$10,000.00), the Service Award to Named Plaintiff Banda should not exceed Five Thousand Dollars (\$5,000.00), and the Service Award to Named Plaintiff Ericka Alvarez Espinoza should not exceed Five Thousand Dollars (\$5,000.00).

1.35 “Settlement” means the terms and conditions set forth in this Stipulation of Class and PAGA Representative Action Settlement and Release.

1.36 “Settlement Administrator” means CPT Group, subject to Court approval.

1.37 “Settlement Class” means all Class Members except those who submit a valid and timely request for exclusion.

2. GENERAL

2.1 The following is the procedural history of this Action:

(a) Named Plaintiff Headley filed the Complaint on August 29, 2019; and a subsequent First Amended Complaint adding Plaintiffs Banda and Espinoza, in the Superior Court for the County of San Diego, Case No. 37-2019-00045619-CU-OE-CTL, alleging class action and representative PAGA allegations against Defendant on behalf of all current and former non-exempt similarly situated and/or aggrieved employees of Defendant in California.

(b) During the course of the litigation, Defendant provided Plaintiffs a substantial amount of information and documents, including relevant company policies, a class-wide contact list, and a 10% sampling of timekeeping and corresponding payroll data for Plaintiffs and the Class Members. The exchange of information and documents was comprehensive and enabled the parties to sufficiently assess the strengths and weaknesses of their respective positions during arms-length negotiations at mediation.

(c) The Parties participated in a private mediation session with well-respected mediator, the Honorable Steven R. Denton (Ret.) on March 9, 2021. The Mediator issued a Mediator’s Proposal on March 11, 2021. The Mediator informed the Parties that both sides had accepted the Mediator’s Proposal on March 17, 2021.

2.2 Plaintiff Headley’s Original Complaint alleged nine causes of action, including eight class action causes of action for wages and statutory penalties as follows: failure to provide meal periods, failure to provide rest periods, failure to pay minimum and regular wages, failure to pay all overtime wages, failure to pay reporting time pay, failure to indemnify necessary business expenses, failure to provide accurate itemized wage statements, failure to timely pay wages due upon separation of employment, and violation of the Business and Professions Code § 17200, *et seq.* Plaintiffs’ First Amended Complaint adds America Banda and Ericka Alvarez Espinoza as plaintiffs and also adds representative claims under the Labor Code’s Private Attorney General Act (PAGA).

2.3 Defendant denies any liability and wrongdoing of any kind associated with the claims alleged in the Action, and further denies that the Action is appropriate for class and/or representative

treatment for any purpose other than this Settlement. Defendant in no way admits any violation of law or any liability whatsoever to Named Plaintiffs and/or the Class Members, or “aggrieved” employees,” individually or collectively, all such liability being expressly denied. Defendant contends that it has complied at all times with the California Labor Code, the Wage Orders and the California Business and Professions Code. The Settlement described in this Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Settlement is intended or will be construed as an admission by Defendant that Plaintiffs' claims in the Action have any merit or that it has any liability to Plaintiffs, the Class, or the State on those claims, or as an admission by the Plaintiffs that Defendant's defenses in the Action have any merit. The Settlement is intended to fully and forever compromise, release, resolve, discharge, and settle the released claims subject to the terms and conditions set forth in this Settlement.

2.4 Named Plaintiffs believe that the Action is meritorious and that class certification is appropriate.

2.5 The Parties have engaged in substantial litigation and have thoroughly investigated Named Plaintiffs' causes of action.

2.6 Class Counsel has conducted a thorough investigation into the facts of the Action, including pre-trial motions, an extensive review and analysis of Defendant's documents, and interviewed key witnesses including Class Members. Class Counsel is knowledgeable about and has done extensive research with respect to the applicable law and potential defenses to the claims of the Class Members. Class Counsel has diligently pursued an investigation of the Class Members' claims against Defendant. Based on the forgoing data and on its own independent investigation and evaluation, Class Counsel is of the opinion that the Settlement for the consideration and on the terms set forth in this Stipulation of Settlement is fair, reasonable, and adequate and is in the best interest of the Class Members in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation, the various defenses asserted by Defendant, and the numerous potential appellate issues. Further, Plaintiffs have carefully evaluated the terms of the Settlement, and, based upon that review, has determined that it is fair and reasonable.

2.7 This Agreement was reached based on Defendant's representation of its financial condition and the Parties agree that Defendant's financial capacity to pay the settlement is a critical basis for the amount of the Settlement. As such, subject to an agreed upon protective order, Defendant has provided Plaintiff's counsel its financial books and records (including, but not limited to, Defendant's tax returns, P&L statements, and balance sheets) for a 24-month period prior to this Agreement. Defendant represents that the tax returns provided to Plaintiff's counsel were filed and that the financials are substantially accurate. The Parties agree that Plaintiff has 15 days from the date Defendant provided its financial records to withdraw from the Settlement.

2.8 Defendant and its counsel believe that the claims asserted in the Action are without merit. Thus, Defendant has denied, and continues to deny, specifically and generally, each and every claim asserted in the Action and any and all liability or wrongdoing of any kind whatsoever associated with any of the facts or claims alleged in the Action. Defendant makes no concessions or admissions of wrongdoing or liability of any kind whatsoever. Defendant maintains that for any purpose other than settlement, the Action is neither suitable nor appropriate for treatment as a class or representative action. Although Defendant has vigorously contested the allegations in the Action to date and denies

that it committed any wrongful action or violation of law, Defendant believes that further litigation with respect to the Plaintiffs' claims would be protracted, expensive, and contrary to its best interests. Substantial amounts of time, energy, and other resources have been, and, absent settlement, will continue to be devoted to Defendant's defense against Plaintiffs' claims. In light of these realities, Defendant believes that settlement is the best way to resolve the disputes among the Parties while minimizing its own further expenditures. Defendant thus agrees the Settlement is fair, reasonable and adequate.

2.9 The Parties stipulate and agree to the conditional certification of the Class for purposes of this Settlement only. Should, for whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as part of the Settlement shall become null and void and shall have no bearing on, and shall not be admissible in connection with, the issue of whether or not certification would be appropriate in a non-settlement context. Defendant expressly reserves its rights and declare that it intends to oppose class certification and any form of representative action vigorously should this Settlement not be granted Final Approval.

2.10 The Parties acknowledge that factual and legal issues have not yet been resolved and that if this litigation were to proceed, the Court would specifically need to resolve, among other issues, whether Plaintiffs and the Class Members: (1) were denied meal periods required by California law without being paid a premium as required by California Labor Code § 226.7; (2) were denied rest periods required by California law without being paid a premium as required by California Labor Code § 226.7; (3) worked hours for which they were not properly compensated with appropriate minimum, hourly, and/or overtime wages as required by the California Labor Code and/or applicable Industrial Welfare Commission Wage Order(s); (4) were provided with inaccurate itemized wage statements in violation of California Labor Code § 226; (5) were timely paid final wages upon the termination of their employment from Defendant as required by California Labor Code §§ 201 and/or 202 and/or were owed waiting time penalties under California Labor Code § 203; (6) incurred reasonable and necessary business expenses for which they were not reimbursed as required by California Labor Code § 2802; (7) suffered any unfair business practices in violation of California Business & Professions Code § 17200 et seq., and/or (8) were entitled to penalties under the California Labor Code Private Attorneys General Act of 2004.

3. PRELIMINARY APPROVAL

3.1 The Parties agree to fully cooperate with each other to accomplish the terms of this Stipulation of Settlement including, but not limited to, execution of such documents and to take such other actions as may reasonably be necessary to implement the terms of this Stipulation.

3.2 Class Counsel shall request a hearing before the Court to seek Preliminary Approval of the Settlement on a mutually available date as soon as reasonably practicable. Further, Class Counsel shall file Plaintiffs' Motion for Preliminary Approval of Settlement within forty-five (45) days of execution of this Settlement. In conjunction with such hearing, Class Counsel shall submit this Stipulation of Settlement, together with the exhibits attached hereto, and any other documents necessary to implement the Settlement.

3.3 Defendant agrees not to oppose Plaintiffs' Motion for Preliminary Approval unless the motion is inconsistent with the terms set forth in this Settlement.

4. NOTICE AND CLAIM PROCESS

4.1 **Class Information.** Within ten (10) calendar days after entry of the order granting Preliminary Approval, Defendant shall provide to the Settlement Administrator a list of all Class Members, including their name, Social Security Number or Individual Taxpayer Identification Number, last-known address, telephone number, dates of employment, the total number of weeks worked during the Class Period, the total number of weeks worked during the PAGA Period (if applicable), and whether each Class Member is a member of the Waiting Time Penalty Workweeks subclass (as defined in Paragraph 5.2(c) below). At no time during the settlement process will any Class Member's address, telephone number, Social Security Number, or Individual Taxpayer Identification Number be filed with the Court, except under seal as may be ordered by the Court. The Settlement Administrator will ensure that the Class Notice and any other communications to Class Members will not include the Class Members' Social Security/Individual Taxpayer Identification Numbers, except for the last four digits. Class Members may, however, be required to submit a Form W-4 or W-9 as required by the Settlement Administrator for tax reporting purposes.

4.2 **Notice by First Class U.S. Mail.** Prior to the mailing of the Notice to the Class Members, the Settlement Administrator will run one Accurant (or substantially similar) skip trace as well as perform one basic search on the National Change of Address Database to attempt to obtain the best possible address for the Class Members before it mails the notices to the Class Members. Within fourteen (14) calendar days after receiving the Class Member list from Defendant, the Settlement Administrator shall send the Notice via first class mail, to the Class Members after it has followed the procedure in this Paragraph 4.2.

4.3 **Undeliverable Notices.** If a Notice is returned as undeliverable with a forwarding address provided by the United States Postal Service, the Settlement Administrator will promptly resend the Notice to that forwarding address along with a brief letter stating that the recipient of the Notice has until the original deadline set forth on the Notice, or ten (10) calendar days after the re-mailing of the Notice (whichever is later), to submit a Request for Exclusion, objection to the settlement, or to dispute the amount of workweeks identified.

4.4 **Objection/ Exclusion.** The Class Notice shall state the total number of workweeks worked based on the data provided to the Settlement Administrator. The Notice shall provide that Class Members who wish to exclude themselves from the Settlement of Class Released Claims must submit a Request for Exclusion postmarked by the Objection/Exclusion Deadline. The Objection/Exclusion Deadline is forty-five (45) calendar days following the initial mailing of the Notice. Any Class Member who properly requests exclusion using this procedure will not receive any payment from the Settlement and will not be bound by the Stipulation of Settlement or have any right to object, appeal or comment thereon. Class Members who do not submit a valid and timely Request for Exclusion shall be bound by all terms of the Stipulation of Settlement and any judgment entered in the Actions once the Settlement is approved by the Court.

4.5 **Disputes Regarding Individual Settlement Allocations.** Class Members who disagree with Defendant's records regarding their number of workweeks credited to him or her and/or estimated Individual Settlement Payment must provide documentation and/or an explanation showing

contrary information directly to the Settlement Administrator by the Response Deadline. The dispute must: (1) contain the case name of the Action; (2) contain the Class Member's full name, address, telephone number, and last four digits of his or her Social Security Number or Individual Taxpayer Identification Number, (3) contain a clear statement explaining that the Class Member wishes to dispute the number of workweeks credited to him or her and also stating the number of workweeks that he or she contends is correct; and (4) attach documentation demonstrating that the Class Member was not credited with the correct number of workweeks. The Settlement Administrator will in turn provide any such submissions by Class Members to the Parties. The Parties will meet and confer to determine whether adjustments to the Class Member's workweeks and/or Individual Settlement Allocation are warranted. If the Parties are unable to reach an agreement as to a dispute, the Settlement Administrator will decide the outstanding issue. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Allocation will be binding upon the Class Member and the Parties. In the absence of circumstances indicating fraud, manipulation, negligence, or destruction, Defendant's records will be given a rebuttable presumption of accuracy.

4.6 Declaration of Due Diligence. At least thirty-five (35) calendar days prior to the final approval hearing, the Settlement Administrator will provide a declaration of due diligence and proof of mailing with regard to the mailing of the Notice to counsel for all Parties. Further, in order to permit Class Counsel to file its Motion to Approve Class Counsel's Fee and Expense Award prior to the Objection/Exclusion Deadline, the Settlement Administrator shall also provide a preliminary declaration of due diligence and proof of mailing with regard to the status of the mailing of the Notice to counsel for all Parties at least ten (10) calendar days prior to the Objection/Exclusion Deadline.

4.7 Option to Cancel. If five percent (5%) or more of the Class Members submit a timely and valid Request for Exclusion, Defendant shall have the option of canceling the Settlement and all actions taken in its furtherance will be null and void. Defendant must exercise this right within five (5) business days after the Settlement Administrator notifies the Parties of the number of valid and timely Request for Exclusion letters received, which the Settlement Administrator must do within seven (7) calendar days after the Objection/Exclusion Deadline. If Defendant exercises its option to cancel the settlement, Defendant will retain the entirety of the Maximum Settlement Amount, except for the administration costs incurred to that date. The Parties and their counsel agree not to take any action to encourage any Class Members to opt into or out of or to object to the settlement.

4.8 Defendant will provide the Settlement Administrator with sufficient funds to make all payments due to Plaintiffs, Class Counsel, the LWDA, the Settlement Administrator, and the Class Members, plus any owed Payroll Taxes, no later than the Payment Obligation Date.

4.9 The Settlement Administrator will mail all required payments no later than seven (7) calendar days after the Payment Obligation Date. Individual Settlement Allocation checks not cashed within 180 calendar days of mailing will become void. If a Class Member's check is returned to the Settlement Administrator, with a forwarding address provided by the United States Postal Service, the Settlement Administrator will promptly resend the check to that Class Member.

4.10 No person shall have any claim against Defendant, Defendant's Counsel, Plaintiffs, the Class, Class Counsel or the Settlement Administrator based on mailings, distributions and payments made in accordance with this Stipulation of Settlement.

4.11 The following is a summary of the proposed timeline related to this Settlement:

EVENT	DEADLINE
Preliminary Approval of the Settlement by the Court	TBD
Defendant to provide Settlement Administrator with list of Class Members, including their name, Social Security or Individual Taxpayer Identification Number, last-known address, telephone number, dates of employment, and the total number of weeks worked, if available, for each Class Member during the Class Period.	10 business days after entry of the order granting Preliminary Approval
Settlement Administrator to notify the parties of actual number of workweeks in the Class Period.	10 calendar days after receiving Class Member List
Settlement Administrator to mail Notice to Class Members	14 calendar days after receiving Class Member List
Objections/Exclusion Deadline	45 calendar days after mailing of Notice
Settlement Administrator to provide a preliminary declaration of due diligence and proof of mailing with regard to the mailing of the Notice to counsel for all Parties.	10 calendar days prior to the Objection/Exclusion Deadline.
Settlement Administrator to notify Parties of the number of valid and timely request for exclusion letters received	7 calendar days after Objections/Exclusion Deadline
Deadline for Defendant to exercise its option to cancel the settlement if 5% or more of the Class Members submit a timely and valid request for exclusion	5 business days after Settlement Administrator notifies the Parties of the number of valid and timely requests for exclusion
Settlement Administrator to provide declaration of due diligence	35 calendar days prior to Final Approval Hearing
Final Approval Hearing	TBD
Effective Date of the Settlement	Date the Court signs the Final Approval Order and Judgment, if no objections to the Settlement.

Payment Obligation Date	30 calendar days after Effective Date of the Settlement
Settlement Administrator to mail Individual Settlement Payments	7 business days after the Defendant makes all the necessary payments into the Qualified Settlement Fund
Uncashed Checks Become Void	180 calendar days after mailing of the Individual Settlement Payment Checks and the funds are redistributed to Class Members whose checks were not returned
Redistribution of Unclaimed Funds	Within 30 calendar days after the 180-day check cashing deadline

5. SETTLEMENT COMPONENTS

5.1 This Settlement is based on the number of workweeks in the Class Period, which is currently estimated to be 292,773. Within ten (10) days after receipt of the Class Member data from Defendant, the Settlement Administrator shall provide the Parties the total number of workweeks in the Class Period. In determining the number of workweeks in the Class Period, the Settlement Administrator shall use the method described in paragraph 5.2(c)(ii) below. If the number of workweeks in the Class Period increases above 292,773 by 5% or more (i.e., exceeds 307,411 total workweeks), Plaintiffs shall have the option to terminate the Settlement.

5.2 The Settlement shall have six components: (1) the Individual Settlement Allocations; (2) the Fee and Expense Award; (3) the Administration Costs; (4) the PAGA Payment; and (5) the Service Awards. All of these components are included in the Maximum Settlement Amount.

(a) Payroll Taxes: The Maximum Settlement Sum does not include the Payroll Taxes, which shall be paid by Defendant separate and apart from the Maximum Settlement Amount. The Payroll Taxes will be computed by the Settlement Administrator based on the amounts paid to the participating Class Members. The Settlement Administrator shall be responsible for making all necessary payments and government filings in connection with such payments.

(b) Circular 230 Disclaimer: Each Party (for purposes of this section, the “acknowledging party” and each Party to this Stipulation of Settlement other than the acknowledging party, an “other party”, acknowledges and agrees that (i) no provision of this Stipulation of Settlement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of the United States Treasury Department circular 230 (31 C.F.R. part 10, as amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal

and tax counsel for advice (including tax advice) in connection with this Stipulation of Settlement, (b) has not entered into this Stipulation of Settlement based upon the recommendation of any other party or any attorney to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging part, and (iii) no attorney or adviser to any other party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or structure of any transaction, including any transaction contemplated by this Agreement.

(c) Individual Settlement Payments: Administrator shall have the authority and obligation to calculate the amounts of Individual Settlement Payments in accordance with the methodology set forth in this Stipulation of Settlement and orders of the Court. The Parties agree that the formula for the Individual Settlement Payments to Class Members provided herein is reasonable and that the payments provided herein are designed to provide a fair settlement to such persons, in light of the uncertainties of the damages and penalties alleged to be owed to the Class and the calculation of such amounts.

(i) The parties agree that Class Members will not have to submit a claim form in order to participate in the Settlement. Each Class Member who does not timely submit a Request for Exclusion will be mailed a check representing his or her Individual Settlement Payment for Class Released Claims.

(ii) **Distribution Formula for Settlement Class.** Participating Class Members shall be allocated a pro-rata portion of the Net Settlement Sum available for distribution based upon their respective number of weeks worked during the Class Period. Each Participating Class Member who is also a member of the Waiting Time Penalty Subclass will receive an allotment of six (6) additional workweeks ("WTP Workweeks"). The WTP Workweeks will be allocated as 100% penalties. The total Qualifying Workweeks for all Participating Class Members, plus the additional WTP Workweeks allocated to the Participating Class Members who are also members of the Waiting Time Penalty Subclass, shall be divided into the Net Settlement Amount to calculate a per Workweek rate. Each Settlement Class Member will be paid the Workweek rate for each of the Individual Workweeks they are allotted. Thus, the Individual Settlement Payments shall be calculated using the following formula: Individual Settlement Payments = (Net Settlement Amount) x (Participating Class Member's Qualifying Workweeks + WTP Workweeks if applicable)/(Total Participating Class Members' Qualifying Workweeks for All Participating Class Members + Total Participating Waiting Time Penalties Subclass Members' WTP Workweeks).

(iii) The amounts paid to Waiting Time Penalties Subclass Members for their WTP Workweeks shall be reported on an IRS Form 1099 and no payroll taxes shall be withheld from this amount.

(iv) The Parties agree 25% of the PAGA payment shall be distributed only among the PAGA Aggrieved Employees Subclass based on a pro-rata basis in proportion to the number of workweeks each PAGA Aggrieved Employee worked during the PAGA Period.

(v) Each Class Member that mailed an Individual Settlement Payment will have 180 calendar days from the date of the mailing of the Settlement Payment check to cash the check. Failure to cash the check within 180 calendar days will result in the Class Member foregoing all eligibility to receive any payment from the Settlement, but the Settlement Class Member shall remain bound by the Settlement and its Class Released Claims. The checks will state they are void if not cashed within 180 calendar days of mailing.

(vi) The right of any Class Member to receive any settlement payment shall be conditioned upon his or her cashing the settlement check by the end of the 180th day after the Settlement Administrator mails any settlement check to the Class Member. Checks sent to Class Members and not cashed shall be null and void after 180 calendar days of mailing and the recipient Class Members shall thereafter have no right of any kind to receive payment. No Class Member or his or her heirs or estate shall acquire any interest in any settlement check that the Class Member does not cash by the end of the 180th day after the Settlement Administrator mails it.

(vii) **Allocation of The Individual Settlement Payments.** The Parties recognize that the Individual Settlement Payments to be paid to Class Members reflect settlement of a dispute over claimed wages, interest, and penalties. The Individual Settlement Payments to the Settlement Class shall be allocated 20% to wages, 40% to interest and 40% to penalties. The portion allocated to wages shall be reported on an IRS Form W-2, and the Settlement Administrator shall coordinate with Defendant, such that Defendant will pay the employer's portion of payroll taxes, including but not limited to FICA and FUTA, which is not part of the Maximum Settlement Amount. Defendant agrees to reasonably cooperate with the Settlement Administrator to the extent necessary to determine or confirm the amount of the payroll tax payment required under this Section. The portion allocated to interest and/or statutory penalties shall be reported on an IRS Form 1099.

(viii) It shall be the responsibility of the Settlement Administrator to timely and properly withhold from Individual Settlement Payments payable to Class Members all applicable payroll and employment taxes, including all federal, state, and local income taxes, and to prepare and deliver the necessary tax documentation and, thereafter, to cause the appropriate deposits of withholding taxes and informational and other tax return filing to occur.

(ix) Each Class Member's share of all applicable payroll and employment taxes withheld and deposited with the applicable governmental authorities in accordance with this Stipulation of Settlement shall be a part of, and paid out of, the Individual Settlement Payment to each Class Member. Each Class Member will be responsible for paying all applicable state, local, and federal income taxes on all amounts the Class Member receives pursuant to this Stipulation of Settlement.

(x) **No Effect on Employee Benefits:** Individual Settlement Payments provided for in this Stipulation of Settlement are the sole payments to be made to the Class Members, and the Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Settlement Payments (notwithstanding any contrary language or agreement in any benefit or compensation plan document that might have been in effect during the period covered by this Settlement).

(d) Allocation of the Remainder of The Net Settlement Sum. This is a non-reversionary “all-in” settlement. No unclaimed amounts will revert to Defendant. If after 180 calendar days of mailing, the checks cashed by Class Members total less than 100% of the Net Settlement Sum, the amount remaining will be redistributed among those Class Members who cashed the checks sent to them within the 180 days (the “Redistribution”), on a pro-rata basis in proportion to their original Individual Settlement Payment, as long as the costs of Redistribution are less than the amount left for Redistribution.

(i) If the costs of Redistribution are less than the amount left for redistribution, the Redistribution will take place within 30 calendar days after the 180-day check cashing deadline. The Settlement Administrator shall be paid the costs of Redistribution from the amount left for Redistribution. The checks sent as part of the Redistribution must be cashed within 60 calendar days of mailing.

(ii) If the costs of Redistribution are more than the amount to be redistributed, or any unclaimed amounts remain 60 calendar days after the Redistribution, the Settlement Administrator shall issue a check of the unpaid residue or unclaimed or abandoned Class Members’ funds to the *cy pres* beneficiary selected by the Parties: The Legal Aid Association of California, a nonprofit organization that support projects that will benefit of Class Members. Class Members who do not timely cash their Individual Settlement Payments and whose checks are cancelled shall nevertheless be bound by all of the terms of the Settlement, including without limitation, including the applicable releases set forth herein.

(e) Service Awards and General Releases by Named Plaintiffs: Defendant agrees not to challenge Class Counsel’s request for the Service Awards to the Plaintiffs. The Service Awards will be paid in addition to each Plaintiff’s respective Individual Settlement Payment.

(i) The Service Awards will, subject to Court approval, be in the amounts of Ten Thousand Dollars (\$10,000) to Plaintiff Headley, Five Thousand Dollars (\$5,000) to Plaintiff Banda, and Five Thousand Dollars (\$5,000) to Plaintiff Espinoza. Should the Service Awards approved by the Court be less than the amounts sought, the difference shall revert to the Net Settlement Sum.

(ii) The Service Awards are for the Class Representatives’ services and assistance to the Class throughout the over a year of litigation, and additionally, in recognition for their willingness to provide a full and separate general release of any and all claims against Defendant regardless of whether such claims are known and unknown, suspected or unsuspected. The Service Awards are also meant to reward Plaintiffs for the risks associated with publicly available filing of a lawsuit against an employer.

(iii) Named Plaintiffs hereby release, on behalf of themselves and each of their family members, heirs, representatives, attorneys, and assigns, all federal and state statutory claims, and federal and state common law claims. Named Plaintiffs expressly waive the protections of California Civil Code Section 1542. Named Plaintiffs understand and agree that claims or facts in addition to or different from those which are now known or believed by them to exist may hereafter be discovered. It is their intention to settle fully and release all of the claims

they now have against the Released Parties, whether known or unknown, suspected or unsuspected. The Service Awards shall be paid to Named Plaintiffs specifically in exchange for the general release of the Released Parties from all claims, including those specified in this paragraph.

(iv) Named Plaintiffs acknowledge they are expressly waiving any and all rights and benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, AND THAT IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

(v) Named Plaintiffs promise never to sue nor participate in any lawsuit against the Released Parties in any forum or for any reason related to the laws or theories covered by the release set forth herein. Named Plaintiffs expressly waive any rights or potential rights of recovery that they may have in a potential class, collective, or representative settlement in any actions related to the claims released herein.

(vi) Because the Service Awards represent payments to the Class Representatives for services to the Class Members, and not wages, taxes will not be withheld from the Named Plaintiff Service Awards. No party has made any representation to Named Plaintiffs as to the taxability of the Service Awards. The Settlement Administrator will report the Service Awards on a Form 1099, which it will provide to the Named Plaintiffs and to the pertinent taxing authorities as required by law.

(vii) The Named Plaintiffs assume full responsibility for paying all taxes and penalties, if any, federal and state, due as a result of the Service Awards.

(f) Class Counsel's Fees and Expense Award: Defendant agrees not to challenge Class Counsel's request for its Fee and Expense Award up to the maximum amount of One Million Fifty Thousand Dollars (\$1,050,000.00), plus an award of reasonable litigation expenses actually and necessarily incurred in the Action, not to exceed Twenty Thousand Dollars (\$20,000.00). Should the Fee and Expense Award approved by the Court be less than the amount sought, the difference shall be added to the Net Settlement Sum. Payment of the Fee and Expense Award to Class Counsel shall constitute full satisfaction of any obligation to pay any amounts to any person, attorney or law firm for attorneys' fees, expenses or costs in the Actions, and shall relieve Defendant and Defendant's Counsel of any other claims or liability to any other attorney or law firm for any attorneys' fees, expenses and/or costs to which any of them may claim to be entitled on behalf of Plaintiffs and/or the Class.

6. RELEASE BY THE CLASS

6.1 Upon the Effective Date, all Settlement Class Members who do not opt out of the Settlement will release and discharge Released Parties from any and all claims, demands, rights, liabilities, and causes of action that were pled in the Operative Complaint, or which could have been pled in the Operative Complaint based on the factual allegations therein, with respect to the Class Released Claims defined above. The PAGA Aggrieved Employees also release all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the Operative Complaint. The *res judicata* effect of the Judgment will be the same as that of the Class Released Claims.

7. VOIDING THE AGREEMENT

7.1 In the event of any of the following: (i) the Court does not approve the scope of the Class Released Claims; (ii) the Court finds the Maximum Settlement Sum is insufficient to warrant approval; or (iii) five percent (5%) or more of the Class Members submit a timely and valid Request for Exclusion, Defendant may elect to reject this Settlement and the Settlement shall be null and void. In such case, the Parties shall be returned to their respective statuses as of the date immediately prior to the execution of this Settlement. In the event an appeal is filed from the Final Approval Order and Judgment, or any other appellate review is sought prior to the Payment Obligation and Class Release Date, administration of the Settlement, including disbursement of any payments of any settlement amounts, shall be stayed pending final resolution of the appeal or other appellate review.

8. PARTIES' AUTHORITY

8.1 The signatories hereto represent that they are fully authorized to enter into this Settlement and bind the Parties to the terms and conditions hereof.

9. MUTUAL FULL COOPERATION

9.1 The Parties and their counsel agree to fully cooperate with each other to accomplish the terms of this Settlement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement. The Parties to this Settlement shall use their best efforts, including all efforts contemplated by this Settlement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement and the terms set forth herein. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions or actions that may become necessary to effectuate the terms of this Settlement, the Parties shall seek the assistance of the Court or the Mediator to resolve such disagreement.

10. NO ADMISSION

10.1 Nothing contained herein, nor the consummation of this Settlement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement with

the intention of avoiding further disputes and litigation with the attendant risk, inconvenience and expenses. This Settlement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408 and/or any other similar law, be inadmissible as evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement.

11. CONFIDENTIALITY/PUBLICITY

11.1 Plaintiffs and Class Counsel agree not to disclose or publicize the settlement in a matter that would identify Defendant, including the fact of the settlement, its terms or contents, and the negotiations underlying the settlement, in any manner or form, directly or indirectly, that to any person or entity, except potential class members and as shall be contractually required to effectuate the terms of the settlement. For the avoidance of doubt, this section means Plaintiffs and Class Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or any other medium, with any person or entity concerning the settlement, including the fact of the settlement, its terms or contents and the negotiations underlying the settlement, except as shall be contractually required to effectuate the terms of the settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel or submit fee requests in other actions, Class Counsel may disclose the name of the Parties in this action, the venue/case number of this action, and the amount of attorney's fee granted (but not any other settlement details) for such purposes.

12. OTHER CLAIMS

12.1 Plaintiffs and Class Counsel represent that they are not currently aware of any: (a) unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendant, except such facts and theories specifically alleged in the Operative Complaint. Plaintiffs and Class Counsel further represent that, other than the instant Action, they have no current intention of asserting any other claims against Defendant in any judicial or administrative forum. The Parties acknowledge, understand, and agree that the representations described in this paragraph are essential to the Agreement and that this Agreement would not have been entered into were it not for this representation.

13. CONSTRUCTION

13.1 The Parties hereto agree that the terms and conditions of this Settlement are the result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement shall not be construed in favor of or against any of the Parties by reason of the extent to which any Party or his or its counsel participated in the drafting of this Settlement.

14. JURISDICTION OF THE COURT

14.1 Except for those matters to be resolved by the Mediator or the Settlement Administrator as expressly stated, any dispute regarding the interpretation or validity or otherwise arising out of this Settlement, or relating to the Actions or the Class Released Claims, shall be subject to the exclusive jurisdiction of the Court, and the Plaintiffs, Class Members and Defendant agree to submit to the personal and exclusive jurisdiction of the Court. The Court shall retain jurisdiction solely with respect to the interpretation, implementation and enforcement of the terms of this Settlement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement embodied in this Settlement and all orders and judgments entered in connection therewith.

15. CALIFORNIA LAW GOVERNS

15.1 All terms of this Settlement and the exhibits hereto shall be governed by and interpreted according to the laws of the State of California, regardless of its conflict of laws.

16. INVALIDITY OF ANY PROVISION

16.1 The Parties request that before declaring any provision of this Stipulation of Settlement invalid, the Court shall first attempt to construe all provisions valid to the fullest extent possible consistent with applicable precedents.

17. AMENDMENT OR MODIFICATION

17.1 This Settlement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

18. ENTIRE AGREEMENT

18.1 This Settlement, including Exhibits attached hereto, contains the entire agreement between the Parties. All prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, including the Memorandum of Understanding between the Parties, are merged herein.

19. INTERIM STAY OF PROCEEDINGS

19.1 The Parties agree to hold in abeyance all proceedings in the Actions, except such proceedings necessary to implement and complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

20. COUNTERPARTS

20.1 This Settlement may be executed in counterparts, and when each of the Parties has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully signed Settlement, which shall be binding upon and effective as to all Parties.

IT IS SO AGREED.

Dated: 6/2/2021

PLAINTIFF:

DocuSigned by:
Christian Headley
882A72DE0A87479...

CHRISTIAN HEADLEY

Dated: _____

PLAINTIFF:

AMERICA BANDA

Dated: _____

PLAINTIFF:

ERICKA ALVAREZ ESPINOZA

Dated: _____

DEFENDANT:

By: _____
KAREN BERRY on behalf of PROFESSIONAL
MAINTENANCE SYSTEMS, INC.

APPROVED AS TO CONTENT ONLY:

Dated: _____

GRAHAMHOLLIS APC

Attorney for Plaintiffs Christian Headley, America
Banda, and Ericka Alvarez Espinoza

By: _____
Graham Hollis, Esq.
Hali M. Anderson, Esq.
Ridgeway Woulfe, Esq.

Dated: _____

**ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP**

Attorney for Defendant Professional Maintenance
Systems, Inc.

By: _____
Amy Wintersheimer Findley, Esq.

IT IS SO AGREED.

Dated: _____

PLAINTIFF:

CHRISTIAN HEADLEY

Dated: 6/22/2021

PLAINTIFF:

DocuSigned by:

8B6C7059C4F24C0...

AMERICA BANDA

Dated: _____

PLAINTIFF:

ERICKA ALVAREZ ESPINOZA

Dated: _____

DEFENDANT:

By: _____
KAREN BERRY on behalf of PROFESSIONAL
MAINTENANCE SYSTEMS, INC.

APPROVED AS TO CONTENT ONLY:

Dated: _____

GRAHAMHOLLIS APC

Attorney for Plaintiffs Christian Headley, America
Banda, and Ericka Alvarez Espinoza

By: _____
Graham Hollis, Esq.
Hali M. Anderson, Esq.
Ridgeway Woulfe, Esq.

Dated: _____

**ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP**

Attorney for Defendant Professional Maintenance
Systems, Inc.

By: _____
Amy Wintersheimer Findley, Esq.

IT IS SO AGREED.

Dated: _____

PLAINTIFF:

CHRISTIAN HEADLEY

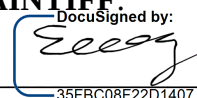
Dated: _____

PLAINTIFF:

AMERICA BANDA

Dated: 6/22/2021

PLAINTIFF:

DocuSigned by:

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ERICKA ALVAREZ ESPINOZA

Dated: _____

DEFENDANT:

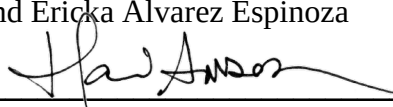
By: _____
KAREN BERRY on behalf of PROFESSIONAL
MAINTENANCE SYSTEMS, INC.

APPROVED AS TO CONTENT ONLY:

Dated: June 28, 2021

GRAHAMHOLLIS APC

Attorney for Plaintiffs Christian Headley, America
Banda, and Ericka Alvarez Espinoza

By:  _____
Graham Hollis, Esq.
Hali M. Anderson, Esq.
Ridgeway Woulfe, Esq.

Dated: _____

**ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP**

Attorney for Defendant Professional Maintenance
Systems, Inc.

By: _____
Amy Wintersheimer Findley, Esq.

IT IS SO AGREED.

Dated: _____

PLAINTIFF:

CHRISTIAN HEADLEY

Dated: _____

PLAINTIFF:

AMERICA BANDA

Dated: _____

PLAINTIFF:

ERICKA ALVAREZ ESPINOZA

Dated: 6/10/2021

DEFENDANT:

By: Karen Berry
KAREN BERRY on behalf of PROFESSIONAL
MAINTENANCE SYSTEMS, INC.

APPROVED AS TO CONTENT ONLY:

Dated: _____

GRAHAMHOLLIS APC

Attorney for Plaintiffs Christian Headley, America
Banda, and Ericka Alvarez Espinoza

By: _____
Graham Hollis, Esq.
Hali M. Anderson, Esq.
Ridgeway Woulfe, Esq.

Dated: 6/11/21

**ALLEN MATKINS LECK GAMBLE
MALLORY & NATSIS LLP**

Attorney for Defendant Professional Maintenance
Systems, Inc.

By: Amy Wintersheimer Findley
Amy Wintersheimer Findley, Esq.

EXHIBIT A

Headley, et al. v. Professional Maintenance Systems, Inc.

Superior Court for the County of San Diego, Case No.: 37-2019-00045619-CU-OE-CTL

PLEASE READ THIS NOTICE CAREFULLY. YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR NOT.*The Court authorized this notice. This is not a solicitation from a lawyer.*

A proposed class and representative action settlement (“Settlement”) has been reached between the Parties in the above-entitled action and preliminarily approved by the Court as described below. You have received this notice because Professional Maintenance Systems, Inc.’s (“PMS”) records indicate that you are a current or former non-exempt employee of PMS who worked in the State of California and who performed work as a non-exempt employee from any time between August 29, 2015 and June 9, 2021 (the “Class”).

Dear «EmployeeName»:

You are eligible to receive an Individual Settlement Amount, estimated to be approximately «estAmount» based on your total number of workweeks worked «WorkWeeks».

This settlement relates only to the time period August 29, 2015 – June 9, 2021 (the “Class Period”), the qualifying time period for this Settlement, and may not reflect all of your employment dates with PMS.

1. WHY SHOULD I READ THIS NOTICE?

You should read this notice because you may be entitled to payment from the Settlement in the above-entitled action and because your legal rights may be affected even if you do nothing. The Plaintiffs and PMS have entered into a Stipulation of Class Action and PAGA Representative Action Settlement and Release (“Settlement Agreement”) that will, if finally approved by the Court, fully resolve the claims alleged against PMS in this case, as described in Section 2. The Settlement Agreement sets forth the details of the settlement. You may obtain a copy of the Settlement Agreement from either the Claims Administrator or Class Counsel. The proposed Settlement Agreement has been submitted to the Court, and has been preliminarily approved for settlement purposes. The Court also preliminarily appointed Plaintiffs as representatives of the Class (“Class Representatives”) and has preliminarily appointed the following Plaintiffs’ counsel as counsel for the Class (“Class Counsel”):

GRAHAMHOLLIS APC
 Graham S. P. Hollis (ghollis@grahamhollis.com)
 Vilmarie Cordero (vcordero@grahamhollis.com)
 Hali M. Anderson (handerson@grahamhollis.com)
 3555 Fifth Avenue, Ste 200
 San Diego, CA 92103
 Telephone: (619) 274-8225

As a member of the Class, you are entitled to share in the funds available for settlement of this class and representative action. You are not being sued and you will not be individually responsible for any of the attorney’s fees or expenses of the litigation, as the settlement requires those amounts to be paid by PMS. Your rights will be affected by the Settlement described in this Notice whether you act or not.

The Court must finally approve the terms of the settlement described below as fair and reasonable to the Settlement Class, before it will take effect. If approved, the settlement will affect all Class Members who do not exclude themselves from the Settlement Class. An administrator that has been appointed by the Court will make all approved settlement payments after the Court orders them.

2. WHAT IS THIS CASE ABOUT?

Christian Headley, America Banda, and Ericka Alvarez Espinoza (“Plaintiffs”) are former (Headley and Banda) and current (Espinoza) employees of PMS who performed janitorial duties in California. Plaintiffs filed a class and representative action lawsuit which is now pending in the Superior Court of California for the County of San Diego. Plaintiffs allege that they and other current and former non-exempt employees who worked for PMS in California anytime between August 29, 2015 and June 9, 2021 (“Class Members”) were not paid for all of their hours worked, including minimum, regular, overtime wages, and reporting time pay. Plaintiffs also allege that they and Class Members were not provided with all required meal and rest breaks, reimbursement for necessary expenditures they incurred as a result of their employment with PMS, and that PMS did not timely pay all wages due upon the separation of employment. Plaintiffs further allege that PMS failed to maintain accurate records and provide accurate itemized wage statements.

There has been no Court ruling or determination on the merits of the claims alleged by Plaintiffs or of PMS’s defenses, and as such, the Court has found no liability in this Action. PMS denies all of the allegations in the lawsuit or that it violated any law and contends that at all times it has complied with the law.

The Parties participated in mediation with a respected class action mediator, and as a result of mediation, the Parties reached a settlement as described below.

3. WHO IS INCLUDED IN THE SETTLEMENT CLASS?

This settlement includes all current and former non-exempt employees of PMS who worked in the State of California and who performed work as a non-exempt employee at any time between August 29, 2015 and June 9, 2021.

4. WHAT ARE THE TERMS OF THE SETTLEMENT AND HOW MUCH CAN I EXPECT TO RECEIVE?

a. Summary of Settlement Terms

PMS will pay \$3,150,000.00 to settle this case (the “Maximum Settlement Amount”). From that amount, payments will be made to Class Counsel for court-approved attorney’s fees and costs, to the Claims Administrator for administration costs, to the California Labor and Workforce Development Agency for penalties, and to the Plaintiffs as service awards for their representation of the Class and for civil penalties pursuant to the Labor Code. After deduction of these amounts, the remainder – the “Net Settlement Sum” – of approximately \$1,997,000.00 will be distributed to participating Settlement Class Members on a pro rata basis according the number of weeks they worked during the Class Period (August 29, 2015 through June 9, 2021.)

The Individual Settlement Payments Made to Class Members Shall Be Calculated as Follows:

The Individual Settlement Payments be allocated on a pro rata basis according to the number of weeks each Class Members worked during the Class Period. Each participating Settlement Class Member who is a member of the Waiting Time Penalty Subclass will receive an allotment of 6 additional workweeks.

Your Settlement Payment (i.e., the amount you will receive if you do not submit a Request for Exclusion) will be calculated using the formulas described above. However, the actual Settlement Payment may vary depending on the number of Class Members that exclude themselves from the Settlement.

b. Who will receive settlement payments?

Any Class Member who does not submit a timely Request for Exclusion.

c. When will I receive my settlement payment?

Distributions of Settlement Payments to Participating Settlement Class Members shall occur around March 14, 2022 after the Court approves the settlement at a Final Approval Hearing and enters Judgment in accordance with the terms of the Settlement. **To ensure that you receive your settlement payment check you must notify the Settlement Administrator if you change your mailing address.**

d. How much can I expect to receive?

The estimated payment on this Notice states the estimated total amount you can expect to receive if you participate in the settlement. This amount is based on PMS's records of your total number of weeks worked during the Class Period.

The estimated payment amount may be reduced or increased, however, based on the number of participating Settlement Class Members, the number of Requests for Exclusion submitted, whether additional class members are identified or come forward, the potential reallocation of some of the unclaimed funds to participating Settlement Class Members, and the terms of the Court's final approval order.

Unclaimed Amounts/Uncashed Checks

Participating Settlement Class Members shall have one hundred and eighty (180) calendar days after the mailing of each Settlement Payment check by the Settlement Administrator to cash their Settlement Payment checks. If after 180 calendar days of mailing, the checks cashed by Class Members total less than 100% of the Net Settlement Sum, the amount remaining will be redistributed among those Class Members who cashed the checks sent to them within the 180 days, on a pro-rata basis in proportion to their original Individual Settlement Payment, as long as the costs of Redistribution are less than the amount left for Redistribution. If the costs of Redistribution are more than the amount to be redistributed, or any unclaimed amounts remain 60 calendar days after the Redistribution, the Settlement Administrator shall issue a check of the unpaid residue or unclaimed or abandoned Class Members' funds to The Legal Aid Association of California.

5. SETTLEMENT ADMINISTRATION COSTS

Costs incurred by the Settlement Administrator in connection with providing Notice to the Class, receiving and determining challenges to estimated settlement payment amounts, receiving and forwarding to the Court and the parties Requests for Exclusion and objection letters received, if any, and calculating and distributing payments due to participating Settlement Class Members and others entitled to settlement payment under the terms of the Settlement Agreement as approved by the Court, will be paid from the Maximum Settlement Amount. These costs are estimated not to exceed \$38,000.00.

The Claims Administrator is:

Headley v. Professional Maintenance Systems, Inc.
c/o CPT Group, Inc.
50 Corporate Park
Irvine, CA 92606
Phone: 1 (888) 464-0335

6. **ATTORNEYS' FEES AND COSTS**

All payments for Class Counsel's attorney's fees and costs will be deducted from the Maximum Settlement Amount. Class Counsel will apply to the Court for final approval of their attorney's fees and costs. The attorneys for the Class will ask for reimbursement of their costs actually incurred in litigating this case and for fees of up to \$1,050,000.00. The amount of fees and costs awarded will be determined by the Court, and will be paid from the Maximum Settlement Amount paid by Defendant.

7. **SERVICE AWARDS PAYABLE TO PLAINTIFF**

The Court has also preliminarily approved the following service award payments: \$10,000 to Plaintiff Christian Headley; \$5,000 to Plaintiff America Banda; and \$5,000 to Plaintiff Ericka Alvarez Espinoza. The service awards are to compensate Plaintiffs for their risk incurred and time and efforts in assisting with the prosecution of the Action on behalf of the Class Members and in return for executing a General Release of all Claims against PMS and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers, ("Released Parties") which is broader than the release applicable to the Settlement Class Members who are not a named plaintiff. These awards will be paid from the Maximum Settlement Amount.

8. **PAYMENT TO THE LABOR AND WORKFORCE DEVELOPMENT AGENCY**

\$25,000.00 of the Maximum Settlement Amount will be allocated as penalties authorized by the Private Attorneys General Act, of which \$18,750.00 will be paid to the California Labor and Workforce Development Agency and \$6,250.00 will be paid to participating Settlement Class Members by including that amount in the settlement payments made to the participating Class Members as described in this notice.

9. **TAX TREATMENT OF INDIVIDUAL SETTLEMENT AMOUNTS**

Settlement Payments to participating Settlement Class Members are allocated as follows: (a) 20% as wages; (b) 40% as penalties; and (c) 40% as interest. Participating Settlement Class Members will be responsible for the tax consequences of all payments received by them, for filing returns and reporting all income received to state and federal taxing authorities, and for payment of any other applicable taxes due. The parties to the case cannot provide and will not provide any advice regarding tax obligations. You should seek tax advice as to any amounts you receive pursuant to the Settlement from your own tax advisor. That portion of each Class Member's Individual Settlement Payment representing wages will be subject to normal employment tax withholdings and an IRS Form W-2 will be provided to each Settlement Class Member. That portion of each Class Member's Individual Settlement Payment constituting interest and penalties will be reported on an IRS Form 1099 provided to each Settlement Class Member, with required copies of the IRS Form 1099 provided to the Internal Revenue Service.

10. **WHAT DO I NEED TO DO TO COLLECT MONEY?**

If you want to participate in the settlement, **you do not need to take any action to receive a settlement payment** as this will occur automatically. All you need to do is make sure the Settlement Administrator is aware of your correct mailing address.

11. WHAT IF I DO NOTHING?

If you decide to do nothing and the Settlement is approved by the Court, you will receive an Individual Settlement Payment. You will, however, also be bound by the terms of the Settlement Agreement. Specifically, unless you affirmatively exclude yourself from the Settlement, you will be bound by the terms of the release as described in #14 below and therefore be barred from pursuing any state wage law claims against PMS that were alleged in this lawsuit.

12. HOW DO I EXCLUDE MYSELF FROM THE SETTLEMENT?

If you do not wish to participate in the Settlement, you may exclude yourself (“opt out”) by sending a Request for Exclusion to the Claims Administrator listing your name, address, and phone number, and the last four digits of your social security number along with the following statement:

“I request to be excluded from the class action proceedings in the matter of *Christian Headley, individually and on behalf of all similarly situated employees of Defendants in the State of California v. Professional Maintenance Systems, Inc.; and Does 1 through 50 inclusive*, Case No. 37-2019-00045619-CU-OE-CTL, pending in the Superior Court of California, County of San Diego.”

The Request for Exclusion must be completed, signed, dated, and returned to the Claims Administrator. **THE REQUEST FOR EXCLUSION MUST BE MAILED VIA FIRST-CLASS MAIL AND POSTMARKED NO LATER THAN MARCH 3, 2022.**

Any person who submits a timely Request for Exclusion shall, upon receipt, no longer be a member of the Settlement Class, shall be barred from participating in any portion of the Settlement, and shall receive no money from the Settlement. Any such person, at his/her own expense, may pursue any claims he/she may have against PMS. However, there are deadlines to pursuing such claims, known as statutes of limitation. Please consult an attorney of your choice to ensure you are not forever barred from pursuing a claim if you decide to opt out of this Settlement.

13. HOW DO I OBJECT TO THE SETTLEMENT?

You may object to the terms of the Settlement before final approval. If you choose to object to the Settlement, you may represent yourself or hire your own attorney. If you wish to object to the settlement, you must file a written objection.

You must file these documents, along with any briefs, exhibits, and/or other material that you wish the Court to consider, with the Superior Court of California for the County of San Diego at the Hall of Justice, located at 330 West Broadway, Department C-65, San Diego, CA 92101. In addition, you must send copies to Class Counsel and Defendant’s Counsel identified in #15 below. Copies of any documents filed with the Court in this Litigation should be sent to the Settlement Administrator listed below.

Any written objections should state each specific reason for your objection and any legal support for each objection. Your objection must also state your full name, address, and the dates of your employment by PMS in California. To be valid and effective, any objections to the proposed Settlement must be filed with the Clerk of the Court and served upon each of the above-listed attorneys no later than **March 3, 2022**.

IF THE COURT REJECTS YOUR OBJECTION AND APPROVES THE SETTLEMENT, YOU WILL BE BOUND BY THE TERMS OF THE SETTLEMENT.

14. WHAT CLAIMS DO I RELEASE IF I PARTICIPATE IN THE SETTLEMENT?

Upon the final approval of the Settlement by the Court, all Class Members who do not opt out of the Settlement will release and discharge Released Parties, as defined above, from any and all claims, demands, rights, liabilities, and causes of action that were pled in the Complaint and First Amended Complaint (altogether, the Operative Complaint), or which could have been pled in the Operative Complaint based on the factual allegations therein, including all of the following claims for relief: (i) failure to provide meal periods; (ii) failure to provide rest periods; (iii) failure to pay minimum and regular wages; (iv) failure to pay all overtime wages; (v) failure to pay reporting time; (vi) failure to indemnify employees for necessary business expenses; (vii) failure to provide accurate itemized wage statements; (viii) failure to pay all wages due upon separation from employment; (ix) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the Operative Complaint; and (x) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief. These claims include, but are not limited to, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802; the California Business and Professions Code § 17200, *et seq.*; and all related provisions of the applicable IWC Wage Order and the California Code of Regulations. The PAGA Aggrieved Employees will also release all claims under the California Labor Code Private Attorneys General Act of 2004 (California Labor Code sections 2698 *et seq.*) that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the Operative Complaint. This period covered by this release includes August 29, 2015 through June 9, 2021.

15. WHO ARE THE LAWYERS REPRESENTING THE PARTIES?

Attorneys for Plaintiffs & the Class are:

GRAHAMHOLLIS APC

Graham S. P. Hollis

ghollis@grahamhollis.com

Vilmarie Cordero

vcordero@grahamhollis.com

Hali M. Anderson

handerson@grahamhollis.com

3555 Fifth Avenue, Ste 200

San Diego, CA 92103

Telephone: (619) 274-8225

Attorney for Professional Maintenance
Systems, Inc. is:

Amy Wintersheimer Findley

ALLEN MATKINS LECK GAMBLE

MALLORY & NATSIS LLP

One America Plaza

600 West Broadway, 27th Floor

San Diego, CA 92101

Copies of any documents filed with the Court in this Litigation should be sent to the above-listed counsel.

16. WHO IS THE SETTLEMENT ADMINISTRATOR?

Headley v. Professional Maintenance Systems, Inc.

c/o CPT Group, Inc.

50 Corporate Park

Irvine, CA 92606

1 (888) 464-0335

If you move after receiving this notice, or if it was incorrectly addressed, please provide your correct address to the Settlement Administrator.

17. FINAL SETTLEMENT APPROVAL HEARING.

The Court will hold a hearing to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. This hearing will take place at the Superior Court of California for the County of San Diego, located at 330 West Broadway, Department C-65, San Diego, CA 92101 at 8:30 a.m. on April 15, 2022. The Court also will be asked to approve Class Counsel's request for attorneys' fees and reimbursement of costs and expenses and the service awards to be paid to Plaintiffs. The hearing may be continued without further notice to the Settlement Class. It is not necessary for you to appear at this hearing. For up-to-date information regarding appearing remotely during the Covid-19 Pandemic, please visit: <https://www.sdcourt.ca.gov/sdcourt/generalinformation/covid-19info> .

18. ADDITIONAL INFORMATION.

The above is a summary of the basic terms of the Settlement. A complete copy of the Settlement Agreement may be obtained from the Settlement Administrator or Class Counsel.

PLEASE DO NOT TELEPHONE OR WRITE THE COURT, PMS OR ITS ATTORNEYS FOR INFORMATION REGARDING THIS SETTLEMENT. ALL QUESTIONS REGARDING THE SETTLEMENT SHOULD BE DIRECTED TO THE SETTLEMENT ADMINISTRATOR OR CLASS COUNSEL.

EXHIBIT B

GRAHAMHOLLIS APC
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Attorneys for Plaintiff Christian Headley

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

08/29/2019 at 10:54:03 AM

Clerk of the Superior Court
By Linda Sheffa, Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

CHRISTIAN HEADLEY, individually and on
behalf of all similarly situated employees of
Defendants in the State of California,

Plaintiff,

v.

PROFESSIONAL MAINTENANCE
SYSTEMS, INC.; and DOES 1 THROUGH
50, inclusive,

Defendants.

Case No.: 37-2019-00045619-CU-OE-CTL

Unlimited Civil
Amount Demanded exceeds \$25,000.00

COMPLAINT

CLASS ACTION
[Cal. Code Civ. Proc. § 382]

1. Failure to Provide Meal Periods;
2. Failure to Provide Rest Periods;
3. Failure to Pay Minimum and Regular Wages;
4. Failure to Pay All Overtime Wages;
5. Failure to Pay Reporting Time Pay;
6. Failure to Indemnify Necessary Business Expenses;
7. Failure to Provide Accurate Itemized Wage Statements;
8. Failure to Timely Pay All Wages Due Upon Separation of Employment;
9. Violation of Business & Professions Code §17200, *et seq.*; and

– JURY TRIAL DEMANDED –

CHRISTIAN HEADLEY, individually and on behalf of all other similarly situated employees of PROFESSIONAL MAINTENANCE SYSTEMS, INC., and DOES 1 through 50, inclusive, alleges as follows:

I. INTRODUCTION

1. Plaintiff CHRISTIAN HEADLEY (“Plaintiff”) brings this individual and putative class action against Defendants PROFESSIONAL MAINTENANCE SYSTEMS, INC., and DOES 1 through 50, inclusive (collectively, “Defendants”), for engaging in a pattern of wage and hour violations under the California Labor Code and the applicable Industrial Welfare Commission (“IWC”) Wage Orders; on information and belief, IWC Wage Order No. 5.

2. Plaintiff brings this action on behalf of all non-exempt employees, who were employed by Defendants in the State of California and who worked as a non-exempt employee during the applicable relevant time period (hereinafter “similarly situated employees”).

3. Plaintiff is informed and believes, and on that basis alleges, that Defendants decreased their employment-related costs by systematically violating California wage and hour laws and engaging in unlawful and unfair business practices.

4. Defendants’ systematic pattern of Labor Code and IWC Wage Order violations toward Plaintiff and other similarly situated employees in California include, but are not limited to:

- a. Failure to provide a first off-duty meal period of at least 30-minutes before the commencement of the sixth hour of work;
- b. Failure to authorize and permit off-duty paid rest periods;
- c. Failure to pay all minimum and regular wages for all hours worked;
- d. Failure to pay all overtime wages;
- e. Failure to pay reporting time pay;
- f. Failure to indemnify necessary business expenses;
- g. Failure to maintain accurate records;
- h. Failure to provide accurate itemized wage statements; and
- i. Failure to timely pay all wages due during and upon separation of employment.

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II. PARTIES

7. Plaintiff is a former employee of Defendants, who, at all relevant times, was employed as a janitor and worked for Defendants in a non-exempt position in San Diego County.

9. At all relevant times, Plaintiff and, on information and belief, other similarly situated employees of Defendants in California were subject to the same policies, practices, and procedures governing their employment and their payment of wages and hours worked.

10. Defendant PROFESSIONAL MAINTENANCE SYSTEMS, INC. is a California company with its principal place of business in San Diego, California, operating and doing business in the state of California, including San Diego County, California.

11. Defendants' wrongful conduct, as alleged herein, occurred in the County of San Diego and in the State of California.

12. Plaintiff is informed and believes, and thereon alleges, that each Defendants, whether named or fictitious, is and, at all relevant times, was authorized to do business and did business in the State of California and was Plaintiff's and other similarly situated employees' "employer" as defined in and subject to the California Labor Code and the applicable IWC Wage Order.

13. Each of the fictitiously named Defendants participated in the acts alleged in this Complaint. The true names and capacities of the Defendants named as DOES 1 through 50, inclusive, are presently

1 unknown to Plaintiff. Plaintiff will amend this Complaint, setting forth the true names and capacities of
2 the fictitious Defendants, if and when their true names and capacities are ascertained. Plaintiff is informed
3 and believes, and on that basis alleges, that each of the fictitious Defendants participated in the acts alleged
4 in this Complaint.

5 14. Plaintiff and all other similarly situated employees are, and at all relevant times were, non-
6 exempt employees of each Defendants, including DOES 1 through 50, within the meanings set forth in
7 the California Labor Code and applicable IWC Wage Order.

8 15. Plaintiff is informed and believes that at all relevant times, each Defendants, whether
9 named or fictitious, was the agent, employee or other person acting on behalf of every other Defendants,
10 and, in participating in the acts alleged in this Complaint, acted within the scope of such agency or
11 employment and ratified the acts of each other Defendant.

12 16. Plaintiff is informed and believes that at all relevant times, each Defendants, whether
13 named or fictitious, exercised control over Plaintiff's and other similarly situated employees' wages, hours
14 and/or working conditions.

15 17. Plaintiff is further informed and believes that at all relevant times, each Defendants,
16 whether named or fictitious, acted as the agent for the other Defendants, carried out a joint scheme,
17 business plan or policy, and the acts of each Defendants are legally attributable to the other Defendants.

18 18. Each Defendants, whether named or fictitious, was the alter ego of each of the other
19 Defendants at all relevant times herein.

20 19. A unity of interest and ownership between each Defendants, whether named or fictitious,
21 exists such that all Defendants acted as a single employer of Plaintiff and all other similarly situated
22 employees.

23 **III. JURISDICTION AND VENUE**

24 20. This Court has subject-matter jurisdiction to hear this case because Plaintiff is informed
25 and believes that the monetary damages and restitution sought herein for Defendants' conduct exceeds the
26 minimum jurisdictional limits of the Superior Court.

27 21. Venue is proper in San Diego County pursuant to Code of Civil Procedure §§ 395(a) and
28 395.5 because Defendants maintain offices and transact substantial business in San Diego County,

Defendants employed Plaintiff and other similarly situated employees in San Diego County, and the unlawful acts alleged herein that arose in San Diego County have a direct effect on Plaintiff and other similarly situated employees within San Diego County.

IV. GENERAL ALLEGATIONS

22. Plaintiff is a former employee of Defendants who worked as a day porter/glass washer from approximately January 2016 to May 2017. Plaintiff was assigned and placed to work at Ambrix, Inc. in La Jolla, California.

23. As a day porter/glass washer, Plaintiff was responsible for lab operations, lab maintenance, facilities operations, and facilities maintenance.

24. At all times, Plaintiff was a non-exempt employee and was compensated on an hourly basis. Plaintiff initially earned \$11.50 per hour, and ended his employment earning approximately \$15.00 per hour.

25. Defendants denied Plaintiff and, on information and belief, other similarly situated current and former non-exempt employees, certain rights afforded to them under the California Labor Code and IWC Wage Order. Specifically, Defendants did not properly compensate Plaintiff and other similarly situated current and former non-exempt employees for all hours worked, failed to provide compliant meal and rest periods, failed to indemnify all necessary business expenses, failed to provide accurate itemized wage statements, and failed to pay all wages due and owing by the times set forth by law.

26. Plaintiff and, on information and belief, other similarly situated employees of Defendants did not sign a valid on-duty meal period agreement at any point during their employment with Defendants, nor did they properly waive any of their meal periods.

27. Defendants did not have a written meal break policy that complied with California law.

28. Defendants had a pattern and practice of not providing Plaintiff and, on information and belief, other similarly situated employees with legally compliant meal periods, even though Plaintiff and other similarly situated employees worked more than six (6) hours during their workday.

29. Pursuant to Defendants' policies and procedures, Defendants did not provide Plaintiff and, on information and belief, other similarly situated employees the opportunity to take compliant 30-minute, off-duty meal periods before the end of the fifth hour of work. Instead, Defendants expected Plaintiff and,

1 on information and belief, other similarly situated employees to work through meal periods. In addition,
2 Plaintiff was always the only day porter on duty, and therefore was not relieved of all duties and afforded
3 the opportunity to take 30-minute, off-duty meal periods before the start of his sixth hour of work.

4 30. Upon information and belief, Defendants employed the use of an auto-deduct system,
5 thereby automatically deducting 30 minutes of time for an uncompensated meal period even though
6 Plaintiff and, on information and belief, other similarly situated employees, were not provided meal
7 periods.

8 31. As a result, Plaintiff and, on information and belief, other similarly situated employees
9 were regularly required to work through their meal periods, take a meal period more than five hours after
10 they started working, take a meal period that was less than thirty minutes long, or did not receive a meal
11 period at all.

12 32. Thus, as a result of Defendants' illegal policies, Plaintiff and, on information and belief,
13 other similarly situated employees were denied the opportunity to take legally compliant thirty-minute
14 meal periods, in violation of the applicable Wage Order.

15 33. Defendants did not have a written rest break policy that complied with California law.

16 34. For the same reasons Defendants did not authorize or permit Plaintiff and, on information
17 and belief, other similarly situated employees to take legally compliant meal periods, Defendants also had
18 a pattern and practice of failing to authorize and permit Plaintiff and, on information and belief, other
19 similarly situated employees to take legally compliant rest periods of at least 10 minutes for every four-
20 hour work period, or major fraction thereof.

21 35. Thus, as a result of Defendants' illegal policies, Plaintiff and, on information and belief,
22 other similarly situated employees were not authorized or permitted to take legally compliant rest periods,
23 in violation of the applicable Wage Order.

24 36. Although Plaintiff and, on information and belief, other similarly situated employees' meal
25 and rest periods were regularly late, short, interrupted, or not provided at all, Defendants did not
26 compensate Plaintiff and, on information and belief, other similarly situated employees an additional hour
27 of pay at their regular rate of pay for the times that Plaintiff and other similarly situated employees were
28 not authorized or permitted to take a compliant and timely meal or rest period, in violation of Labor Code

1 § 226.7.

2 37. Plaintiff and, on information and belief, other similarly situated employees regularly
3 worked more than eight hours a day and/or more than forty hours a week.

4 38. Defendants failed to properly pay Plaintiff and, on information and belief, other similarly
5 situated employees at least minimum, regular and overtime wages owed for all time suffered or permitted
6 to work through and during their meal periods and rest periods. Despite the fact that all time spent
7 performing these duties was compensable work hours, Defendant did not count this time as hours worked
8 and provided no remuneration.

9 39. Furthermore, Plaintiff and, on information and belief, other similarly situated employees
10 were not paid all minimum, regular, and overtime wages because Defendants failed to pay them for various
11 tasks that they performed while they were off-duty. For example, Defendants required Plaintiff to be on
12 call and to report back to work when an alarm went off in his department and was not compensated for
13 his time responding to the call.

14 40. Defendants failed to pay Plaintiff and, on information and belief, other similarly situated
15 employees reporting time pay for being on-call. For example, after Plaintiff's scheduled shift ended,
16 Defendants required Plaintiff to remain on call and respond to any calls from Ambrix. As a result, Plaintiff
17 and, on information and belief, other similarly situated employees were required to make time available
18 for Defendants and refrain from making other arrangements or plans for the day, but were not paid any
19 amount for this on-call time.

20 41. Defendants failed to indemnify Plaintiff and, on information and belief, other similarly
21 situated employees for all necessary expenses that were incurred in the discharge of their job duties. For
22 example, Plaintiff and, on information and belief, other similarly situated employees were required to use
23 their personal cell phones to communicate with their supervisors, clients, and vendors. In addition,
24 Plaintiff and, on information and belief, other similarly situated employees were required to use their
25 personal vehicles to travel between different job sites. Plaintiff and, on information and belief, other
26 similarly situated employees did not receive any reimbursement for the use of their personal cell phones
27 or vehicles, as required by California law.

28 ///

42. As a direct result of Defendants' illegal policies and procedures, Defendants failed to maintain accurate records reflecting all of Plaintiff's and, on information and belief, other similarly situated employees' time worked and wages earned, in violation of California law. On information and belief, Defendants failed to keep accurate records of Plaintiff's and other similarly situated employees' hours worked when Defendants failed to record the proper beginning and ending of each work and meal period, in addition to the total hours worked during the pay period, among others.

43. Defendants similarly failed to provide Plaintiff and, upon information and belief, other similarly situated employees with accurate itemized wage statements. For example, the wage statements issued by Defendants do not include the accurate total regular and overtime hours worked, the accurate hourly rates and corresponding number of hours worked at each hourly rate, or the correct amount of gross and net wages earned. The wage statements issued by Defendants also do not accurately set forth the hours worked during meal breaks and their correct corresponding rates of pay.

44. On information and belief, the wage statement omissions and inaccuracies were not a result of an isolated and unintentional payroll error due to an inadvertent mistake, but rather a result of knowing and intentional omissions by Defendants. In addition, and as a result of these omissions and inaccuracies, Plaintiff and, on information and belief, other similarly situated employees were not promptly and easily able to determine the correct hours worked and/or determine the accurate wages due and owing without reference to other documents and information.

45. To this date, Defendants have not paid Plaintiff and, on information and belief, other similarly situated employees all wages owed, including all minimum, regular and overtime wages, and meal and rest period premium wages.

46. Defendants maintained a pattern and practice of failing to pay Plaintiff and, on information and belief, other similarly situated employees all wages due and owing at the time of their separation of employment within the time specified by Labor Code §§ 201 and 202 because Defendants failed to pay Plaintiff and, on information and belief, other similarly situated employees all wages due and owing at the time of termination of their employment.

47. Based on the foregoing violations of the Labor Code and the applicable IWC Wage Order, Defendants engaged in unfair business practices in California and willingly and knowingly engaged in an

1 employment pattern and practice that violated Business & Professions Code § 17200 *et seq.* Plaintiff and,
2 on information and belief, other similarly situated employees suffered damages due to Defendants' unfair,
3 unlawful and/or fraudulent actions.

4 **V. CLASS ACTION DESIGNATION**

5 48. Plaintiff re-alleges and incorporates by reference the allegations contained in the
6 paragraphs above, as though fully set forth herein.

7 49. Plaintiff brings Causes of Action One through Nine as a Class Action pursuant to California
8 Code of Civil Procedure § 382 on behalf of himself and all current and former employees of Defendants
9 in California and who worked as a non-exempt employee and who were affected by Defendants' Labor
10 Code, Business and Professions Code, and IWC Wage Order violations, as alleged herein.

11 50. Plaintiff seeks to represent the following Classes, which are defined as:

12 **The Non-Exempt Class:**

13 "All current and former non-exempt employees of Defendant
14 PROFESSIONAL MAINTENANCE SYSTEMS, INC. who were
15 employed at any time from 4 years from the date of filing of this Complaint
16 through the present"

17 51. Plaintiff also seeks to represent the following Subclass, which is defined as:

18 **The Waiting Time Penalties Subclass:**

19 "All members of the Non-Exempt Class, whose employment with
20 Defendant PROFESSIONAL MAINTENANCE SYSTEMS, INC. ended at
21 any time from 3 years from the date of filing of this Complaint through the
22 present."

23 52. **Reservation of Rights:** Pursuant to California Rule of Court 3.765(b), Plaintiff reserves
24 the right to amend or modify the class definitions with greater specificity, by further division into
25 subclasses, and/or limitation to particular issues.

26 53. Causes of Action One through Nine are appropriately suited for a class action pursuant to
27 § 382 of the Code of Civil Procedure because the following requirements are met:

28 ///

1 **A. Numerosity**

2 54. The members of the Classes are sufficiently numerous to render the joinder of all their
3 members impracticable. While Plaintiff has not yet determined the precise number of members of the
4 Classes, Plaintiff is informed and believes that the Classes likely consist of over 100 individuals. Although
5 the exact number is currently unknown to Plaintiff, this information is easily ascertainable from
6 Defendants' time and payroll records and other personnel records.

7 **B. Commonality and Predominance**

8 55. Common questions of law and fact exist as to all class members and predominate over any
9 questions affecting only individual members of the Class or Subclass. The common questions of law and
10 fact that predominate include, but are not limited to:

- 11 a. Whether Defendants failed to permit Non-Exempt Class members to uninterrupted
12 and duty-free, thirty-minute meal periods before the commencement of the sixth
13 hour of work;
- 14 b. Whether Defendants failed to permit Non-Exempt Class members to take off-duty
15 rest periods of at least 10 minutes for every four hours worked, or major fraction
16 thereof;
- 17 c. Whether Defendants failed to pay one additional hour of pay at the employees'
18 regular rate of compensation to Non-Exempt Class members when they were not
19 provided with compliant and timely meal and rest periods;
- 20 d. Whether Defendants failed to pay Non-Exempt Class members at least minimum
21 wages and/or all regular wages owed for all hours or fractions of an hour worked
22 and under the control of Defendants;
- 23 e. Whether Defendants failed to pay Non-Exempt Class members all overtime wages
24 for all hours, or fraction of hours, worked and under the control of Defendants;
- 25 f. Whether Defendants failed to pay Non-Exempt Class members reporting time pay
26 for working on-call shifts;
- 27 g. Whether Defendants failed to indemnify Non-Exempt Class members for necessary
28 business expenses incurred in direct consequence of the discharge of their duties;

- h. Whether Defendants failed to properly and accurately record and maintain records of all hours worked and wages earned by Non-Exempt Class members;
- i. Whether Defendants failed to provide Non-Exempt Class members with accurate itemized wage statements showing, among other things, the number of hours worked and the correct amount of gross and net wages earned; and
- j. Whether Defendants failed to pay Waiting Time Penalties Subclass members all of their wages owed within the required time frames upon separation of employment.

C. Typicality

56. Plaintiff's claims are typical of the claims of all class members because Plaintiff and all class members' claims arise from the same event, practice and/or course of conduct of Defendants. Plaintiff and all class members sustained injuries and damages as a result of Defendants' illegal policies, practices and/or common course of conduct in violation of California wage and hour laws and/or illegal, unfair, or fraudulent business practices.

57. Furthermore, Plaintiff's claims under the Labor Code and the applicable IWC Wage Order are typical of the Class and Subclass because Defendants' failure to comply with the provisions of California's wage and hour laws entitles Plaintiff and each class member to similar pay, benefits, and other relief. Accordingly, the legal theories underlying each cause of action are the same and the remedies sought by Plaintiff and all class members are the same.

D. Adequacy of Representation

58. Plaintiff has no fundamental conflict of interest with the Class or Subclass he seeks to represent. Plaintiff will adequately protect the interests of all class members because it is in Plaintiff's best interest to prosecute the claims alleged herein to obtain full compensation and penalties due to him and putative class members.

59. Plaintiff retained attorneys who are experienced employment law litigators with significant wage and hour and class action experience.

E. Superiority of Class Action

60. Plaintiff believes a class action is a superior method of litigation for the fair and efficient adjudication of this controversy. Individual joinder of all class members is not practicable. Class action

1 treatment will allow similarly situated employees to litigate their claims in the manner that is most efficient
2 and economical for the parties and the judicial system.

3 61. Plaintiff knows of no difficulty that might be encountered in the management of this suit,
4 which would preclude maintenance as a class action.

5 **VI. CAUSES OF ACTION**

6 **FIRST CAUSE OF ACTION**

7 **FAILURE TO PROVIDE MEAL PERIODS**

8 (Violation of Labor Code §§ 226.7, 512, and 1198 and the “Meal Periods” section of the
9 Applicable IWC Wage Order)

10 (Alleged By Plaintiff Individually and On Behalf of the Non-Exempt Class Against Defendants)

11 62. Plaintiff re-alleges and incorporates by reference the allegations contained in the
12 paragraphs above, as though fully set forth herein.

13 63. Labor Code § 512(a) provides, in part, that employers, including Defendants, “may not
14 employ an employee for a work period of more than five hours per day without providing an employee
15 with a meal period of not less than 30 minutes” and “may not employ an employee for a work period of
16 more than 10 hours per day without providing the employee with a second meal period of not less than 30
17 minutes.”

18 64. Labor Code § 226.7 requires that employers, including Defendants, provide their
19 employees with meal periods as mandated by the applicable Wage Order of the Industrial Welfare
20 Commission, and prohibits employers from requiring any employee “to work during any meal ... period
21 mandated by an applicable order of the Industrial Welfare Commission.” Labor Code § 226.7(c) states,
22 “[i]f an employer fails to provide an employee a meal ... period in accordance with a state law... the
23 employer shall pay the employee one additional hour of pay at the employee’s regular rate of
24 compensation for each workday that the meal ... period is not provided.”

25 65. Labor Code § 1198 states that the “maximum hours of work and standard conditions of
26 labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor
27 for employees. The employment of any employee for longer hours than those fixed by the order or under
28 conditions of labor prohibited by the order is unlawful.”

66. The “Meal Periods” section of the applicable IWC Wage Order states, “[n]o employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day’s work the meal period may be waived by mutual consent of the employer and the employee.” It further states, “[a]n employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of employer and employee only if the first meal period was not waived.”

67. The “Meal Periods” section of the applicable IWC Wage Order further states, “[u]nless the employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an ‘on duty’ meal period and counted as time worked. An ‘on duty’ meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.”

68. The “Meal Periods” section of the applicable IWC Wage Order also states, “[i]f an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the meal period is not provided.”

69. On information and belief, Plaintiff and the Non-Exempt Class were subject to the same policies, practices, and procedures governing the provision and scheduling of meal periods.

70. On information and belief, Defendants had a pattern and practice of not providing Plaintiff and the Non-Exempt Class with legally compliant 30-minute off-duty meal periods during their shifts, even though they worked more than six (6) hours during their workday.

71. Plaintiff and, on information and belief, the Non-Exempt Class were unable to take compliant meal periods as a result of Defendants’ policies alleged herein. For example, Defendants’ illegal policies required Plaintiff and, on information and belief, the Non-Exempt Class to remain on duty at all times during their meal periods, or not take them at all.

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72. Thus, as a result of Defendants' policies, Plaintiff's and Non-Exempt Class members' meal periods were regularly on-duty or not taken.

73. Plaintiff and, on information and belief, the Non-Exempt Class members did not sign a valid on-duty meal period agreement at any point during their employment with Defendant.

74. Therefore, as a result of Defendants' conduct, including the conduct alleged herein, Defendants violated Labor Code §§ 226.7, 512, and 1198, as well as the applicable IWC Wage Order when Defendants failed to provide Plaintiff and the Non-Exempt Class members a 30-minute, duty-free meal period before the commencement of their sixth hour of work.

75. Consequently, pursuant to Labor Code § 226.7(b) and the "Meal Periods" section of the Wage Order, Defendants was required to pay Plaintiff and the Non-Exempt Class one additional hour of pay at their regular rate of compensation for each day that Defendants did not provide Plaintiff and the Non-Exempt Class with a 30-minute, duty-free meal period before the commencement of their sixth hour of work.

76. Despite this obligation, Defendants did not pay Plaintiff and, on information and belief, the Non-Exempt Class one additional hour of pay at each employee's regular rate of compensation for each day that Defendants did not provide Plaintiff and the Non-Exempt Class with a 30-minute, duty-free meal period before the commencement of their sixth hour of work.

77. Instead, on information and belief, Defendants had a common policy and practice of failing to compensate Plaintiff and the Non-Exempt Class with an hour of pay at their regular rate of pay for the times that Defendants did not provide Plaintiff and the Non-Exempt Class with a 30-minute, duty-free meal period before the commencement of their sixth hour of work, as required by Labor Code § 226.7(b) and the IWC Wage Order.

78. Thus, on information and belief, Defendants intentionally refused to perform their obligations to provide meal periods and further failed to compensate Plaintiff and the Non-Exempt Class with all owed meal premium wages as set forth by Labor Code § 226.7(b) and the IWC Wage Order.

79. Plaintiff and the Non-Exempt Class suffered and continue to suffer losses related to Defendants' failure to pay an additional hour of pay for each day a legally compliant meal period was not provided and the associated use and enjoyment of compensation due and owing to them as a direct result

1 of Defendants' Labor Code and IWC Wage Order violations.

2 80. Plaintiff seeks all available remedies for Defendants' violations, including, but not limited
3 to, all wages due, monies, and interest to the extent permitted by law.

4 WHEREFORE, Plaintiff prays for relief as hereinafter requested.

5 **SECOND CAUSE OF ACTION**

6 **FAILURE TO PROVIDE REST PERIODS**

7 (Violation of Labor Code §§ 226.7 and 1198 and the "Rest Periods" section
8 of the Applicable IWC Wage Order)

9 (Alleged By Plaintiff Individually and On Behalf of the Non-Exempt Class Against Defendants)

10 81. Plaintiff re-alleges and incorporates by reference the allegations contained in the
11 paragraphs above, as though fully set forth herein.

12 82. Labor Code § 226.7 requires employers, including Defendants, to provide to their
13 employees, including Plaintiff, paid rest periods as mandated by the IWC Wage Orders.

14 83. Labor Code § 1198 states that the "maximum hours of work and standard conditions of
15 labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor
16 for employees. The employment of any employee for longer hours than those fixed by the order or under
17 conditions of labor prohibited by the order is unlawful."

18 84. The "Rest Periods" section of the applicable IWC Wage Order states, "[e]very employer
19 shall authorize and permit employees to take rest periods, which insofar as practicable shall be in the
20 middle of each work period. The authorized rest period time shall be based on the total hours worked daily
21 at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof." Furthermore,
22 "[i]f an employer fails to provide an employee a rest period in accordance with the applicable provisions
23 of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of
24 compensation for each workday that the rest period is not provided."

25 85. On information and belief, Plaintiff and the Non-Exempt Class are subject to the same
26 policies, practices, and procedures governing the provision and scheduling of rest periods.

27 86. For the same reasons Defendants did not authorize and permit Plaintiff and, on information
28 and belief, the Non-Exempt Class members from taking legally compliant meal periods, Plaintiff and, on

1 information and belief, the Non-Exempt Class members were also not authorized and permitted to take
2 compliant rest periods.

3 87. Labor Code § 226.7(c) states, “[i]f an employer fails to provide an employee a ... rest ...
4 period in accordance with a state law... the employer shall pay the employee one additional hour of pay
5 at the employee’s regular rate of compensation for each workday that the rest ... period is not
6 provided.”

7 88. Even though Plaintiff and, on information and belief, Non-Exempt Class members were
8 not authorized and permitted to take off-duty rest periods, Defendants did not pay Plaintiff and the Non-
9 Exempt Class appropriate rest period premium wages for each day in which Defendants did not authorize
10 and permit Plaintiff and the Non-Exempt Class to take compliant rest periods, in violation of Labor Code
11 § 226.7 and the applicable IWC Wage Order.

12 89. On information and belief, Defendants had a common policy, pattern, and practice of
13 failing to compensate Plaintiff and the Non-Exempt Class with an hour of pay at their regular rate of pay
14 for the times that Plaintiff and the Non-Exempt Class were not authorized to take rest periods of at least
15 10 minutes for each four-hour work period, or major fraction thereof.

16 90. Plaintiff and the Non-Exempt Class suffered and continue to suffer losses related to
17 Defendants’ failure to pay an additional hour of pay for each day a rest period was not provided and the
18 associated use and enjoyment of compensation due and owing to them as a direct result of Defendants’
19 Labor Code and IWC Wage Order violations.

20 91. Plaintiff seeks all available remedies for Defendants’ violations including, but not limited
21 to, any and all wages due, monies, and interest, to the extent permitted by law.

22 WHEREFORE, Plaintiff prays for relief as hereinafter requested.

23 **THIRD CAUSE OF ACTION**

24 **FAILURE TO PAY MINIMUM AND REGULAR WAGES**

25 (Violation of Labor Code §§ 1194, 1197, and 1198 and the “Minimum Wages” section of the
26 Applicable IWC Wage Order)

27 (Alleged By Plaintiff Individually and On Behalf of the Non-Exempt Class Against Defendants)

28 92. Plaintiff re-alleges and incorporates by reference the allegations contained in the

1 paragraphs above, as though fully set forth herein.

2 93. Labor Code § 1197 provides, “[t]he minimum wage for employees fixed by the
3 commission is the minimum wage to be paid to employees, and the payment of a less wage than the
4 minimum wage so fixed is unlawful.”

5 94. The “Minimum Wages” section of the applicable IWC Wage Order provides that an
6 employer may not pay employees less than the applicable minimum for all hours worked.

7 95. The applicable IWC Wage Order defines the term “hours worked” as “the time during
8 which an employee is subject to the control of an employer, and includes all the time the employee is
9 suffered or permitted to work, whether or not required to do so.”

10 96. Furthermore, pursuant to Labor Code § 1198, “[t]he maximum hours of work and the
11 standard conditions of labor fixed by the commission shall be the maximum hours of work and the
12 standard conditions of labor for employees. The employment of any employee for longer hours than those
13 fixed by the order or under conditions of labor prohibited by the order is unlawful.”

14 97. Defendants failed to pay Plaintiff and, on information and belief, Non-Exempt Class
15 members at least minimum wages for all the time spent working and under the control of Defendants.
16 Even though Plaintiff and, on information and belief, Non-Exempt Class members were required to work
17 through their meal and rest periods, Defendants did not count this time as hours worked. In addition,
18 Plaintiff and, on information and belief, Non-Exempt Class members were not paid all minimum and
19 regular wages because Defendants failed to pay them for various tasks that they performed while they
20 were off-duty. As a result, Plaintiff and, on information and belief, Non-Exempt Class members did not
21 receive the statutory minimum wage for all time suffered or permitted to work because they were not
22 properly compensated at their regular rate of pay for the time they spent working through their meal and
23 rest periods and while they were off-duty.

24 98. Labor Code § 1194 provides, in part, that any employee receiving less than the legal
25 minimum wage is entitled to recover in a civil action the unpaid balance of the minimum wage, including
26 interest thereon, reasonable attorney’s fees, and costs of suit.

27 99. Labor Code § 1194.2 allows an employee to recover liquidated damages in an amount
28 equal to the wages unlawfully unpaid and interest thereon for any action under Labor Code § 1194.

101. Plaintiff seeks all available remedies for Defendants' violations including, but not limited to, any and all wages due, monies, interest, liquidated damages, attorney's fees, and costs to the extent permitted by law.

WHEREFORE, Plaintiff prays for relief as hereinafter requested.

FOURTH CAUSE OF ACTION

FAILURE TO PAY ALL OVERTIME WAGES

(Violation of Labor Code §§ 510, 1194, and 1198, and the “Hours and Days of Work” section of the Applicable IWC Wage Order)

(Alleged By Plaintiff Individually and On Behalf of the Non-Exempt Class Against All Defendants)

102. Plaintiff re-alleges and incorporates by reference the allegations contained in the paragraphs above, as though fully set forth herein.

103. Labor Code § 510 provides, “[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” The “Hours and Days of Work” section of the applicable IWC Wage Order mandate the same requirements.

104. Labor Code § 1194 provides that any employee receiving less than the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit.

/ / /

FIFTH CAUSE OF ACTION

FAILURE TO PAY REPORTING TIME PAY

(Violation of Labor Code § 1199, and the “Reporting Time Pay” section of the Applicable IWC Wage Order)

(Alleged By Plaintiff Individually and on Behalf of the Non-Exempt Class Against Defendants)

110. Plaintiff re-alleges and incorporates by reference the allegations contained in the paragraphs above, as though fully set forth herein.

1 less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual
2 or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the
3 employee’s regular rate of pay, which shall not be less than the minimum wage.”

4 112. Labor Code § 1199 makes it unlawful for any employer “or other person acting either
5 individually or as an officer, agent, or employee of another person” to require or cause “any employee to
6 work for longer hours than those fixed, or under conditions of labor prohibited by an order of the
7 commission,” pay or cause “to be paid to any employee a wage less than the minimum fixed by an order
8 of the commission” or violate or refuse or neglect “to comply with any provision of this chapter or any
9 order or ruling of the commission.”

10 113. In *Ward v. Tilly’s, Inc.*, No. B280151, 2019 WL 421743 (Cal. Ct. App., Feb. 4, 2019), the
11 California Court of Appeal held that similar on-call shifts trigger the Wage Order’s reporting time pay
12 requirements. The court noted, “on-call shifts burden employees, who cannot take other jobs, go to school,
13 or make social plans during on-call shifts—but who nonetheless receive no compensation from [their
14 employer] unless they ultimately are called in to work. This is precisely the kind of abuse that reporting
15 time pay was designed to discourage.”

16 114. Defendants established and maintained a policy and practice of scheduling Plaintiff and,
17 on information and belief, Non-Exempt Class members for on-call shifts. Defendants scheduled Plaintiff
18 and, on information and belief, Non-Exempt Class members for on-call shifts several days per week and
19 expected them to be available and respond to any calls or emergencies.

20 115. Therefore, Plaintiff and, on information and belief, Non-Exempt Class members were
21 required to wait for Defendants to contact them and were unable to make other plans or arrangements for
22 the day. Over the course of their employment, Plaintiff and, on information and belief, Non-Exempt Class
23 members were not paid any amount for this on-call time.

24 116. As a direct and proximate result of Defendants’ actions set forth herein, Plaintiff and, on
25 information and belief, Non-Exempt Class members have been damaged in that they have not been paid
26 all required reporting time pay.

27 117. Plaintiff and Non-Exempt Class are entitled to recover the premium wages prescribed by
28 the “Reporting Time Pay” section of the applicable IWC Wage Order in an amount of no less than two

1 hours, nor greater than four, whichever is greater, for each such occurrence, for every non-exempt
2 employee.

3 118. Plaintiff seeks all available remedies for Defendants' violations including, but not limited
4 to any and all wages due, monies, interest, attorney's fees, and costs to the extent permitted by law.

5 WHEREFORE, Plaintiff prays for relief as hereinafter requested.

6 **FIFTH CAUSE OF ACTION**

7 **FAILURE TO INDEMNIFY NECESSARY BUSINESS EXPENSES**

8 (Violation of Labor Code § 2802)

9 (Alleged By Plaintiff Individually and on Behalf of the Non-Exempt Class Against Defendants)

10 119. Plaintiff re-alleges and incorporates by reference the allegations contained in the
11 paragraphs above, as though fully set forth herein.

12 120. Labor Code § 2802 requires an employer to indemnify its employees for all necessary
13 expenditures or losses incurred by an employee in direct consequence of the discharge of his or her duties
14 of employment.

15 121. Labor Code § 2802(b) states, "[a]ll awards made by a court ... for reimbursement of
16 necessary expenditures" shall carry interest, at the same rate as judgments in civil actions, and said interest
17 will accrue from the date on which the employee incurred the necessary expenditure including, but not
18 limited to, reasonable costs and attorney's fees incurred by the employee in enforcing their rights granted
19 pursuant to Labor Code § 2802. The exact amount of the necessary expenditures or losses is in an amount
20 to be proven at time of trial.

21 122. Furthermore, Labor Code § 2802(c) states, "[f]or the purposes of this section, the term
22 'necessary expenditures or losses' shall include all reasonable costs, including, but not limited to,
23 attorney's fees incurred by the employee enforcing the rights granted by this section."

24 123. Plaintiff and, on information and belief, members of the Non-Exempt Class incurred
25 business expenses in direct consequence of their job duties through the use of their personal vehicles and
26 cell phones.

27 124. On information and belief, Plaintiff and the Non-Exempt Class were required to use their
28 personal vehicles to drive from location to location and their personal cell phones to communicate with

Defendants about their duties and to provide updates. Despite Defendants' knowledge that Plaintiff and, on information and belief, Non-Exempt Class members were using their personal vehicles and cell phones for work related purposes, Defendants failed to reimburse them for these expenses in violation of Labor Code § 2802.

125. As a direct result of Defendants' violations alleged herein, Plaintiff and members of the Non-Exempt Class suffered and continue to suffer, substantial losses related to Defendants' failure to indemnify them for the expenses and losses, including the use and enjoyment of such monies, lost interest on such monies and expenses, and attorney's fees and costs in seeking to compel Defendants to fully perform its obligations under state law, all to their respective damage in amounts according to proof at trial and within the jurisdictional limitations of this Court.

126. Plaintiff seeks to recover in a civil action to the fullest extent permissible all available remedies including but not limited to the unpaid balance of the indemnification from Defendants' violations, interest thereon permitted by Labor Code § 2802(b), reasonable attorney's fees and costs of suit, declaratory relief, and any other permitted remedies including those permitted pursuant to Labor Code § 2802 and Code of Civil Procedure § 1021.5. The exact amount of reimbursements, interest, costs and attorney's fees will be in an amount to be proved at time of trial.

WHEREFORE, Plaintiff prays for relief as hereinafter requested.

SIXTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Violation of Labor Code §§ 226, 246, and 1198 and the "Records" section of the
Applicable IWC Wage Order)

(Alleged By Plaintiff Individually and On Behalf of the Non-Exempt Class Against All Defendants)

127. Plaintiff re-alleges and incorporates by reference the allegations contained in the paragraphs above, as though fully set forth herein.

128. Labor Code § 226(a) requires that employers, including Defendants, furnish their employees with each wage payment an accurate and itemized writing that shows gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the period for which the employee is paid, the name of the employee and the portion of his or her social security number, the name and

1 address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay
2 period and the corresponding number of hours worked at each hourly rate by the employee.

3 129. Labor Code § 226(e), in part, permits employees suffering injury to collect the greater of
4 all actual damages or the amount specified in Labor Code § 226 per violation.

5 130. Labor Code § 226(e)(2)(B) states, in pertinent part, “an employee is deemed to suffer injury
6 for purposes of this subdivision if the employer fails to provide accurate and complete information as
7 required by any one or more of items (1) to (9), inclusive, of subdivision (a) and the employee cannot
8 promptly and easily determine from the wage statement alone one or more of the following: (i) The amount
9 of the gross wages or net wages paid to the employee during the pay period or any of the other information
10 required to be provided on the itemized wage statement pursuant to items (2) to (4), inclusive, (6), and (9)
11 of subdivision (a).”

12 131. Labor Code § 226(h) states, “An employee may also bring an action for injunctive relief to
13 ensure compliance with this section, and is entitled to an award of costs and reasonable attorney's fees.”

14 132. As a direct result of Defendants’ illegal policies and procedures, Defendants’ failed to
15 maintain accurate records reflecting all of Plaintiff’s and, on information and belief, other similarly
16 situated employees’ time worked and wages paid, in violation of California law. In addition, the wage
17 statements issued by Defendants did not include the correct total regular and overtime hours worked, the
18 correct amount of gross and net wages earned, and all applicable hourly rates and the corresponding
19 number of hours worked at each hourly rate, as required under Labor Code § 226(a).

20 133. Defendants’ failure to provide accurate wage statements deprived Plaintiff and members
21 of the Non-Exempt Class of the ability to promptly and easily understand and question the calculation and
22 rate of pay and hours used to calculate the wages paid by Defendants. Plaintiff and members of the Non-
23 Exempt Class, therefore, had no way to dispute any error in the payment or calculation of their wages, all
24 of which resulted in an unjustified economic enrichment to Defendants, and Plaintiff and members of the
25 Non-Exempt Class suffered actual damages as a result.

26 134. Defendants’ failure to provide accurate itemized wage statements constitutes an injury as
27 defined under Labor Code § 226(e)(2)(B). Therefore, Plaintiff and members of the Non-Exempt Class
28 have suffered an injury for purposes of Labor Code § 226 and are entitled to recover the greater of all

1 actual damages or the amount specified in § 226 per violation.

2 135. Plaintiff and Non-Exempt Class members suffered and continue to suffer injuries, losses
3 and actual damages as a direct result of Defendants' Labor Code violations, including lost interest on such
4 wages, and expenses and attorney's fees in seeking to compel Defendants to fully perform their
5 obligations, in an amount to be shown according to proof at trial.

6 136. Plaintiff seeks to recover all available remedies including, but not limited to damages,
7 penalties, attorney's fees, costs, and injunctive relief to the fullest extent permitted by law.

8 WHEREFORE, Plaintiff prays for relief as hereinafter requested.

9 **EIGHTH CAUSE OF ACTION**

10 **FAILURE TO TIMELY PAY ALL WAGES DUE UPON SEPARATION OF EMPLOYMENT**

11 (Violations of Labor Code §§ 201, 202, 203)

12 (Alleged By Plaintiff Individually and On Behalf of the Waiting Time Penalties Subclass

13 Against Defendants)

14 137. Plaintiff re-alleges and incorporates by reference the allegations contained in the
15 paragraphs above, as though fully set forth herein.

16 138. Labor Code § 201 requires Defendants to immediately pay any wages, without abatement
17 or reduction, to any employee who is discharged. Labor Code § 202 requires Defendants to pay any and
18 all wages due and owing to an employee not having a written contract for a definite period, who quits his
19 or her employment, within 72 hours of the employee quitting his or her employment, unless the employee
20 has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled
21 to his or her wages at the time of quitting.

22 139. For violation of Labor Code §§ 201 and 202, Labor Code § 203 causes the unpaid wages
23 of an employee to continue as a penalty from the due date thereof, at the same rate until paid or until an
24 action is commenced, but the wages shall not continue for more than 30 days.

25 140. As a result of Defendants' conduct during the applicable statutory period, Defendants
26 willfully failed to pay Plaintiff and, on information and belief, the Waiting Time Penalties Subclass all
27 wages due and owing to them, including minimum wages, overtime wages, and regular wages for all the
28 time they were suffered or permitted to work or were engaged in work under Defendants' control, as well

as all meal period premiums and rest period premiums owed within the time required by Labor Code §§ 201 and 202, as applicable.

141. To date, Plaintiff has not yet received all wages due and payable, including but not limited to, minimum wages, overtime wages, regular wages, and meal and rest period premium wages owing to him. On information and belief, members of the Waiting Time Penalties Subclass have not yet received all minimum wages, overtime wages, regular wages, and meal and rest premium wages due and owing to them.

142. As a direct result of Defendants' violations alleged herein, Plaintiff and the Waiting Time Penalties Subclass members suffered and continue to suffer losses related to the use and enjoyment of wages due and owing to them, all to their respective damage in an amount to be shown according to proof at trial and within the jurisdictional limitations of this Court.

143. Plaintiff seeks all available remedies for Defendants' violations to the fullest extent permissible.

WHEREFORE, Plaintiff prays for relief as hereinafter requested.

NINTH CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE § 17200, *ET SEQ.*

(Alleged By Plaintiff Individually and on Behalf of the Non-Exempt Class Against Defendants)

144. Plaintiff re-alleges and incorporates by reference the allegations contained in the paragraphs above, as though fully set forth herein.

145. California Business & Professions Code § 17200, *et seq.*, prohibits acts of unfair competition, which includes any "unlawful, unfair or fraudulent business act or practice..."

146. Defendants' Labor Code and IWC Wage Order violations alleged herein constitute "unlawful, unfair or fraudulent business act or practices," which are prohibited by Business and Professions Code §§ 17200-17208 and include, but are not limited to: (i) failure to provide proper meal periods and pay Plaintiff and the Non-Exempt Class premium wages for failure to provide compliant meal periods; (ii) failure to provide proper rest periods and pay Plaintiff and the Non-Exempt Class premium wages for failure to provide compliant rest periods; (iii) failure to pay Plaintiff and the Non-Exempt Class all regular, minimum, and overtime wages for all hours suffered or permitted to work and under the control

1 of Defendant; (iv) failure to pay Plaintiff and the Non-Exempt Class reporting time pay; (v) failure to
2 indemnify Plaintiff and the Non-Exempt Class for necessary business expenses; (v) failure to maintain
3 accurate records of the hours that Plaintiff and the Non-Exempt Class worked while employed by
4 Defendant; (vi) failure to provide Plaintiff and the Non-Exempt Class with accurate itemized wage
5 statements; and (vii) failure to timely pay Plaintiff and members of the Waiting Time Penalties Subclass
6 all wages owed upon separation of their employment with Defendants.

7 147. Defendants intentionally avoided paying Plaintiff and the Non-Exempt Class all wages
8 and/or monies, and other financial obligations attached thereto, to create for Defendants an artificially
9 lower cost of doing business, and thus, undercut its competitors.

10 148. Defendants lowered their costs of doing business by paying Plaintiff and the Non-Exempt
11 Class an amount less than what is required by the California Labor Code and the applicable Wage Order
12 of the Industrial Welfare Commission, thereby unfairly forcing Plaintiff and Non-Exempt Class members
13 to perform work without fair compensation and benefits.

14 149. Defendants held themselves out to Plaintiff and the Non-Exempt Class as being
15 knowledgeable about, and adhering to, the employment laws of California at all times relevant herein.
16 Plaintiff and the Non-Exempt Class relied on and believed in Defendants' representation concerning
17 Defendants' adherence to the California laws, all to their detriment.

18 150. Defendants' scheme to lower its payroll and operation costs and thus profit, by withholding
19 money owed to the class and withholding wages, compensation and benefits, which are all the property
20 of Plaintiff and the Non-Exempt Class, in violation of the California Labor Code and the IWC Wage
21 Orders, as alleged herein, constitutes an "unlawful, unfair or fraudulent business act or practice," under
22 California Business and Professions Code § 17200, *et seq.* As a result of Defendants' unfair competition,
23 Plaintiff and the Non-Exempt Class suffered injury in fact by losing money and/or property.

24 151. Business and Professions Code § 17204, states, in relevant part, "[a]ctions for relief
25 pursuant to this chapter shall be prosecuted...by...a person who has suffered injury in fact and has lost
26 money or property as a result of the unfair competition."

27 152. Defendants acquired money and property owed to Plaintiff and the Non-Exempt Class by
28 means of an unlawful practice that constitutes unfair competition as defined by Business and Professions

1 Code § 17200, *et seq.*

2 153. Plaintiff and the Non-Exempt Class are persons in interest under Business and Professions
3 Code § 17203 to whom money and property should be restored. Business and Professions Code § 17203
4 states, in relevant part, that “any person may pursue representative claims or relief on behalf of others only
5 if the claimant meets the standing requirements of Section 17204.”

6 154. Plaintiff is a person who suffered injury in fact and lost money, wages, compensation, and
7 benefits, as a result of Defendants’ unfair competition. Thus, pursuant to Business and Professions Code
8 §§ 17203 and 17204, Plaintiff may pursue representative claims and relief on behalf of himself and the
9 putative classes.

10 155. Pursuant to Business and Professions Code § 17203, “[t]he court may make such orders or
11 judgments, as may be necessary to restore to any person in interest any money or property, real or personal,
12 which may have been acquired by means of such unfair competition.”

13 156. Defendants reaped unfair benefits and illegal profits at the expense of Plaintiff and the
14 Non-Exempt Class by committing the unlawful acts alleged herein. Thus, Defendants must make
15 restitution and/or be subject to other equitable relief pursuant to Business & Professions Code § 17203,
16 and restore all unpaid wages to Plaintiff and the Non-Exempt Class.

17 157. Plaintiff and the Non-Exempt Class suffered and continue to suffer loss of wages and
18 monies, all in an amount to be shown according to proof at trial and within the jurisdiction of this Court.

19 158. Plaintiff seeks all available remedies on behalf of himself and on behalf of the Non-Exempt
20 Class, including, but not limited to, restitution of all wages and all monies owed, all in an amount to be
21 shown according to proof at trial. All such remedies are cumulative of relief available under other laws,
22 pursuant to Business & Professions Code § 17205.

23 WHEREFORE, Plaintiff prays for relief as hereinafter requested.

24 **PRAYER FOR RELIEF**

25 WHEREFORE, Plaintiff prays for judgment against Defendants as follows:

- 26 a. For general damages;
27 b. For special damages;
28 c. For an award of liquidated damages to the extent permissible by Labor Code §

1194.2;

- d. For reasonable attorneys' fees, costs of suit, and interest to the extent permitted by law, including pursuant to Code of Civil Procedure § 1021.5, Labor Code §§ 218.5, 218.6, 226, 248.5, 1194, and 2802;
- e. For civil and statutory penalties to the extent permitted by law, including those pursuant to the Labor Code and the Orders of the Industrial Welfare Commission;
- f. For restitution as provided by Business and Professions Code § 17200, *et seq.*;
- g. For an order requiring Defendants to restore and disgorge all funds to each affected person acquired by means of any act or practice declared by this Court to be unlawful, unfair, or fraudulent and, therefore, constituting unfair competition under Business and Professions Code § 17200, *et seq.*;
- h. For an award of damages in the amount of unpaid compensation and monies including, but not limited to actual damages, unpaid wages, minimum wages, regular wages, overtime wages, waiting time penalties and other penalties according to proof, including interest thereon, to the extent permissible by law;
- i. For an award of an additional hour of pay at the regular rate of compensation for each noncompliant meal and rest period, pursuant to Labor Code § 226.7 and the applicable Order of the Industrial Welfare Commission;
- j. For an award of the greater of actual damages or the liquidated damage amounts provided by Labor Code § 226(e) for Defendants' failure to provide accurate itemized wage statements, pursuant to Labor Code § 226(a);
- k. For civil penalties for each initial and subsequent violation for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover the underpaid wages pursuant to Labor Code §§ 558 and 1197.1;
- l. For injunctive relief as provided by the Labor Code including but not limited to Labor Code §§ 226(h) and 248.5, and Business and Professions Code § 17200, *et seq.*

- 1 m. For indemnification of all losses incurred as a result of employment with
2 Defendants, with interest;
- 3 n. For pre- and post-judgment interest to the extent permitted by law including, but
4 not limited to, Labor Code §§ 218.6 and 1194;
- 5 o. For an order imposing a constructive trust upon Defendants to compel it to transfer
6 wages that have been wrongfully obtained and held by Defendants to unpaid
7 employees;
- 8 p. For an accounting to determine all money wrongfully obtained and held by
9 Defendants;
- 10 q. For a declaratory judgment that Defendants violated Labor Code §§ 201, 202, 203,
11 204, 221, 223, 224, 226, 226.7, 510, 512, 1174, 1194, 1197, 1198, and 2802, as
12 well as the “Hours and Days of Work,” “Minimum Wages,” “Records,” “Reporting
13 Time Pay,” “Meal Periods,” and “Rest Periods” sections of the Wage Order of the
14 Industrial Welfare Commission; and
- 15 r. An award of such other and further relief as this Court deems proper and just.

16 **JURY TRIAL DEMAND**

17 Plaintiff hereby demands a trial by jury on all Causes of Action to the extent authorized by law.

18
19 Dated: August 29, 2019

GRAHAMHOLLIS APC

20
21 By: 
22 GRAHAM S.P. HOLLIS
23 HALI M. ANDERSON
24 Attorneys for Plaintiff
25
26
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Attorneys for Plaintiffs CHRISTIAN HEADLEY,
AMERICA BANDA, and ERICKA ESPINOZA

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

05/25/2021 at 03:10:00 PM
Clerk of the Superior Court
By Keira McCray, Deputy Clerk

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO**

CHRISTIAN HEADLEY, AMERICA
BANDA individually and on behalf of all
similarly situated employees of Defendants in
the State of California; and ERICKA
ESPINOZA, on behalf of all similarly situated
and/or aggrieved employees of Defendants in
the state of California,

Plaintiff,

v.

PROFESSIONAL MAINTENANCE
SYSTEMS, INC.; and DOES 1 THROUGH
50, inclusive,

Defendants.

Case No.: 37-2019-00045619-CU-OE-CTL

FIRST AMENDED COMPLAINT

CLASS ACTION
[Cal. Code Civ. Proc. § 382]

1. Failure to Provide Meal Periods;
2. Failure to Provide Rest Periods;
3. Failure to Pay Minimum and Regular Wages;
4. Failure to Pay All Overtime Wages;
5. Failure to Pay Reporting Time Pay;
6. Failure to Indemnify Necessary Business Expenses;
7. Failure to Provide Accurate Itemized Wage Statements;
8. Failure to Timely Pay All Wages Due Upon Separation of Employment;
9. Violation of Business & Professions Code §17200, *et seq.*; and

**REPRESENTATIVE ACTION FOR PAGA
PENALTIES**

[Labor Code §§ 2698, *et seq.*]

10. Representative Claims under the Labor Code Private Attorneys General Act

– JURY TRIAL DEMANDED –

CHRISTIAN HEADLEY and AMERICA BANDA, individually and on behalf of all other similarly situated employees of PROFESSIONAL MAINTENANCE SYSTEMS, INC., and DOES 1 through 50, inclusive, and ERICKA ESPINOZA, on behalf of all similarly situated and/or aggrieved employees of PROFESSIONAL MAINTENANCE SYSTEMS, INC., and DOES 1 through 50, inclusive, allege as follows:

I. INTRODUCTION

1. Plaintiff CHRISTIAN HEADLEY, AMERICA BANDA, and ERICKA ESPINOZA (collectively, “Plaintiffs”) bring this individual and putative class action against Defendants PROFESSIONAL MAINTENANCE SYSTEMS, INC., and DOES 1 through 50, inclusive (collectively, “Defendants”), for engaging in a pattern of wage and hour violations under the California Labor Code and the applicable Industrial Welfare Commission (“IWC”) Wage Orders; on information and belief, IWC Wage Order No. 5.

2. Plaintiffs bring this action on behalf of all non-exempt employees, who were employed by Defendants in the State of California and who worked as a non-exempt employee during the applicable relevant time period (hereinafter “similarly situated employees”).

3. Plaintiff Espinoza brings this representative action pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* (“PAGA”) against Defendants for engaging in a pattern of wage and hour violations under the California Labor Code and the applicable IWC Wage Order. Plaintiff Espinoza brings this action on behalf of all other current and former non-exempt employees of Defendants in the State of California (hereinafter “aggrieved employees”).

4. Plaintiffs are informed and believe, and on that basis allege, that Defendants decreased their employment-related costs by systematically violating California wage and hour laws and engaging in unlawful and unfair business practices.

5. Defendants’ systematic pattern of Labor Code and IWC Wage Order violations toward Plaintiffs and other similarly situated and/or aggrieved employees in California include, but are not limited to:

- a. Failure to provide a first off-duty meal period of at least 30-minutes before the commencement of the sixth hour of work;

- b. Failure to authorize and permit off-duty paid rest periods;
- c. Failure to pay all minimum and regular wages for all hours worked;
- d. Failure to pay all overtime wages;
- e. Failure to pay reporting time pay;
- f. Failure to indemnify necessary business expenses;
- g. Failure to maintain accurate records;
- h. Failure to provide accurate itemized wage statements; and
- i. Failure to timely pay all wages due during and upon separation of employment.

6. Plaintiffs bring this lawsuit against Defendants seeking damages, restitution, declaratory judgment, injunctive relief, statutory penalties, and monetary relief on behalf of themselves and all other similarly situated employees of Defendants in California. Plaintiffs seek to recover, *inter alia*, unpaid wages, interest, attorney's fees, damages, liquidated damages, statutory penalties, and costs pursuant to Labor Code §§ 201, 202, 203, 204, 210, 218.5, 218.6, 221, 223, 224, 226, 226.3, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, the California Business and Professions Code § 17200, *et seq.*, and the provisions of the applicable IWC Wage Order.

7. Plaintiffs reserve the right to name additional representatives.

II. PARTIES

A. Plaintiffs

8. Plaintiff Headley is a former employee of Defendants, who, at all relevant times, was employed as a janitor and worked for Defendants in a non-exempt position in San Diego County.

9. Plaintiff Headley is a resident of the State of California and currently resides in San Diego County.

10. Plaintiff Banda is a former employee of Defendants, who, at all relevant times, was employed as a janitor and worked for Defendants in a non-exempt position in California.

11. Plaintiff Banda is a resident of the State of California and currently resides in Orange County.

12. Plaintiff Espinoza is a current employee of Defendants, who, at all relevant times, has been employed as a janitor and worked for Defendants in a non-exempt position in California.

13. Plaintiff Espinoza is a resident of the State of California and currently resides in San Diego. At all relevant times, Plaintiffs and, on information and belief, other similarly situated and/or aggrieved employees of Defendants in California were subject to the same policies, practices, and procedures governing their employment and their payment of wages and hours worked.

B. Defendants

14. Defendant PROFESSIONAL MAINTENANCE SYSTEMS, INC. is a California company with its principal place of business in San Diego, California, operating and doing business in the state of California, including San Diego County, California.

15. Defendants' wrongful conduct, as alleged herein, occurred in the County of San Diego and in the State of California.

16. Plaintiffs are informed and believe, and thereon allege, that each Defendant, whether named or fictitious, is and, at all relevant times, was authorized to do business and did business in the State of California and was Plaintiffs' and other similarly situated and/or aggrieved employees' "employer" as defined in and subject to the California Labor Code and the applicable IWC Wage Order.

17. Each of the fictitiously named Defendants participated in the acts alleged in this First Amended Complaint. The true names and capacities of the Defendants named as DOES 1 through 50, inclusive, are presently unknown to Plaintiffs. Plaintiffs will amend this Complaint, setting forth the true names and capacities of the fictitious Defendants, if and when their true names and capacities are ascertained. Plaintiffs are informed and believe, and on that basis allege, that each of the fictitious Defendants participated in the acts alleged in this First Amended Complaint.

18. Plaintiffs and all other similarly situated and/or aggrieved employees are, and at all relevant times were, non-exempt employees of each Defendants, including DOES 1 through 50, within the meanings set forth in the California Labor Code and applicable IWC Wage Order.

19. Plaintiffs are informed and believe that at all relevant times, each Defendant, whether named or fictitious, was the agent, employee or other person acting on behalf of every other Defendants, and, in participating in the acts alleged in this First Amended Complaint, acted within the scope of such agency or employment and ratified the acts of each other Defendant.

20. Plaintiffs are informed and believe that at all relevant times, each Defendant, whether

1 named or fictitious, exercised control over Plaintiffs' and other similarly situated and/or aggrieved
2 employees' wages, hours and/or working conditions.

3 21. Plaintiffs are further informed and believe that at all relevant times, each Defendant,
4 whether named or fictitious, acted as the agent for the other Defendants, carried out a joint scheme,
5 business plan or policy, and the acts of each Defendant are legally attributable to the other Defendants.

6 22. Each Defendant, whether named or fictitious, was the alter ego of each of the other
7 Defendants at all relevant times herein.

8 23. A unity of interest and ownership between each Defendant, whether named or fictitious,
9 exists such that all Defendants acted as a single employer of Plaintiffs and all other similarly situated
10 and/or aggrieved employees.

11 **III. JURISDICTION AND VENUE**

12 24. This Court has subject-matter jurisdiction to hear this case because Plaintiffs are informed
13 and believe that the monetary damages and restitution sought herein for Defendants' conduct exceeds the
14 minimum jurisdictional limits of the Superior Court.

15 25. Venue is proper in San Diego County pursuant to Code of Civil Procedure §§ 395(a) and
16 395.5 because Defendants maintain offices and transact substantial business in San Diego County,
17 Defendants employed Plaintiffs and other similarly situated and/or aggrieved employees in San Diego
18 County, and the unlawful acts alleged herein that arose in San Diego County have a direct effect on
19 Plaintiffs and other similarly situated and/or aggrieved employees within San Diego County.

20 **IV. GENERAL ALLEGATIONS**

21 26. Plaintiff Headley is a former employee of Defendants who worked as a day porter/glass
22 washer from approximately January 2016 through May 2017. Plaintiff was assigned and placed to work
23 at Ambrix, Inc. in La Jolla, California.

24 27. As a day porter/glass washer, Plaintiff Headley was responsible for lab operations, lab
25 maintenance, facilities operations, and facilities maintenance.

26 28. At all times, Plaintiff Headley was a non-exempt employee and was compensated on an
27 hourly basis. Plaintiff Headley initially earned \$11.50 per hour, and ended his employment earning
28 approximately \$15.00 per hour.

29. Plaintiff Banda is a former employee of Defendants who worked as a janitor from approximately July 2018 through July 2019. As a janitor, Plaintiff Banda was responsible for cleaning clinics and offices.

30. At all times, Plaintiff Banda was a non-exempt employee and was compensated on an hourly basis. Plaintiff Banda earned \$12.00 per hour

31. Plaintiff Espinoza is a current employee of Defendants who began work as a janitor in approximately January 2016.

32. As a janitor, Plaintiff Espinoza was responsible for three separate locations.

33. At all times, Plaintiff Espinoza was a non-exempt employee and was compensated on an hourly basis. At all times, Defendant has compensated Plaintiff Espinoza at the minimum wage.

34. Defendants denied Plaintiffs and, on information and belief, other similarly situated and/or aggrieved current and former non-exempt employees, certain rights afforded to them under the California Labor Code and IWC Wage Order. Specifically, Defendants did not properly compensate Plaintiffs and other similarly situated current and former non-exempt employees for all hours worked, failed to provide compliant meal and rest periods, failed to indemnify all necessary business expenses, failed to provide accurate itemized wage statements, and failed to pay all wages due and owing by the times set forth by law.

35. Plaintiffs and, on information and belief, other similarly situated and/or aggrieved employees of Defendants did not sign a valid on-duty meal period agreement at any point during their employment with Defendants, nor did they properly waive any of their meal periods.

36. Defendants did not have a written meal break policy that complied with California law.

37. Defendants had a pattern and practice of not providing Plaintiffs and, on information and belief, other similarly situated and/or aggrieved employees with legally compliant meal periods, even though Plaintiffs and other similarly situated and/or aggrieved employees worked more than six (6) hours during their workday.

38. Pursuant to Defendants' policies and procedures, Defendants did not provide Plaintiffs and, on information and belief, other similarly situated and/or aggrieved employees the opportunity to take compliant 30-minute, off-duty meal periods before the end of the fifth hour of work. Instead, Defendants

1 expected Plaintiffs and, on information and belief, other similarly situated and/or aggrieved employees to
2 work through meal periods.

3 39. Upon information and belief, Defendants employed the use of an auto-deduct system,
4 thereby automatically deducting 30 minutes of time for an uncompensated meal period even though
5 Plaintiffs and, on information and belief, other similarly situated and/or aggrieved employees, were not
6 provided meal periods.

7 40. As a result, Plaintiffs and, on information and belief, other similarly situated and/or
8 aggrieved employees were regularly required to work through their meal periods, take a meal period more
9 than five hours after they started working, take a meal period that was less than thirty minutes long, or did
10 not receive a meal period at all.

11 41. Thus, as a result of Defendants' illegal policies, Plaintiffs and, on information and belief,
12 other similarly situated and/or aggrieved employees were denied the opportunity to take legally compliant
13 thirty-minute meal periods, in violation of the applicable Wage Order.

14 42. Defendants did not have a written rest break policy that complied with California law.

15 43. For the same reasons Defendants did not authorize or permit Plaintiffs and, on information
16 and belief, other similarly situated and/or aggrieved employees to take legally compliant meal periods,
17 Defendants also had a pattern and practice of failing to authorize and permit Plaintiffs and, on information
18 and belief, other similarly situated and/or aggrieved employees to take legally compliant rest periods of at
19 least 10 minutes for every four-hour work period, or major fraction thereof.

20 44. Thus, as a result of Defendants' illegal policies, Plaintiffs and, on information and belief,
21 other similarly situated and/or aggrieved employees were not authorized or permitted to take legally
22 compliant rest periods, in violation of the applicable Wage Order.

23 45. Although Plaintiffs and, on information and belief, other similarly situated and/or
24 aggrieved employees' meal and rest periods were regularly late, short, interrupted, or not provided at all,
25 Defendants did not compensate Plaintiffs and, on information and belief, other similarly situated and/or
26 aggrieved employees an additional hour of pay at their regular rate of pay for the times that Plaintiffs and
27 other similarly situated and/or aggrieved employees were not authorized or permitted to take a compliant
28 and timely meal or rest period, in violation of Labor Code § 226.7.

1 46. Plaintiffs and, on information and belief, other similarly situated and/or aggrieved
2 employees regularly worked more than eight hours a day and/or more than forty hours a week.

3 47. Defendants failed to properly pay Plaintiffs and, on information and belief, other similarly
4 situated and/or aggrieved employees at least minimum, regular and overtime wages owed for all time
5 suffered or permitted to work through and during their meal periods and rest periods. Despite the fact that
6 all time spent performing these duties was compensable work hours, Defendant did not count this time as
7 hours worked and provided no remuneration.

8 48. Furthermore, Plaintiffs and, on information and belief, other similarly situated and/or
9 aggrieved employees were not paid all minimum, regular, and overtime wages because Defendants failed
10 to pay them for various tasks that they performed while they were off-duty. For example, Defendants
11 required Plaintiff Headley to be on call and to report back to work when an alarm went off in his
12 department and was not compensated for his time responding to the call.

13 49. Defendants failed to pay Plaintiffs and, on information and belief, other similarly situated
14 and/or aggrieved employees reporting time pay for being on-call. For example, after Plaintiff Headley's
15 scheduled shift ended, Defendants required Plaintiff Headley to remain on call and respond to any calls
16 from Ambrix. As a result, Plaintiffs and, on information and belief, other similarly situated and/or
17 aggrieved employees were required to make time available for Defendants and refrain from making other
18 arrangements or plans for the day, but were not paid any amount for this on-call time.

19 50. Defendants failed to indemnify Plaintiffs and, on information and belief, other similarly
20 situated and/or aggrieved employees for all necessary expenses that were incurred in the discharge of their
21 job duties. For example, Plaintiffs and, on information and belief, other similarly situated and/or aggrieved
22 employees were required to use their personal cell phones to communicate with their supervisors, clients,
23 and vendors. In addition, Plaintiffs and, on information and belief, other similarly situated and/or
24 aggrieved employees were required to use their personal vehicles to travel between different job sites.
25 Plaintiffs and, on information and belief, other similarly situated and/or aggrieved employees did not
26 receive any reimbursement for the use of their personal cell phones or vehicles, as required by California
27 law.

28 51. As a direct result of Defendants' illegal policies and procedures, Defendants failed to

1 maintain accurate records reflecting all of Plaintiffs' and, on information and belief, other similarly
2 situated and/or aggrieved employees' time worked and wages earned, in violation of California law. On
3 information and belief, Defendants failed to keep accurate records of Plaintiffs' and other similarly
4 situated and/or aggrieved employees' hours worked when Defendants failed to record the proper
5 beginning and ending of each work and meal period, in addition to the total hours worked during the pay
6 period, among others.

7 52. Defendants similarly failed to provide Plaintiffs and, upon information and belief, other
8 similarly situated and/or aggrieved employees with accurate itemized wage statements. For example, the
9 wage statements issued by Defendants do not include the accurate total regular and overtime hours
10 worked, the accurate hourly rates and corresponding number of hours worked at each hourly rate, or the
11 correct amount of gross and net wages earned. The wage statements issued by Defendants also do not
12 accurately set forth the hours worked during meal breaks and their correct corresponding rates of pay.

13 53. On information and belief, the wage statement omissions and inaccuracies were not a result
14 of an isolated and unintentional payroll error due to an inadvertent mistake, but rather a result of knowing
15 and intentional omissions by Defendants. In addition, and as a result of these omissions and inaccuracies,
16 Plaintiffs and, on information and belief, other similarly situated and/or aggrieved employees were not
17 promptly and easily able to determine the correct hours worked and/or determine the accurate wages due
18 and owing without reference to other documents and information.

19 54. To this date, Defendants have not paid Plaintiffs and, on information and belief, other
20 similarly situated and/or aggrieved employees all wages owed, including all minimum, regular and
21 overtime wages, and meal and rest period premium wages.

22 55. Defendants maintained a pattern and practice of failing to pay Plaintiffs and, on
23 information and belief, other similarly situated and/or aggrieved employees all wages due and owing at
24 the time of their separation of employment within the time specified by Labor Code §§ 201 and 202
25 because Defendants failed to pay Plaintiffs and, on information and belief, other similarly situated and/or
26 aggrieved employees all wages due and owing at the time of termination of their employment.

27 56. Based on the foregoing violations of the Labor Code and the applicable IWC Wage Order,
28 Defendants engaged in unfair business practices in California and willingly and knowingly engaged in an

1 employment pattern and practice that violated Business & Professions Code § 17200 *et seq.* Plaintiffs and,
2 on information and belief, other similarly situated and/or aggrieved employees suffered damages due to
3 Defendants’ unfair, unlawful and/or fraudulent actions.

4 **V. THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT (“PAGA”)**

5 **REPRESENTATIVE ACTION DESIGNATION**

6 57. Plaintiff Espinoza hereby incorporates by reference all preceding paragraphs set forth
7 above as though fully set forth herein

8 58. The Causes of Action alleged herein is appropriately suited for a Labor Code Private
9 Attorneys General Act of 2004 (“PAGA”) action because:

- 10 **a.** Pursuant to California Labor Code section 2699(a), any provision of the
11 California Labor Code that provides for a civil penalty to be assessed and
12 collected by the Labor and Workforce Development Agency or any of its
13 departments, divisions, commissions, boards, agencies, or employees, for a
14 violation of the California Labor Code, may, as an alternative, be recovered
15 through a civil action brought by an aggrieved employee on behalf of himself or
16 herself and all other current or former employees pursuant to the procedures
17 specified in section 2699;
- 18 **b.** This action involves allegations of violations of provisions of the California Labor
19 Code that provide or do not provide for a civil penalty to be assessed and
20 collected by the LWDA or any departments, divisions, commissions, boards,
21 agencies or employees;
- 22 **c.** Plaintiff Espinoza is an “aggrieved employee” because she was employed by the
23 alleged violators and had one or more of the alleged violations committed against
24 her;
- 25 **d.** On March 3, 2021, Plaintiff Espinoza satisfied the procedural requirements of
26 section 2699.3 by serving the LWDA electronically and Defendant
27 PROFESSIONAL MAINTENANCE SYSTEMS, INC. via Certified Mail with
28 his notice for wage and hour violations and penalties, including the facts and

theories to support each violation. A true and correct copy of Plaintiff Espinoza's notices and proof of service is attached as Exhibit A.

- e. More than 65 days have passed since Plaintiff Espinoza served notice via Certified Mail to the LWDA and his employers. Therefore, Plaintiff Espinoza satisfied all the administrative requirements to pursue civil penalties against Defendants pursuant to California Labor Code section 2698, *et seq.*;
- f. Plaintiff Espinoza filed this action pursuant to California Labor Code section 2699(a) and (f), on behalf of herself and all other aggrieved employees of Defendants to recover civil penalties, including unpaid wages, which are to be paid to the affected employees pursuant to California Labor Code sections 558 and 1197.1;
- g. Defendants were Plaintiff Espinoza's employer or person acting on behalf of Plaintiff Espinoza's employer, within the meaning of California Labor Code section 558, who violated or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision regulating hours and days of work in any order of the Industrial Welfare Commission and, as such, is subject to civil penalties for each underpaid employee, as set forth in California Labor Code section 558, at all relevant times;
- h. Defendants were Plaintiff Espinoza's employer or person acting on behalf of Plaintiff Espinoza's employer either individually or as an officer, agent, or employee of another person, within the meaning of California Labor Code section 1197.1, who paid or caused to be paid to any employee a wage less than the minimum fixed by California state law, and as such, is subject to civil penalties for each underpaid employee, as well as liquidated damages pursuant to California Labor Code section 1194.2, and any applicable penalties imposed pursuant to California Labor Code section 203; and
- i. Plaintiff seeks to recover only those civil penalties that are required to be shared with the LWDA and no individual relief or underpaid wages.

VI. **CLASS ACTION DESIGNATION**

59. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs above, as though fully set forth herein.

60. Plaintiffs bring Causes of Action One through Nine as a Class Action pursuant to California Code of Civil Procedure § 382 on behalf of themselves and all current and former employees of Defendants in California and who worked as a non-exempt employee and who were affected by Defendants' Labor Code, Business and Professions Code, and IWC Wage Order violations, as alleged herein.

61. Plaintiffs seek to represent the following Classes, which are defined as:

The Non-Exempt Class:

"All current and former non-exempt employees of Defendant PROFESSIONAL MAINTENANCE SYSTEMS, INC. who were employed at any time from 4 years from the date of filing of the Complaint through the present"

62. Plaintiffs also seek to represent the following Subclass, which is defined as:

The Waiting Time Penalties Subclass:

"All members of the Non-Exempt Class, whose employment with Defendant PROFESSIONAL MAINTENANCE SYSTEMS, INC. ended at any time from 3 years from the date of filing of the Complaint through the present."

63. **Reservation of Rights:** Pursuant to California Rule of Court 3.765(b), Plaintiffs reserve the right to amend or modify the class definitions with greater specificity, by further division into subclasses, and/or limitation to particular issues.

64. Causes of Action One through Nine are appropriately suited for a class action pursuant to § 382 of the Code of Civil Procedure because the following requirements are met:

A. Numerosity

65. The members of the Classes are sufficiently numerous to render the joinder of all their members impracticable. While Plaintiffs have not yet determined the precise number of members of the

Classes, Plaintiffs are informed and believes that the Classes likely consist of over 100 individuals. Although the exact number is currently unknown to Plaintiffs, this information is easily ascertainable from Defendants' time and payroll records and other personnel records.

B. Commonality and Predominance

66. Common questions of law and fact exist as to all class members and predominate over any questions affecting only individual members of the Class or Subclass. The common questions of law and fact that predominate include, but are not limited to:

- a. Whether Defendants failed to permit Non-Exempt Class members to uninterrupted and duty-free, thirty-minute meal periods before the commencement of the sixth hour of work;
- b. Whether Defendants failed to permit Non-Exempt Class members to take off-duty rest periods of at least 10 minutes for every four hours worked, or major fraction thereof;
- c. Whether Defendants failed to pay one additional hour of pay at the employees' regular rate of compensation to Non-Exempt Class members when they were not provided with compliant and timely meal and rest periods;
- d. Whether Defendants failed to pay Non-Exempt Class members at least minimum wages and/or all regular wages owed for all hours or fractions of an hour worked and under the control of Defendants;
- e. Whether Defendants failed to pay Non-Exempt Class members all overtime wages for all hours, or fraction of hours, worked and under the control of Defendants;
- f. Whether Defendants failed to pay Non-Exempt Class members reporting time pay for working on-call shifts;
- g. Whether Defendants failed to indemnify Non-Exempt Class members for necessary business expenses incurred in direct consequence of the discharge of their duties;
- h. Whether Defendants failed to properly and accurately record and maintain records of all hours worked and wages earned by Non-Exempt Class members;
- i. Whether Defendants failed to provide Non-Exempt Class members with accurate

itemized wage statements showing, among other things, the number of hours worked and the correct amount of gross and net wages earned; and

j. Whether Defendants failed to pay Waiting Time Penalties Subclass members all of their wages owed within the required time frames upon separation of employment.

C. Typicality

67. Plaintiffs' claims are typical of the claims of all class members because Plaintiffs' and all class members' claims arise from the same event, practice and/or course of conduct of Defendants. Plaintiffs and all class members sustained injuries and damages as a result of Defendants' illegal policies, practices and/or common course of conduct in violation of California wage and hour laws and/or illegal, unfair, or fraudulent business practices.

68. Furthermore, Plaintiffs' claims under the Labor Code and the applicable IWC Wage Order are typical of the Class and Subclass because Defendants' failure to comply with the provisions of California's wage and hour laws entitles Plaintiffs and each class member to similar pay, benefits, and other relief. Accordingly, the legal theories underlying each cause of action are the same and the remedies sought by Plaintiffs and all class members are the same.

D. Adequacy of Representation

69. Plaintiffs have no fundamental conflict of interest with the Class or Subclass they seek to represent. Plaintiffs will adequately protect the interests of all class members because it is in Plaintiffs' best interest to prosecute the claims alleged herein to obtain full compensation and penalties due to them and putative class members.

70. Plaintiffs retained attorneys who are experienced employment law litigators with significant wage and hour and class action experience.

E. Superiority of Class Action

71. Plaintiffs believe a class action is a superior method of litigation for the fair and efficient adjudication of this controversy. Individual joinder of all class members is not practicable. Class action treatment will allow similarly situated employees to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system.

72. Plaintiffs know of no difficulty that might be encountered in the management of this suit,

1 which would preclude maintenance as a class action.

2 **VII. CAUSES OF ACTION**

3 **FIRST CAUSE OF ACTION**

4 **FAILURE TO PROVIDE MEAL PERIODS**

5 (Violation of Labor Code §§ 226.7, 512, and 1198 and the “Meal Periods” section of the
6 Applicable IWC Wage Order)

7 (Alleged By Plaintiffs Individually and On Behalf of the Non-Exempt Class Against Defendants)

8 73. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs
9 above, as though fully set forth herein.

10 74. Labor Code § 512(a) provides, in part, that employers, including Defendants, “may not
11 employ an employee for a work period of more than five hours per day without providing an employee
12 with a meal period of not less than 30 minutes” and “may not employ an employee for a work period of
13 more than 10 hours per day without providing the employee with a second meal period of not less than 30
14 minutes.”

15 75. Labor Code § 226.7 requires that employers, including Defendants, provide their
16 employees with meal periods as mandated by the applicable Wage Order of the Industrial Welfare
17 Commission, and prohibits employers from requiring any employee “to work during any meal ... period
18 mandated by an applicable order of the Industrial Welfare Commission.” Labor Code § 226.7(c) states,
19 “[i]f an employer fails to provide an employee a meal ... period in accordance with a state law... the
20 employer shall pay the employee one additional hour of pay at the employee’s regular rate of
21 compensation for each workday that the meal ... period is not provided.”

22 76. Labor Code § 1198 states that the “maximum hours of work and standard conditions of
23 labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor
24 for employees. The employment of any employee for longer hours than those fixed by the order or under
25 conditions of labor prohibited by the order is unlawful.”

26 77. The “Meal Periods” section of the applicable IWC Wage Order states, “[n]o employer shall
27 employ any person for a work period of more than five (5) hours without a meal period of not less than
28 30 minutes, except that when a work period of not more than six (6) hours will complete the day’s work

1 the meal period may be waived by mutual consent of the employer and the employee.” It further states,
2 “[a]n employer may not employ an employee for a work period of more than ten (10) hours per day without
3 providing the employee with a second meal period of not less than 30 minutes, except that if the total
4 hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of
5 employer and employee only if the first meal period was not waived.”

6 78. The “Meal Periods” section of the applicable IWC Wage Order further states, “[u]nless the
7 employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an
8 ‘on duty’ meal period and counted as time worked. An ‘on duty’ meal period shall be permitted only
9 when the nature of the work prevents an employee from being relieved of all duty and when by written
10 agreement between the parties an on-the-job meal period is agreed to. The written agreement shall state
11 that the employee may, in writing, revoke the agreement at any time.”

12 79. The “Meal Periods” section of the applicable IWC Wage Order also states, “[i]f an
13 employer fails to provide an employee a meal period in accordance with the applicable provisions of this
14 order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of
15 compensation for each workday that the meal period is not provided.”

16 80. On information and belief, Plaintiffs and the Non-Exempt Class were subject to the same
17 policies, practices, and procedures governing the provision and scheduling of meal periods.

18 81. On information and belief, Defendants had a pattern and practice of not providing Plaintiffs
19 and the Non-Exempt Class with legally compliant 30-minute off-duty meal periods during their shifts,
20 even though they worked more than six (6) hours during their workday.

21 82. Plaintiffs and, on information and belief, the Non-Exempt Class were unable to take
22 compliant meal periods as a result of Defendants’ policies alleged herein. For example, Defendants’
23 illegal policies required Plaintiffs and, on information and belief, the Non-Exempt Class to remain on duty
24 at all times during their meal periods, or not take them at all.

25 83. Thus, as a result of Defendants’ policies, Plaintiffs’ and Non-Exempt Class members’ meal
26 periods were regularly on-duty or not taken.

27 84. Plaintiffs and, on information and belief, the Non-Exempt Class members did not sign a
28 valid on-duty meal period agreement at any point during their employment with Defendant.

85. Therefore, as a result of Defendants' conduct, including the conduct alleged herein, Defendants violated Labor Code §§ 226.7, 512, and 1198, as well as the applicable IWC Wage Order when Defendants failed to provide Plaintiffs and the Non-Exempt Class members a 30-minute, duty-free meal period before the commencement of their sixth hour of work.

86. Consequently, pursuant to Labor Code § 226.7(b) and the "Meal Periods" section of the Wage Order, Defendants were required to pay Plaintiffs and the Non-Exempt Class one additional hour of pay at their regular rate of compensation for each day that Defendants did not provide Plaintiffs and the Non-Exempt Class with a 30-minute, duty-free meal period before the commencement of their sixth hour of work.

87. Despite this obligation, Defendants did not pay Plaintiffs and, on information and belief, the Non-Exempt Class one additional hour of pay at each employee's regular rate of compensation for each day that Defendants did not provide Plaintiffs and the Non-Exempt Class with a 30-minute, duty-free meal period before the commencement of their sixth hour of work.

88. Instead, on information and belief, Defendants had a common policy and practice of failing to compensate Plaintiffs and the Non-Exempt Class with an hour of pay at their regular rate of pay for the times that Defendants did not provide Plaintiff and the Non-Exempt Class with a 30-minute, duty-free meal period before the commencement of their sixth hour of work, as required by Labor Code § 226.7(b) and the IWC Wage Order.

89. Thus, on information and belief, Defendants intentionally refused to perform their obligations to provide meal periods and further failed to compensate Plaintiffs and the Non-Exempt Class with all owed meal premium wages as set forth by Labor Code § 226.7(b) and the IWC Wage Order.

90. Plaintiffs and the Non-Exempt Class suffered and continue to suffer losses related to Defendants' failure to pay an additional hour of pay for each day a legally compliant meal period was not provided and the associated use and enjoyment of compensation due and owing to them as a direct result of Defendants' Labor Code and IWC Wage Order violations.

91. Plaintiffs seek all available remedies for Defendants' violations, including, but not limited to, all wages due, monies, and interest to the extent permitted by law.

WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

SECOND CAUSE OF ACTION

FAILURE TO PROVIDE REST PERIODS

(Violation of Labor Code §§ 226.7 and 1198 and the “Rest Periods” section
of the Applicable IWC Wage Order)

(Alleged By Plaintiffs Individually and On Behalf of the Non-Exempt Class Against Defendants)

92. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs above, as though fully set forth herein.

93. Labor Code § 226.7 requires employers, including Defendants, to provide to their employees, including Plaintiffs, paid rest periods as mandated by the IWC Wage Orders.

94. Labor Code § 1198 states that the “maximum hours of work and standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

95. The “Rest Periods” section of the applicable IWC Wage Order states, “[e]very employer shall authorize and permit employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.” Furthermore, “[i]f an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the rest period is not provided.”

96. On information and belief, Plaintiffs and the Non-Exempt Class are subject to the same policies, practices, and procedures governing the provision and scheduling of rest periods.

97. For the same reasons Defendants did not authorize and permit Plaintiffs and, on information and belief, the Non-Exempt Class members from taking legally compliant meal periods, Plaintiffs and, on information and belief, the Non-Exempt Class members were also not authorized and permitted to take compliant rest periods.

98. Labor Code § 226.7(c) states, “[i]f an employer fails to provide an employee a ... rest ... period in accordance with a state law... the employer shall pay the employee one additional hour of pay

1 at the employee's regular rate of compensation for each workday that the rest ... period is not
2 provided."

3 99. Even though Plaintiffs and, on information and belief, Non-Exempt Class members were
4 not authorized and permitted to take off-duty rest periods, Defendants did not pay Plaintiffs and the Non-
5 Exempt Class appropriate rest period premium wages for each day in which Defendants did not authorize
6 and permit Plaintiffs and the Non-Exempt Class to take compliant rest periods, in violation of Labor Code
7 § 226.7 and the applicable IWC Wage Order.

8 100. On information and belief, Defendants had a common policy, pattern, and practice of
9 failing to compensate Plaintiffs and the Non-Exempt Class with an hour of pay at their regular rate of pay
10 for the times that Plaintiffs and the Non-Exempt Class were not authorized to take rest periods of at least
11 10 minutes for each four-hour work period, or major fraction thereof.

12 101. Plaintiffs and the Non-Exempt Class suffered and continue to suffer losses related to
13 Defendants' failure to pay an additional hour of pay for each day a rest period was not provided and the
14 associated use and enjoyment of compensation due and owing to them as a direct result of Defendants'
15 Labor Code and IWC Wage Order violations.

16 102. Plaintiffs seek all available remedies for Defendants' violations including, but not limited
17 to, any and all wages due, monies, and interest, to the extent permitted by law.

18 WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

19 **THIRD CAUSE OF ACTION**

20 **FAILURE TO PAY MINIMUM AND REGULAR WAGES**

21 (Violation of Labor Code §§ 1194, 1197, and 1198 and the "Minimum Wages" section of the
22 Applicable IWC Wage Order)

23 (Alleged By Plaintiffs Individually and On Behalf of the Non-Exempt Class Against Defendants)

24 103. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs
25 above, as though fully set forth herein.

26 104. Labor Code § 1197 provides, "[t]he minimum wage for employees fixed by the
27 commission is the minimum wage to be paid to employees, and the payment of a less wage than the
28 minimum wage so fixed is unlawful."

105. The “Minimum Wages” section of the applicable IWC Wage Order provides that an employer may not pay employees less than the applicable minimum for all hours worked.

106. The applicable IWC Wage Order defines the term “hours worked” as “the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.”

107. Furthermore, pursuant to Labor Code § 1198, “[t]he maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

108. Defendants failed to pay Plaintiffs and, on information and belief, Non-Exempt Class members at least minimum wages for all the time spent working and under the control of Defendants. Even though Plaintiffs and, on information and belief, Non-Exempt Class members were required to work through their meal and rest periods, Defendants did not count this time as hours worked. In addition, Plaintiffs and, on information and belief, Non-Exempt Class members were not paid all minimum and regular wages because Defendants failed to pay them for various tasks that they performed while they were off-duty. As a result, Plaintiffs and, on information and belief, Non-Exempt Class members did not receive the statutory minimum wage for all time suffered or permitted to work because they were not properly compensated at their regular rate of pay for the time they spent working through their meal and rest periods and while they were off-duty.

109. Labor Code § 1194 provides, in part, that any employee receiving less than the legal minimum wage is entitled to recover in a civil action the unpaid balance of the minimum wage, including interest thereon, reasonable attorney’s fees, and costs of suit.

110. Labor Code § 1194.2 allows an employee to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon for any action under Labor Code § 1194.

111. Plaintiffs and the Non-Exempt Class suffered and continue to suffer losses related to the use and enjoyment of compensation due and owing to them as a direct result of Defendants’ unlawful acts and Labor Code violations in an amount to be shown according to proof at trial and within the jurisdictional limitations of this Court.

112. Plaintiffs seek all available remedies for Defendants' violations including, but not limited to, any and all wages due, monies, interest, liquidated damages, attorney's fees, and costs to the extent permitted by law.

WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

FOURTH CAUSE OF ACTION

FAILURE TO PAY ALL OVERTIME WAGES

(Violation of Labor Code §§ 510, 1194, and 1198, and the "Hours and Days of Work" section of the Applicable IWC Wage Order)

(Alleged By Plaintiffs Individually and On Behalf of the Non-Exempt Class Against All Defendants)

113. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs above, as though fully set forth herein.

114. Labor Code § 510 provides, "[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." The "Hours and Days of Work" section of the applicable IWC Wage Order mandate the same requirements.

115. Labor Code § 1194 provides that any employee receiving less than the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit.

116. Furthermore, pursuant to Labor Code § 1198, "[t]he maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful."

117. The applicable IWC Wage Order defines the term "hours worked" as "the time during

1 which an employee is subject to the control of an employer, and includes all the time the employee is
2 suffered or permitted to work, whether or not required to do so.”

3 118. For the same reasons Defendants failed to pay Plaintiffs and, on information and belief,
4 Non-Exempt Class members for all minimum and regular wages, Defendants also failed to pay Plaintiffs
5 and, on information and belief, Non-Exempt Class members overtime wages for all hours they worked
6 over eight in a day and/or forty in a week, and/or for every hour worked during the seventh day of work,
7 at the applicable overtime rate during their employment with Defendants.

8 119. Plaintiffs and the Non-Exempt Class suffered and continue to suffer losses related to the
9 use and enjoyment of compensation due and owing to them as a direct result of Defendants’ unlawful acts
10 and Labor Code violations in an amount to be shown according to proof at trial and within the
11 jurisdictional limitations of this Court.

12 120. Plaintiffs seek all available remedies for Defendants’ violations including, but not limited
13 to any and all wages due, monies, interest, attorney’s fees, and costs to the extent permitted by law.

14 WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

15 **FIFTH CAUSE OF ACTION**

16 **FAILURE TO PAY REPORTING TIME PAY**

17 (Violation of Labor Code § 1199, and the “Reporting Time Pay” section of the Applicable IWC Wage
18 Order)

19 (Alleged By Plaintiffs Individually and on Behalf of the Non-Exempt Class Against Defendants)

20 121. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs
21 above, as though fully set forth herein.

22 122. The “Reporting Time Pay” section of the applicable IWC Wage Order states, “[e]ach
23 workday an employee is required to report for work and does report, but is not put to work or is furnished
24 less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual
25 or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the
26 employee’s regular rate of pay, which shall not be less than the minimum wage.”

27 123. Labor Code § 1199 makes it unlawful for any employer “or other person acting either
28 individually or as an officer, agent, or employee of another person” to require or cause “any employee to

1 work for longer hours than those fixed, or under conditions of labor prohibited by an order of the
2 commission,” pay or cause “to be paid to any employee a wage less than the minimum fixed by an order
3 of the commission” or violate or refuse or neglect “to comply with any provision of this chapter or any
4 order or ruling of the commission.”

5 124. In *Ward v. Tilly’s, Inc.*, No. B280151, 2019 WL 421743 (Cal. Ct. App., Feb. 4, 2019), the
6 California Court of Appeal held that similar on-call shifts trigger the Wage Order’s reporting time pay
7 requirements. The court noted, “on-call shifts burden employees, who cannot take other jobs, go to school,
8 or make social plans during on-call shifts—but who nonetheless receive no compensation from [their
9 employer] unless they ultimately are called in to work. This is precisely the kind of abuse that reporting
10 time pay was designed to discourage.”

11 125. Defendants established and maintained a policy and practice of scheduling Plaintiffs and,
12 on information and belief, Non-Exempt Class members for on-call shifts. Defendants scheduled Plaintiffs
13 and, on information and belief, Non-Exempt Class members for on-call shifts several days per week and
14 expected them to be available and respond to any calls or emergencies.

15 126. Therefore, Plaintiffs and, on information and belief, Non-Exempt Class members were
16 required to wait for Defendants to contact them and were unable to make other plans or arrangements for
17 the day. Over the course of their employment, Plaintiffs and, on information and belief, Non-Exempt Class
18 members were not paid any amount for this on-call time.

19 127. As a direct and proximate result of Defendants’ actions set forth herein, Plaintiffs and, on
20 information and belief, Non-Exempt Class members have been damaged in that they have not been paid
21 all required reporting time pay.

22 128. Plaintiffs and Non-Exempt Class are entitled to recover the premium wages prescribed by
23 the “Reporting Time Pay” section of the applicable IWC Wage Order in an amount of no less than two
24 hours, nor greater than four, whichever is greater, for each such occurrence, for every non-exempt
25 employee.

26 129. Plaintiffs seek all available remedies for Defendants’ violations including, but not limited
27 to any and all wages due, monies, interest, attorney’s fees, and costs to the extent permitted by law.

28 WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

FIFTH CAUSE OF ACTION

FAILURE TO INDEMNIFY NECESSARY BUSINESS EXPENSES

(Violation of Labor Code § 2802)

(Alleged By Plaintiffs Individually and on Behalf of the Non-Exempt Class Against Defendants)

130. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs above, as though fully set forth herein.

131. Labor Code § 2802 requires an employer to indemnify its employees for all necessary expenditures or losses incurred by an employee in direct consequence of the discharge of his or her duties of employment.

132. Labor Code § 2802(b) states, “[a]ll awards made by a court ... for reimbursement of necessary expenditures” shall carry interest, at the same rate as judgments in civil actions, and said interest will accrue from the date on which the employee incurred the necessary expenditure including, but not limited to, reasonable costs and attorney’s fees incurred by the employee in enforcing their rights granted pursuant to Labor Code § 2802. The exact amount of the necessary expenditures or losses is in an amount to be proven at time of trial.

133. Furthermore, Labor Code § 2802(c) states, “[f]or the purposes of this section, the term ‘necessary expenditures or losses’ shall include all reasonable costs, including, but not limited to, attorney’s fees incurred by the employee enforcing the rights granted by this section.”

134. Plaintiffs and, on information and belief, members of the Non-Exempt Class incurred business expenses in direct consequence of their job duties through the use of their personal vehicles and cell phones.

135. On information and belief, Plaintiffs and the Non-Exempt Class were required to use their personal vehicles to drive from location to location and their personal cell phones to communicate with Defendants about their duties and to provide updates. Despite Defendants’ knowledge that Plaintiffs and, on information and belief, Non-Exempt Class members were using their personal vehicles and cell phones for work related purposes, Defendants failed to reimburse them for these expenses in violation of Labor Code § 2802.

136. As a direct result of Defendants’ violations alleged herein, Plaintiffs and members of the

1 Non-Exempt Class suffered and continue to suffer, substantial losses related to Defendants' failure to
2 indemnify them for the expenses and losses, including the use and enjoyment of such monies, lost interest
3 on such monies and expenses, and attorney's fees and costs in seeking to compel Defendants to fully
4 perform its obligations under state law, all to their respective damage in amounts according to proof at
5 trial and within the jurisdictional limitations of this Court.

6 137. Plaintiffs seek to recover in a civil action to the fullest extent permissible all available
7 remedies including, but not limited to, the unpaid balance of the indemnification from Defendants'
8 violations, interest thereon permitted by Labor Code § 2802(b), reasonable attorney's fees and costs of
9 suit, declaratory relief, and any other permitted remedies including those permitted pursuant to Labor
10 Code § 2802 and Code of Civil Procedure § 1021.5. The exact amount of reimbursements, interest, costs
11 and attorney's fees will be in an amount to be proved at time of trial.

12 WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

13 **SIXTH CAUSE OF ACTION**

14 **FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS**

15 (Violation of Labor Code §§ 226, 246, and 1198 and the "Records" section of the
16 Applicable IWC Wage Order)

17 (Alleged By Plaintiffs Individually and On Behalf of the Non-Exempt Class Against All Defendants)

18 138. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs
19 above, as though fully set forth herein.

20 139. Labor Code § 226(a) requires that employers, including Defendants, furnish their
21 employees with each wage payment an accurate and itemized writing that shows gross wages earned, total
22 hours worked, all deductions, net wages earned, the inclusive dates of the period for which the employee
23 is paid, the name of the employee and the portion of his or her social security number, the name and
24 address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay
25 period and the corresponding number of hours worked at each hourly rate by the employee.

26 140. Labor Code § 226(e), in part, permits employees suffering injury to collect the greater of
27 all actual damages or the amount specified in Labor Code § 226 per violation.

28 141. Labor Code § 226(e)(2)(B) states, in pertinent part, "an employee is deemed to suffer injury

1 for purposes of this subdivision if the employer fails to provide accurate and complete information as
2 required by any one or more of items (1) to (9), inclusive, of subdivision (a) and the employee cannot
3 promptly and easily determine from the wage statement alone one or more of the following: (i) The amount
4 of the gross wages or net wages paid to the employee during the pay period or any of the other information
5 required to be provided on the itemized wage statement pursuant to items (2) to (4), inclusive, (6), and (9)
6 of subdivision (a).”

7 142. Labor Code § 226(h) states, “An employee may also bring an action for injunctive relief to
8 ensure compliance with this section, and is entitled to an award of costs and reasonable attorney's fees.”

9 143. As a direct result of Defendants’ illegal policies and procedures, Defendants failed to
10 maintain accurate records reflecting all of Plaintiffs’ and, on information and belief, other similarly
11 situated employees’ time worked and wages paid, in violation of California law. In addition, the wage
12 statements issued by Defendants did not include the correct total regular and overtime hours worked, the
13 correct amount of gross and net wages earned, and all applicable hourly rates and the corresponding
14 number of hours worked at each hourly rate, as required under Labor Code § 226(a).

15 144. Defendants’ failure to provide accurate wage statements deprived Plaintiffs and members
16 of the Non-Exempt Class of the ability to promptly and easily understand and question the calculation and
17 rate of pay and hours used to calculate the wages paid by Defendants. Plaintiffs and members of the Non-
18 Exempt Class, therefore, had no way to dispute any error in the payment or calculation of their wages, all
19 of which resulted in an unjustified economic enrichment to Defendants, and Plaintiff and members of the
20 Non-Exempt Class suffered actual damages as a result.

21 145. Defendants’ failure to provide accurate itemized wage statements constitutes an injury as
22 defined under Labor Code § 226(e)(2)(B). Therefore, Plaintiffs and members of the Non-Exempt Class
23 have suffered an injury for purposes of Labor Code § 226 and are entitled to recover the greater of all
24 actual damages or the amount specified in § 226 per violation.

25 146. Plaintiffs and Non-Exempt Class members suffered and continue to suffer injuries, losses
26 and actual damages as a direct result of Defendants’ Labor Code violations, including lost interest on such
27 wages, and expenses and attorney's fees in seeking to compel Defendants to fully perform their
28 obligations, in an amount to be shown according to proof at trial.

147. Plaintiffs seek to recover all available remedies including, but not limited to, damages, penalties, attorney's fees, costs, and injunctive relief to the fullest extent permitted by law.

WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

EIGHTH CAUSE OF ACTION

FAILURE TO TIMELY PAY ALL WAGES DUE UPON SEPARATION OF EMPLOYMENT

(Violations of Labor Code §§ 201, 202, 203)

(Alleged By Plaintiffs Headley and Banda Individually and On Behalf of the Waiting Time Penalties

Subclass Against Defendants)

148. Plaintiffs Headley and Banda re-allege and incorporate by reference the allegations contained in the paragraphs above, as though fully set forth herein.

149. Labor Code § 201 requires Defendants to immediately pay any wages, without abatement or reduction, to any employee who is discharged. Labor Code § 202 requires Defendants to pay any and all wages due and owing to an employee not having a written contract for a definite period, who quits his or her employment, within 72 hours of the employee quitting his or her employment, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

150. For violation of Labor Code §§ 201 and 202, Labor Code § 203 causes the unpaid wages of an employee to continue as a penalty from the due date thereof, at the same rate until paid or until an action is commenced, but the wages shall not continue for more than 30 days.

151. As a result of Defendants' conduct during the applicable statutory period, Defendants willfully failed to pay Plaintiffs Headley and Banda and, on information and belief, the Waiting Time Penalties Subclass all wages due and owing to them, including minimum wages, overtime wages, and regular wages for all the time they were suffered or permitted to work or were engaged in work under Defendants' control, as well as all meal period premiums and rest period premiums owed within the time required by Labor Code §§ 201 and 202, as applicable.

152. To date, Plaintiffs Headley and Banda have not yet received all wages due and payable, including, but not limited to, minimum wages, overtime wages, regular wages, and meal and rest period premium wages owing to them. On information and belief, members of the Waiting Time Penalties

Subclass have not yet received all minimum wages, overtime wages, regular wages, and meal and rest premium wages due and owing to them.

153. As a direct result of Defendants' violations alleged herein, Plaintiffs Headley and Banda and the Waiting Time Penalties Subclass members suffered and continue to suffer losses related to the use and enjoyment of wages due and owing to them, all to their respective damage in an amount to be shown according to proof at trial and within the jurisdictional limitations of this Court.

154. Plaintiffs Headley and Banda seek all available remedies for Defendants' violations to the fullest extent permissible.

WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

NINTH CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE § 17200, *ET SEQ.*

(Alleged By Plaintiffs Individually and on Behalf of the Non-Exempt Class Against Defendants)

155. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs above, as though fully set forth herein.

156. California Business & Professions Code § 17200, *et seq.*, prohibits acts of unfair competition, which includes any "unlawful, unfair or fraudulent business act or practice..."

157. Defendants' Labor Code and IWC Wage Order violations alleged herein constitute "unlawful, unfair or fraudulent business act or practices," which are prohibited by Business and Professions Code §§ 17200-17208 and include, but are not limited to: (i) failure to provide proper meal periods and pay Plaintiffs and the Non-Exempt Class premium wages for failure to provide compliant meal periods; (ii) failure to provide proper rest periods and pay Plaintiffs and the Non-Exempt Class premium wages for failure to provide compliant rest periods; (iii) failure to pay Plaintiffs and the Non-Exempt Class all regular, minimum, and overtime wages for all hours suffered or permitted to work and under the control of Defendant; (iv) failure to pay Plaintiffs and the Non-Exempt Class reporting time pay; (v) failure to indemnify Plaintiffs and the Non-Exempt Class for necessary business expenses; (v) failure to maintain accurate records of the hours that Plaintiffs and the Non-Exempt Class worked while employed by Defendant; (vi) failure to provide Plaintiffs and the Non-Exempt Class with accurate itemized wage statements; and (vii) failure to timely pay Plaintiffs and members of the Waiting Time

1 Penalties Subclass all wages owed upon separation of their employment with Defendants.

2 158. Defendants intentionally avoided paying Plaintiffs and the Non-Exempt Class all wages
3 and/or monies, and other financial obligations attached thereto, to create for Defendants an artificially
4 lower cost of doing business, and thus, undercut its competitors.

5 159. Defendants lowered their costs of doing business by paying Plaintiffs and the Non-Exempt
6 Class an amount less than what is required by the California Labor Code and the applicable Wage Order
7 of the Industrial Welfare Commission, thereby unfairly forcing Plaintiffs and Non-Exempt Class members
8 to perform work without fair compensation and benefits.

9 160. Defendants held themselves out to Plaintiffs and the Non-Exempt Class as being
10 knowledgeable about, and adhering to, the employment laws of California at all times relevant herein.
11 Plaintiffs and the Non-Exempt Class relied on and believed in Defendants' representation concerning
12 Defendants' adherence to the California laws, all to their detriment.

13 161. Defendants' scheme to lower its payroll and operation costs and thus profit, by withholding
14 money owed to the class and withholding wages, compensation and benefits, which are all the property
15 of Plaintiffs and the Non-Exempt Class, in violation of the California Labor Code and the IWC Wage
16 Orders, as alleged herein, constitutes an "unlawful, unfair or fraudulent business act or practice," under
17 California Business and Professions Code § 17200, *et seq.* As a result of Defendants' unfair competition,
18 Plaintiffs and the Non-Exempt Class suffered injury in fact by losing money and/or property.

19 162. Business and Professions Code § 17204, states, in relevant part, "[a]ctions for relief
20 pursuant to this chapter shall be prosecuted...by...a person who has suffered injury in fact and has lost
21 money or property as a result of the unfair competition."

22 163. Defendants acquired money and property owed to Plaintiffs and the Non-Exempt Class by
23 means of an unlawful practice that constitutes unfair competition as defined by Business and Professions
24 Code § 17200, *et seq.*

25 164. Plaintiffs and the Non-Exempt Class are persons in interest under Business and Professions
26 Code § 17203 to whom money and property should be restored. Business and Professions Code § 17203
27 states, in relevant part, that "any person may pursue representative claims or relief on behalf of others only
28 if the claimant meets the standing requirements of Section 17204."

1 165. Plaintiffs are persons who suffered injury in fact and lost money, wages, compensation,
2 and benefits, as a result of Defendants' unfair competition. Thus, pursuant to Business and Professions
3 Code §§ 17203 and 17204, Plaintiff may pursue representative claims and relief on behalf of themselves
4 and the putative classes.

5 166. Pursuant to Business and Professions Code § 17203, "[t]he court may make such orders or
6 judgments, as may be necessary to restore to any person in interest any money or property, real or personal,
7 which may have been acquired by means of such unfair competition."

8 167. Defendants reaped unfair benefits and illegal profits at the expense of Plaintiffs and the
9 Non-Exempt Class by committing the unlawful acts alleged herein. Thus, Defendants must make
10 restitution and/or be subject to other equitable relief pursuant to Business & Professions Code § 17203,
11 and restore all unpaid wages to Plaintiff and the Non-Exempt Class.

12 168. Plaintiffs and the Non-Exempt Class suffered and continue to suffer loss of wages and
13 monies, all in an amount to be shown according to proof at trial and within the jurisdiction of this Court.

14 169. Plaintiffs seek all available remedies on behalf of themselves and on behalf of the Non-
15 Exempt Class, including, but not limited to, restitution of all wages and all monies owed, all in an amount
16 to be shown according to proof at trial. All such remedies are cumulative of relief available under other
17 laws, pursuant to Business & Professions Code § 17205.

18 WHEREFORE, Plaintiffs pray for relief as hereinafter requested.

19 **TENTH CAUSE OF ACTION**

20 **REPRESENTATIVE CLAIMS UNDER THE CALIFORNIA LABOR CODE PRIVATE**
21 **ATTORNEYS GENERAL ACT (PAGA)**

(California Labor Code section 2698, *et seq.*)

22 (Alleged by Plaintiff Espinoza on Behalf of All Aggrieved Employees of Defendants Against All
23 Defendants)

24 170. Plaintiff Espinoza hereby incorporates by reference all preceding paragraphs set forth
25 above as though fully set forth herein.

26 171. Pursuant to California Labor Code section 2699(a), any provision of the California Labor
27 Code that provides for a civil penalty to be assessed and collected by the LWDA or any of its departments,
28 divisions, commissions, boards, agencies or employees for violation of the code may, as an alternative, be

1 recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and
2 other current or former employees pursuant to the procedures specified in California Labor Code section
3 2699.3.

4 172. This cause of action involves allegations of violations of California Labor Code sections
5 201, 202, 203, 204, 210, 218.5, 218.6, 223, 225.5, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5,
6 1194, 1194.2, 1197, 1197.1, 1198, and 2802, which, pursuant to California Labor Code section 2699.5,
7 provide for a civil penalty to be assessed and collected by the LWDA or recovered through a civil action
8 brought by an aggrieved employee on behalf of himself or herself and other current or former employees
9 pursuant to the procedures specified in California Labor Code section 2699.3.

10 173. Plaintiff Espinoza exhausted her obligation to provide administrative notice and now seeks
11 penalties on behalf of herself and other current and former California employees of Defendants.

12 174. Pursuant to California Labor Code section 2699(a), Plaintiff Espinoza seeks civil penalties,
13 on behalf of herself and all other current and former employees of Defendants who worked as Non-Exempt
14 employees at one of Defendants' locations in California (collectively referred to as the "aggrieved
15 employees").

16 175. Defendants employed Plaintiff Espinoza, and Plaintiff Espinoza had one or more of the
17 alleged violations committed against her. Therefore, Plaintiff Espinoza is an "aggrieved employee" under
18 PAGA because the alleged violator employed her and she had one or more of the alleged violations
19 committed against her. As such, Plaintiff Espinoza is properly suited to represent the interests of other
20 aggrieved employees in a PAGA Representative action.

21 176. Plaintiff Espinoza seeks to recover civil penalties, but only those civil penalties that are
22 required to be shared with the LWDA and no individual relief or underpaid wages, on behalf of herself
23 and other aggrieved employees for Defendants' violations of the California Labor Code including, but not
24 limited to, Defendants' violations of California Labor Code sections 201, 202, 203, 204, 210, 218.6, 223,
25 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, and 1198.

26 177. For all provisions of the California Labor Code for which a civil penalty is not specifically
27 provided, California Labor Code section 2699(f) imposes upon Defendants a penalty of one hundred
28 dollars (\$100.00) for each aggrieved employee per pay period for the initial violation and two hundred

1 dollars (\$200.00) for each aggrieved employee per pay period for each subsequent violation.

2 178. Defendants violated California Labor Code sections 226.7, 512, and 1198 by failing to
3 provide Plaintiff Espinoza and aggrieved employees lawfully compliant meal periods and by failing to
4 pay them meal period premium wages for each day a compliant meal period was not provided. Under
5 California Labor Code section 2699(f)(2), Defendants are subject to a civil penalty of \$100 for each
6 aggrieved employee per pay period for the initial violation of California Labor Code sections 226.7 and
7 1198, and \$200 for each aggrieved employee per pay period for each subsequent violation.

8 179. Defendants violated California Labor Code sections 226.7 and 1198 by failing to authorize
9 and permit Plaintiff Espinoza and aggrieved employees to take duty-free rest periods and by failing to pay
10 them rest period premium wages for each day a compliant rest period was not provided. Under California
11 Labor Code section 2699(f)(2), Defendants are subject to a civil penalty of \$100 for each aggrieved
12 employee per pay period for the initial violation of California Labor Code sections 226.7 and 1198, and
13 \$200 for each aggrieved employee per pay period for each subsequent violation.

14 180. Defendants violated California Labor Code sections 223, 1194, 1197, and 1198 by not
15 paying Plaintiff Espinoza and other aggrieved employees at least minimum and regular wages for all the
16 time they were suffered or permitted to work, engaged in work and/or under Defendants' control, as
17 alleged herein. Thus, under California Labor Code section 2699(f)(2), Defendants are subject to a civil
18 penalty of \$100 for each aggrieved employee per pay period for the initial violation of California Labor
19 Code sections 223, 1194, and 1198, and \$200 for each aggrieved employee per pay period for each
20 subsequent violation,

21 181. Defendants violated California Labor Code sections 223, 510, 1194, and 1198 by not
22 paying Plaintiff Espinoza and other aggrieved employees all overtime wages earned for all the time they
23 were suffered or permitted to work, engaged in work and/or under Defendants' control, as alleged herein.
24 At all relevant times, Plaintiff Espinoza and, on information and belief, other aggrieved employees were
25 not paid all overtime when they worked in excess of eight hours a workday or forty hours in a workweek.
26 Thus, under California Labor Code section 2699(f)(2), Defendants are subject to a civil penalty of \$100
27 for each aggrieved employee per pay period for the initial violation of California Labor Code sections
28 223, 1194, and 1198, and \$200 for each aggrieved employee per pay period for each subsequent violation.

182. Under California Labor Code section 225.5, Defendants, in addition to, and entirely independent and apart from, any other penalty, are subject to a civil penalty for unlawfully withholding wages due to Plaintiff Espinoza and other aggrieved employees in violation of California Labor Code section 221 and 223 as follows: (1) For an initial violation, one hundred dollars (\$100.00) for each failure to pay each employee. (2) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200.00) for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld. This amount shall be recovered on behalf of the California Labor Commissioner.

183. Defendants violated California Labor Code sections 201, 202, and 1198 by not paying Plaintiff Espinoza and aggrieved employees all minimum, regular, overtime, and all meal and rest premium wages owed by the time set forth by law upon their separation of employment, as alleged herein. Thus, under California Labor Code section 2699(f)(2), Defendants are subject to a civil penalty of \$100 for each aggrieved employee per pay period for the initial violation of California Labor Code sections 201, 202, and 1198, and \$200 for each aggrieved employee per pay period for each subsequent violation.

184. Defendants violated California Labor Code sections 204 and 1198 by not paying Plaintiff Espinoza and aggrieved employees all minimum, regular, overtime, and all meal and rest premium wages owed by the time set forth by law during their employment, as alleged herein. Thus, under California Labor Code section 2699(f)(2), Defendants are subject to a civil penalty of \$100 for each aggrieved employee per pay period for the initial violation of California Labor Code sections 204 and 1198, and \$200 for each aggrieved employee per pay period for each subsequent violation.

185. Under California Labor Code section 210(a), Defendants, in addition to, and entirely independent and apart from any other penalty, are subject to a civil penalty for failing to pay the wages of each aggrieved employee as provided in California Labor Code section 204, as follows: (1) for any initial violation, one hundred dollars (\$100) for each failure to pay each aggrieved employee; and (2) for each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each aggrieved employee, plus 25 percent of the amount unlawfully withheld. This amount shall be recovered on behalf of the California Labor Commissioner.

186. Defendant violated California Labor Code sections 226(a), 1174(d), and 1198 by failing to maintain records detailing the start and end times of work shifts and meal periods, and knowingly and

intentionally failing to maintain and provide Plaintiff Espinoza and other aggrieved employees of Defendants with wage statements itemizing accurately all information required by California Labor Code section 226(a), as alleged herein, including the total hours worked, all regular hours worked, all overtime hours worked, the applicable hourly rate per hour worked, and the total wages earned. Thus, under California Labor Code section 2699(f)(2), Defendants are subject to a civil penalty of \$100 for each aggrieved employee per pay period for the initial violation of California Labor Code sections 226(a) and 1198, and \$200 for each aggrieved employee per pay period for each subsequent violation.

187. Alternatively, California Labor Code section 226.3 provides for a civil penalty in the amount of \$250 per violation in an initial citation and \$1,000 for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the records required in subdivision (a) of section 226.

188. California Labor Code section 1174.5 provides for a civil penalty of \$500 for any person employing labor who willfully fails to maintain accurate and complete records required by subdivision (d) of section 1174.

189. Defendants are and were Plaintiff Espinoza's and aggrieved employees' employer or other person(s) acting either individually or as an officer, agent, or employee of another person(s), who pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the Commission, and, as such, is subject to civil penalties for each underpaid employee pursuant to California Labor Code section 1197.1.

190. California Labor Code section 1197.1 imposes upon Defendants for each initial violation of California Labor Code section 1197 by paying or causing an employee to be paid less than the minimum wage, a civil penalty of \$100.00 for each underpaid employee for each pay period for which the employee is underpaid. Furthermore, California Labor Code section 1197.1 imposes upon Defendants for each subsequent violation a civil penalty of \$250.00 for each underpaid employee for each pay period for which the employee was underpaid. Plaintiff seeks to recover civil penalties, but only those civil penalties that are required to be shared with the LWDA and no individual relief or underpaid wages, on behalf of herself and other aggrieved employees for Defendants' violations of the California Labor Code.

191. Defendants are and were Plaintiff Espinoza's and other aggrieved employees' employer,

1 or person acting on their behalf, within the meaning of California Labor Code section 558, who violated
2 or caused to be violated, a section of Part 2, Chapter 1 of the California Labor Code or any provision
3 regulating hours and days of work in any IWC Wage Order and, as such, are subject to civil penalties for
4 each underpaid employee as set forth in California Labor Code section 558.

5 192. Pursuant to California Labor Code section 558, Defendants are subject to a civil penalty of
6 \$50.00 for an initial violation of California Labor Code sections 510 and 512, for each aggrieved
7 employee, for each pay period for which the aggrieved employee was not provided with a timely
8 uninterrupted 30-minute meal period and all overtime wages for all hours worked, as alleged herein.
9 Furthermore, California Labor Code section 558 imposes upon Defendants for each subsequent violation
10 of California Labor Code sections 510 and 512 a civil penalty of \$100.00 for each aggrieved employee
11 for each pay period for which the aggrieved employee was not provided with a timely uninterrupted 30-
12 minute meal period and all overtime wages for all hours worked, as alleged herein.

13 193. California Labor Code section 558 also imposes upon Defendants for each initial violation
14 of the Hours and Days of Work section of the applicable IWC Wage Order a civil penalty of \$50.00 for
15 each aggrieved employee for each pay period for which the aggrieved employee was not provided with a
16 paid uninterrupted 10-minute rest period, as alleged herein. Furthermore, California Labor Code section
17 558 imposes upon Defendants for each subsequent violation of the Hours and Days of Work section of
18 the applicable IWC Wage Order a civil penalty of \$100.00 for each aggrieved employee for each pay
19 period for which the aggrieved employee was not provided with a paid uninterrupted 10-minute rest
20 period, as alleged herein. The Hours and Days of Work section of the Wage Order also covers failure to
21 provide rest periods and Plaintiff Espinoza may therefore recover civil penalties, but only those civil
22 penalties that are required to be shared with the LWDA and no individual relief or underpaid wages.

23 194. For bringing this action, Plaintiff Espinoza is additionally entitled to attorney's fees and
24 costs incurred herein.

25 195. Plaintiff Espinoza seeks to recover civil penalties on behalf of herself and other aggrieved
26 employees for Defendants' violations of the California Labor Code, including, but not limited to,
27 Defendants' violations of California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 223,
28 225.5, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802

pursuant to California Labor Code section 2698, et seq. The exact amount of the applicable penalties is in an amount to be shown according to proof at trial and within the jurisdictional limitations of this Court.

WHEREFORE, Plaintiff Espinoza prays for relief as hereinafter requested.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

- a. For general damages;
- b. For special damages;
- c. For compensatory damages;
- d. For an award of liquidated damages to the extent permissible by Labor Code § 1194.2;
- e. For reasonable attorneys' fees, costs of suit, and interest to the extent permitted by law, including pursuant to Code of Civil Procedure § 1021.5, Labor Code §§ 218.5, 218.6, 226, 248.5, 1194, and 2802;
- f. For civil and statutory penalties to the extent permitted by law, including those pursuant to the Labor Code and the Orders of the Industrial Welfare Commission;
- g. For restitution as provided by Business and Professions Code § 17200, *et seq.*;
- h. For an order requiring Defendants to restore and disgorge all funds to each affected person acquired by means of any act or practice declared by this Court to be unlawful, unfair, or fraudulent and, therefore, constituting unfair competition under Business and Professions Code § 17200, *et seq.*;
- i. For an award of damages in the amount of unpaid compensation and monies including, but not limited to, actual damages, unpaid wages, minimum wages, regular wages, overtime wages, waiting time penalties and other penalties according to proof, including interest thereon, to the extent permissible by law;
- j. For an award of an additional hour of pay at the regular rate of compensation for each noncompliant meal and rest period, pursuant to Labor Code § 226.7 and the applicable Order of the Industrial Welfare Commission;
- k. For an award of the greater of actual damages or the liquidated damage amounts

provided by Labor Code § 226(e) for Defendants’ failure to provide accurate itemized wage statements, pursuant to Labor Code § 226(a);

- l. For civil penalties for each initial and subsequent violation for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover the underpaid wages pursuant to Labor Code §§ 558 and 1197.1;
- m. For injunctive relief as provided by the Labor Code including, but not limited to, Labor Code §§ 226(h) and 248.5, and Business and Professions Code § 17200, *et seq.*
- n. For indemnification of all losses incurred as a result of employment with Defendants, with interest;
- o. For civil penalties to the extent permitted by law pursuant to the California Labor Code under the Private Attorneys General Act;
- p. For pre- and post-judgment interest to the extent permitted by law including, but not limited to, Labor Code §§ 218.6 and 1194;
- q. For an order imposing a constructive trust upon Defendants to compel it to transfer wages that have been wrongfully obtained and held by Defendants to unpaid employees;
- r. For an accounting to determine all money wrongfully obtained and held by Defendants;
- s. Such civil penalties that are required to be shared with the LWDA;
- t. For a declaratory judgment that Defendants violated Labor Code §§ 201, 202, 203, 204, 221, 223, 224, 226, 226.7, 510, 512, 1174, 1194, 1197, 1198, and 2802, as well as the “Hours and Days of Work,” “Minimum Wages,” “Records,” “Reporting Time Pay,” “Meal Periods,” and “Rest Periods” sections of the Wage Order of the Industrial Welfare Commission; and
- u. An award of such other and further relief as this Court deems proper and just.

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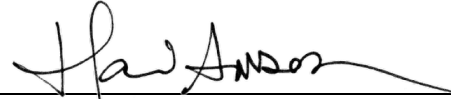
JURY TRIAL DEMAND

Plaintiffs hereby demand a trial by jury on all Causes of Action to the extent authorized by law.

Dated: May 25, 2021

GRAHAMHOLLIS APC

By: _____



GRAHAM S.P. HOLLIS

HALI M. ANDERSON

RIDGEWAY WOULFE

Attorneys for Plaintiffs CHRISTIAN HEADLEY,
AMERICA BANDA, and ERICKA ESPINOZA

EXHIBIT A

March 3, 2021

Attorneys at Law

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619.692.0800 voice
619.692.0822 fax

www.grahamhollis.com

Ridgeway Woulfe
rwoulfe@grahamhollis.com
619.488.6680 direct

VIA ELECTRONIC FILING

California Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

CERTIFIED MAIL (RETURN RECEIPT)

Professional Maintenance Systems, Inc.
4912 Naples Street
San Diego, CA 92110

Professional Maintenance Systems, Inc.
c/o Karen L. Berry, Agent for Service of Process
4912 Naples Street
San Diego, CA 92110

VIA EMAIL

Amy Wintersheimer, Esq.
Allen Matkins Leck Gamble Mallory & Natsis LLP
600 West Broadway, 27th Floor
San Diego, CA 92101
awintersheimer@allenmatkins.com

**Re: Wage and Hour Claims of America Banda and Ericka Alvarez Espinoza
against Professional Maintenance Systems, Inc.**

Dear Labor and Workforce Development Agency and Professional Maintenance Systems,
Inc.:

This letter shall serve as an amendment regarding the wage and hour and penalties
claims of America Banda, in accordance with the Labor Code Private Attorneys General
Act ("PAGA"), Labor Code sections 2698, *et seq.*

Ms. Banda electronically filed the initial notice with the Labor and Workforce
Development Agency ("LWDA") and sent the initial notification via Certified Mail to the
Company on or about December 14, 2020, which is enclosed for reference as **Exhibit A**.
Since the date of the initial notification, Ms. Banda has become aware of new information
and amends the original letter to add the following:

Graham S.P. Hollis

Vilmarie Cordero

Nathan Reese

Hali Anderson

David Lin

Erik Dos Santos

Alex Kuner

Monique Rodriguez

Ridgeway Woulfe

ADDITIONAL CLAIMANT

Please be advised Ericka Alvarez Espinoza has retained our firm to represent her for claims against Professional Maintenance Systems, Inc. (the “Company”), her employer. Ms. Banda amends her original claim letter to include Ericka Alvarez Espinoza as an additional Claimant, for the same Labor Code violations Ms. Banda set forth in the initial notification dated December 14, 2020, based upon the same facts and theories, as well as these additional facts. Ms. Banda and Ms. Espinoza incorporate, as if they were reproduced herein, the facts and claims set forth in the December 14, 2020 original written notice, and in each amended notice which followed. In addition to the previously alleged facts, Ms. Espinoza asserts the following.

The Company denied Ms. Espinoza and, on information and belief, other aggrieved employees in California specific rights afforded to them under the California Labor Code and the applicable Industrial Welfare Commission Wage Order. For example, the Company denied Ms. Espinoza all wages owed and rest period premiums, failed to indemnify Ms. Espinoza for business expenses incurred, and failed to issue accurate wage statements.

Ms. Espinoza has been employed as a janitor with the Company from approximately January 2016 through the present. At all times during her employment, Ms. Espinoza has been classified as a non-exempt employee and has been compensated on an hourly basis. Throughout the relevant time period, Ms. Espinoza typically worked 8.5 hours per day, seven days per week. Ms. Espinoza’s hourly rate of pay during the relevant time period has been at or near the minimum wage, most recently \$13.00 per hour.

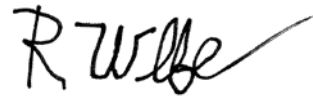
The Company denied Ms. Espinoza and, on information and belief, other aggrieved employees legally compliant rest periods because the Company understaffed its facilities such that they could not complete all assigned work within their shift if they took rest periods. Even though Ms. Espinoza and, on information and belief, other aggrieved employees were not able to take rest breaks, the Company failed to pay its employees one hour of pay for rest period premiums. In addition, the Company required Ms. Espinoza and, on information and belief, other aggrieved employees to incur personal cell phone and mileage expenses without reimbursement. Furthermore, Ms. Espinoza was not paid for time spent driving for the Company, so she was not paid all minimum, regular, and overtime wages. During her shifts, Ms. Espinoza drives to different locations without being compensated for this time and is also required to occasionally drop off materials and keys after her shift ends. Ms. Espinoza is not paid for this time and she believes that other aggrieved employees have suffered this same violation. As a result of the Company not paying for all hours worked, the wage statements the Company provided Ms. Espinoza and, on information and belief, other aggrieved employees were consistently inaccurate.

This letter shall serve as Ms. Espinoza’s written notice to the LWDA and the Company of the alleged Labor Code violations that Ms. Espinoza alleges the Company committed against her and all other aggrieved employees in California. Ms. Espinoza provides this notice in accordance with the Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code section 2698, *et seq.* Ms. Espinoza desires to file a civil action to enforce her rights under the Labor Code and seeks compensation accordingly. Pursuant to Labor Code § 2699(a), and by way of this letter, Ms. Espinoza intends to represent the same group of aggrieved employees as set forth in Ms. Banda’s initial notification dated December 14, 2020.

CONCLUSION

The facts and claims contained herein are based on the information presently available at the time of this writing. Therefore, if through discovery, investigation, and/or expert review, Ms. Banda and/or Ms. Espinoza become aware of additional Labor Code violations and/or compensation owed to them or other losses incurred by them or by any other aggrieved employee of the Company, they reserve the right to revise these facts and/or assert any new claims by amending this claim letter or by adding applicable causes of action in their complaint.

Sincerely,

A handwritten signature in black ink, appearing to read "R Woulfe", with a long, sweeping horizontal stroke extending to the right.

Ridgeway Woulfe

EXHIBIT A

December 14, 2020

Attorneys at Law

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San Diego, California 92103
619.692.0800 voice
619.692.0822 fax

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Ridgeway Woulfe
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619.488.6680 direct

VIA ELECTRONIC FILING

California Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

CERTIFIED MAIL (RETURN RECEIPT)

Professional Maintenance Systems, Inc.
4912 Naples Street
San Diego, CA 92110

Professional Maintenance Systems, Inc.
c/o Karen L. Berry, Agent for Service of Process
4912 Naples Street
San Diego, CA 92110

VIA EMAIL

Ms. Amy Wintersheimer, Esq.
Allen Matkins Leck Gamble Mallory & Natsis LLP
600 West Broadway, 27th Floor
San Diego, CA 92101
awintersheimer@allenmatkins.com

Re: Wage and Hour Claims of America Banda against Professional Maintenance Service, Inc.

Dear Labor and Workforce Development Agency and Professional Maintenance Service, Inc.:

Please be advised that America Banda (“Claimant”) has retained our law firm to represent her for various wage and hour claims against her former employer, Professional Maintenance Service, Inc. (the “Company”).

This letter shall serve as Claimant’s written notice to the California Labor and Workforce Development Agency (“LWDA”) and the Company of the California Labor Code violations that Claimant alleges the Company committed against her and all other current and former non-exempt Professional Maintenance Systems, Inc. employees who performed work in California during the applicable statutory period (collectively, the “aggrieved employees”). Claimant provides this notice in accordance with the California

Graham S.P. Hollis

Vilmarie Cordero

Nathan Reese

Hali Anderson

David Lin

Erik Dos Santos

Alex Kuner

Monique Rodriguez

Ridgeway Woulfe

Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code section 2698, *et seq.* Claimant desires to file a civil action to enforce her rights under the Labor Code and intends to represent all other aggrieved employees of the Company who performed work in California and who suffered at least one of the Labor Code violations described herein.

FACTUAL BACKGROUND

The following factual background is based upon the limited investigation Claimant has been able to conduct to date. Claimant reserves the right to amend this notice letter should additional information come to light at a later date.

Professional Maintenance Systems, Inc. is a California corporation with its principal place of business located in San Diego, California. Professional Maintenance Systems, Inc. is an organization that provides janitorial and maintenance services to its clients.

Claimant was employed as a janitor with the Company from approximately July 2019 through August 2020. At all times during her employment, Claimant was classified as a non-exempt employee and was compensated on an hourly basis. Throughout the relevant time period, Claimant typically worked 6.5 to 8.5 hours per day, six days per week. Claimant’s hourly rate of pay during the relevant time period was \$12.00 per hour.

As employees performing work in California, Claimant and other aggrieved employees were afforded various protections by the California Labor Code and the applicable IWC Wage Order. The Company disregarded these protections and denied Claimant and other aggrieved employees specific rights that they should have been provided. For example, on information and belief, the Company failed, *inter alia*, to pay Claimant and other aggrieved employees all minimum, regular, and overtime wages that they were owed for all hours that they worked, failed to provide them with legally compliant meal and rest periods – or premium pay for missed or deficient meal or rest periods, failed to pay them for off-the-clock work, failed to indemnify them for all business expenses incurred, failed to issue them accurate itemized wage statements, failed to maintain accurate records, and failed to timely pay them all wages they were owed within the time set forth by law.

The Company failed to pay Claimant and other aggrieved employees all wages owed in multiple ways. The most glaring is that the Company occasionally simply failed to pay them for all hours worked in addition to her regular schedule. For example, if the Company and Claimant agreed for her to work three hours beyond her ordinary schedule, the Company often would only pay her for two additional hours. In some instances, the Company similarly failed to pay her full wages even when she was within her regular schedule. Furthermore, the Company often required Claimant and other aggrieved employees to wait to return keys to a supervisor while off-the-clock, failing to pay her for hours Claimant spent under the Company’s control. Since these unpaid hours were in excess of 8 hours per day and/or 40 hours per week, the Company owed them overtime rates for that work. Since Claimant and other aggrieved employees’ agreed upon rate was the minimum wage, their actual rate of pay was lower than minimum wage when accounting for the off-the-clock hours worked. Claimant’s \$12 rate of pay was also lower than the minimum wage. Claimant believes this was true for other aggrieved employees as well.

Additionally, the Company required Claimant and other aggrieved employees to work through their meal periods despite requiring them to clock out as though they received an uninterrupted and off-duty meal period. The Company so drastically understaffed its facilities that Claimant and other aggrieved employees did not have enough time to complete all their assigned tasks for the day unless they continued working throughout their meal and rest periods. Claimant and aggrieved employees risked discipline if they failed to complete their daily tasks. Despite knowing Claimant and other aggrieved employees could not take off-duty meal periods, the Company required Claimant and other aggrieved employees to record their times as though they were able to receive an off-duty meal period. As a result, the Company failed to pay Claimant and other aggrieved employees 30 minutes of wages each day. As with the unpaid wages listed above, the Company owed Claimant and other aggrieved employees overtime rates for their on-duty meal period time, and the Company's failure to pay them for all hours worked means that the Company paid them less than the applicable minimum wage.

When an employer fails to provide an employee with an uninterrupted and off-duty meal period to which the employee is entitled, the employer owes the employee a meal period premium worth 1 hour of the employee's ordinary rate of pay. The same is true when an employer prevents an employee from taking legally required 10-minute rest periods. As described above, the Company understaffed its facilities to such an extent that it denied Claimant and other aggrieved employees off-duty meal and rest periods, yet the Company did not pay any meal or rest period premiums.

The Company also failed to indemnify Claimant and other aggrieved employees for all expenses incurred on behalf of the Company. For example, the Company required Claimant and other aggrieved employees to communicate with their supervisor via cell phone to discuss key returns, missing supplies, and any incidents. The Company did not provide Claimant or other aggrieved employees with a cell phone or reimburse her for the associated costs. The Company also required Claimant and other aggrieved employees to drive in their personal vehicles between locations to collect supplies, but it did not reimburse any mileage expenses or pay the drive time as time worked.

As described above, the Company knowingly maintained time records which inaccurately reflected Claimant and other aggrieved employees receiving uninterrupted and off-duty meal periods. As a result of these practices, the Company's wage statements did not accurately reflect their regular hours worked, overtime hours worked, gross and net pay, meal and/or rest break premiums owed, and indemnification payments. The Company also failed to make these payments within a timely manner after their terminations and resignations.

Due to the foregoing alleged Labor Code violations, the Company denied Claimant and other aggrieved employees certain rights afforded them under the California Labor Code and IWC Wage Orders. Claimant desires to file a civil action to enforce her rights under the Labor Code and intends to represent all other aggrieved employees of Professional Maintenance Systems, Inc. who performed work in California and who suffered at least one of the Labor Code violations described below.

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FAILURE TO PAY MINIMUM, REGULAR, AND OVERTIME WAGES

(Labor Code sections 223, 225.5, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198, and the “Minimum Wages” and “Hours and Days of Work” Sections of the applicable IWC Wage Order)

Labor Code section 1197 states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.”

Labor Code section 1197.1 states, “[a]ny employer or other person acting either individually or as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law or by an order of the commission shall be subject to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties imposed pursuant to Section 203.”

Labor Code section 1198 states, “[t]he maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Labor Code section 223 states, “[w]here any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or by contract.” In addition, Labor Code section 225.5 provides that every person who unlawfully withholds wages due any employee in violation of Section 223 shall be subject to a civil penalty as follows: (a) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee; (b) For each subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld.

Labor Code section 510 states, “[e]ight hours of labor constitutes a day’s work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” The “Hours and Days of Work” and “Minimum Wages” sections of the applicable IWC Wage Order mandate the same requirements.

Labor Code section 558 states, “[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee.”

Labor Code section 1194(a) states, "...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit." Liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon are provided for under Labor Code section 1194.2.

As set forth above, the Company failed to pay Claimant and other aggrieved employees all minimum, regular, and overtime wages, in violation of California law. Claimant will pursue all available remedies for the Company's violations on behalf of herself and other aggrieved employees to the extent allowed by law.

**FAILURE TO PROVIDE COMPLIANT MEAL PERIODS
AND AUTHORIZE AND PERMIT REST PERIODS**

(Labor Code sections 226.7, 512, 558, 1198 and the "Meal Periods" section of the Applicable IWC Wage Order)

Labor Code section 226.7(b) states, "[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission..." Labor Code section 226.7(c) states, "[i]f an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."

Labor Code section 512(a) states, "[a]n employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes" and "[a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes."

The "Meal Periods" section of the applicable IWC Wage Order states, "[n]o employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee." Furthermore, "[i]f an employer fails to provide an employee a meal period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided."

The "Rest Periods" section of the applicable IWC Wage Order states, "[e]very employer shall authorize and permit employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof." Furthermore, "[i]f an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided."

Labor Code section 1198 states, “[t]he maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

Labor Code section 558 states, “[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) Wages recovered pursuant to this section shall be paid to the affected employee.”

As set forth above, the Company failed to provide Claimant and other aggrieved employees with the opportunity to take compliant meal and rest periods, as required by California law. Consequently, Claimant and other aggrieved employees are entitled to receive one-hour of premium wages for each day the Company failed to provide compliant meal and rest periods. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and other aggrieved employees to the extent allowed by law.

FAILURE TO REIMBURSE FOR BUSINESS EXPENSES
(Labor Code section 2802)

Labor Code section 2802 provides in pertinent part, “[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.”

Labor Code section 2802(b) states, “[a]ll awards made by a court or by the Division of Labor Standards Enforcement for reimbursement of necessary expenditures under this section shall carry interest at the same rate as judgments in civil actions. Interest shall accrue from the date on which the employee incurred the necessary expenditure or loss.” Accordingly, Claimant will request that she receive interest on the applicable amount.

Furthermore, Labor Code section 2802(c) states, “[f]or purposes of this section, the term ‘necessary expenditures or losses’ shall include all reasonable costs, including, but not limited to, attorney’s fees incurred by the employee enforcing the rights granted by this section.” Consequently, Claimant will also request reimbursement of the attorney’s fees incurred in pursuing this matter.

As set forth above, the Company required that Claimant and other aggrieved employees utilize their personal cell phones and personal vehicles for work purposes. Nevertheless, the Company did not indemnify Claimant and other aggrieved employees for these expenses. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and other aggrieved current and former employees to the extent allowed by law.

FAILURE TO MAINTAIN ACCURATE RECORDS

(Labor Code sections 1174, 1174.5, 1198, and the “Records” section of the Applicable IWC Wage Order)

Labor Code section 1174 states, “[e]very person employing labor in this state shall... [k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments.”

The “Records” section of the applicable IWC Wage Order states that every employer shall keep accurate information with respect to each one of its employees, including time records showing when the employee begins and ends each work period, meal period, total hours worked in the payroll period, and applicable rates of pay.

Labor Code section 1174.5 imposes a civil penalty of \$500 for an employer’s failure to maintain accurate and complete records. This civil penalty is in addition to the civil penalty of \$100 per pay period, per aggrieved employee that would be imposed pursuant to Labor Code section 2699 for a violation of Labor Code section 1174(d).

As set forth above, the Company failed to accurately record Claimant’s and other aggrieved employees’ total hours worked during the pay period, the correct amount of gross and net wages earned, the correct pay rates, meal and rest period premiums, and expense indemnification payments. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and other aggrieved employees to the extent allowed by law.

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Labor Code sections 226, 226.3, 1198, and the “Records” section of the Applicable IWC Wage Order)

Labor Code section 226(a) states in pertinent part that every employer shall provide an accurate, itemized wage statement in writing with respect to each of its employees showing: “(1) gross wages earned, (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission, ... (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, ... (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer..., and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.”

Labor Code section 226(e) imposes a penalty of the greater of all actual damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of \$4,000, and Claimant is entitled to an award of costs and reasonable attorney’s fees. Labor Code section 226.3 imposes an additional civil penalty on the employer of \$250.00 per employee per violation of Labor Code section 226(a) in an initial citation and \$1,000 per employee for each violation in a subsequent citation.

The “Records” section of the applicable IWC Wage Order states that, “[e]very employer shall semimonthly or at the time of each payment of wages furnish each employee, either as a detachable part of the check, draft, or voucher paying the employee’s wages, or separately, an itemized statement in writing showing: (1) all deductions; (2) the inclusive dates of the period for which the employee is paid; (3) the name of the employee or the employee’s social security number; and (4) the name of the employer, provided all deductions made on written orders of the employee may be aggregated and shown as one item.”

As set forth above, the Company failed to provide Claimant and other aggrieved employees with accurate itemized wage statements. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and other aggrieved employees to the extent allowed by law.

FAILURE TO TIMELY PAY ALL WAGES DUE

(Labor Code sections 201, 202, 203, 204, 210, 1198, and the “Minimum Wages” section of the Applicable IWC Wage Order)

Labor Code section 204(a) states in pertinent part, “[a]ll wages...earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays.” Furthermore, Labor Code section 204(b)(1) states, “all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.” Labor Code section 210 provides that, “every person who fails to pay the wages of an employee as provided in Section...204...shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation. The “Minimum Wages” section of the applicable IWC Wage Order also states that “[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.”

Labor Code section 201 states, in pertinent part, “[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code section 202 states, in pertinent part, “If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.”

Labor Code section 203(a) states, in pertinent part, “[i]f an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefore is commenced; but the wages shall not continue for more than 30 days.”

As set forth above, the Company failed to pay Claimant and other aggrieved employees all minimum, regular, and overtime wages, expense indemnification, or all meal and rest period premium wages that they were owed within the time required by law. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and other aggrieved employees to the extent allowed by law.

ATTORNEY'S FEES, COSTS, INTEREST, LIQUIDATED DAMAGES AND PENALTIES

(Labor Code sections 210, 218.5, 218.6, 225.5, 226(e), 1194, 1194.2, 1197.1, and 2699, *et seq.*)

Labor Code sections 210, 218.5, 218.6, 225.5, 226(e), 558, 1194, 1194.2, 1197.1, and 2699, *et seq.*, among others, give employees the right to recover in a civil action the unpaid balance of the full amount of minimum, regular, and overtime wages and meal period premium wages, damages, liquidated damages and penalties, including interest thereon, as well as reasonable attorney's fees and costs.

Pursuant to Labor Code section 2699, *et seq.*, an aggrieved employee is entitled to collect 25% of the penalty assessment and 100% of the underpaid wages. Accordingly, the Company is liable for these items in addition to the unpaid wages. Claimant has already incurred actual damages, costs and attorney's fees and will continue to incur costs as a result of the Company's unlawful actions. Claimant will pursue all available remedies, including those provided by PAGA, for these violations on behalf of herself and all other aggrieved employees.

CIVIL PENALTIES FOR VIOLATION OF THE LABOR CODE AND IWC WAGE ORDERS

(Labor Code sections 558, 558.1, and 1197.1)

Labor Code section 558 subjects any employer who violates Part 2, Chapter 1, of the Labor Code (Labor Code §§ 500-558) or any provision regulating the hours and days of work in any IWC Wage Order to a civil penalty as follows: "[f]or any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. For each subsequent violation, one hundred (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages."

Labor Code section 558.1(a) states that "[a]ny employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wage or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation." This includes the owners, officers, directors, or managing agents of the employer. Labor Code section 558.1(b).

Similarly, Labor Code section 1197.1 subjects any employer or other person acting either individually or as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law, or by an order of the commission to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties imposed pursuant to Section 203 as follows: "(1) [f]or any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid. This amount shall be in addition to an amount sufficient to recover underpaid wages, liquidated damages pursuant to Section 1194.2, and any applicable penalties imposed pursuant to Section 203. (2) For each subsequent violation for the same specific offense, two hundred fifty dollars (\$250) for each underpaid employee for each pay period for which the employee is underpaid regardless of whether the initial violation is intentionally committed. This amount shall be in addition to

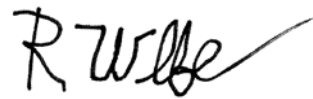
an amount sufficient to recover underpaid wages, liquidated damages pursuant to Section 1194.2, and any applicable penalties imposed pursuant to Section 203. (3) Wages, liquidated damages, and any applicable penalties imposed pursuant to Section 203, recovered pursuant to this section shall be paid to the affected employee.”

As set forth above, the Company underpaid Claimant and other aggrieved employees by failing to pay them all regular, minimum, and overtime wages owed, as well as all meal and rest period premium wages owed, as required under Labor Code sections 226.7, 510, 512, 1194, 1197, 1198, and the applicable sections of the applicable IWC Wage Order. As a result, the Company is liable for civil penalties under Labor Code sections 558 and 1197.1. Claimant will pursue all available remedies for the Company’s violations on behalf of herself and other aggrieved employees to the extent allowed by law.

CONCLUSION

The facts and claims contained herein are based on the limited information available at the time of this writing. Therefore, if through discovery and/or expert review, Claimant becomes aware of additional compensation owed to her or other aggrieved employees of the Company, Claimant reserves the right to revise these facts and/or add any new claims by either amending this notice letter or adding applicable causes of action in the complaint for damages.

Sincerely,

A handwritten signature in black ink, appearing to read "R Woulfe", with a long, sweeping horizontal stroke extending to the right.

Ridgeway Woulfe



March 5, 2021

Dear Reference 34886 00001 HEADLEY PROFESSIONAL AG:

The following is in response to your request for proof of delivery on your item with the tracking number:
9414 8118 9876 5897 3030 09.

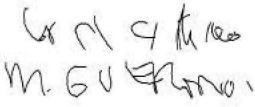
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Status:	Delivered, Left with Individual
Status Date / Time:	March 5, 2021, 12:48 pm
Location:	SAN DIEGO, CA 92110
Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	al Maintenance Systems INC

Shipment Details

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Recipient Signature

Signature of Recipient:	
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Graham Hollis, APC.
3555 5TH AVE STE 200
SAN DIEGO CA 92103-5057

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Professional Maintenance Systems, INC.
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March 5, 2021

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Postal Product:	First-Class Mail®
Extra Services:	Certified Mail™ Return Receipt Electronic
Recipient Name:	rofessional Maintenance Systems INC

Shipment Details

Weight:	3.0oz
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Recipient Signature

Signature of Recipient:

Gr M 9/11/20
M. G. V. P. M.

Address of Recipient:

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Professional Maintenance Systems, INC.
co Karen L. Berry Agent for Service of Process
4912 NAPLES ST
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USPS History	Departed USPS Regional Facility, March 4, 2021, 11:59 pm, SAN DIEGO CA DISTRIBUTION CENTER In Transit to Next Facility, 03/04/2021 Arrived at USPS Regional Facility, March 3, 2021, 9:54 pm, SAN DIEGO CA DISTRIBUTION CENTER Accepted at USPS Origin Facility, March 3, 2021, 8:39 pm, SAN DIEGO, CA 92103

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Date Verified: 03/06/2021 (UTC)