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May 25, 2021

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(<https://dir.tfaforms.net/308>)

Subject: *Perla Chavez v. Ross Dress for Less, Inc., et al.*

Dear PAGA Administrator:

This office represents Perla Chavez in connection with her claims under the California Labor Code. Ms. Chavez was an employee of ROSS DRESS FOR LESS, INC.; ROSS STORES, INC.; RETAIL ASSURANCE GROUP, INC.; ROSS MERCHANDISING, INC.; ROSS DISTRIBUTION COMPANY LLC; and/or ROSS PROCUREMENT, INC. For the purpose of this letter, Ms. Chavez collectively refers to these entities as "DD'S DISCOUNTS."

The employers may be contacted directly at the addresses below:

ROSS DRESS FOR LESS, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

ROSS DISTRIBUTION COMPANY LLC
5130 HACIENDA DRIVE
DUBLIN CA 94568

ROSS STORES, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

ROSS MERCHANDISING, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

RETAIL ASSURANCE GROUP, INC.
C/O MARSH MANAGEMENT SERVICES, INC.
745 FORT ST STE 1100
HONOLULU, HAWAII 96813

ROSS PROCUREMENT, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

Ms. Chavez intends to seek civil penalties, attorney's fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Ms. Chavez seeks relief on behalf of herself, the State of California, and other persons who are or were employed by DD'S DISCOUNTS as a non-exempt, hourly paid employee in California and who received at least one wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

DD'S DISCOUNTS employed Ms. Chavez as an hourly paid, non-exempt employee from approximately January 2020 to October 2020. Ms. Chavez worked for DD'S DISCOUNTS as a Store Protection Specialist (Loss Prevention) at its retail location in Madera, California. During her employment, Ms. Chavez typically worked four (4) to eight (8) hours or more per day, two (2) to five (5) days per week. Ms. Chavez was compensated approximately \$13.50 per hour. Her job duties included, without limitation, surveilling the store premises, reviewing store cameras for suspicious activity, and greeting customers.

DD'S DISCOUNTS committed one or more of the following Labor Code violations against Ms. Chavez, the facts and theories of which follow, making her an "aggrieved employee" pursuant to California Labor Code section 2699(c):¹

DD'S DISCOUNTS'S Company-Wide and Uniform Payroll and HR Practices

ROSS DRESS FOR LESS, INC.; ROSS STORES, INC.; ROSS MERCHANDISING, INC.; and ROSS PROCUREMENT, INC. are Delaware corporations while ROSS DISTRIBUTION COMPANY LLC is a Delaware limited liability company and RETAIL ASSURANCE GROUP, INC. is a Hawaii corporation. Together, they own and operate a chain of retail stores named "dd's DISCOUNTS" selling clothing, toys, and home decor, with approximately 105 store locations in California. Upon information and belief, DD'S DISCOUNTS maintains a single, centralized Human Resources (HR) department at its corporate headquarters in Dublin, California, for all non-exempt, hourly paid employees working for DD'S DISCOUNTS in California, including Ms. Chavez and other aggrieved employees. At all relevant times, DD'S DISCOUNTS issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Ms. Chavez and other aggrieved employees, regardless of its location or position.

Upon information and belief, DD'S DISCOUNTS maintains a centralized Payroll department at its corporate headquarters in Dublin, California, which processes payroll for all non-exempt, hourly paid employees working for DD'S DISCOUNTS in California, including Ms. Chavez and other aggrieved employees. Further, DD'S DISCOUNTS issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees working in California, including Ms. Chavez and other aggrieved employees, irrespective of their location, position, or manner in which each employee's employment ended. In other words, DD'S DISCOUNTS utilized the same methods and formulas when calculating wages due to Ms. Chavez and other aggrieved employees in California.

Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission ("IWC") Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the

¹ These facts, theories, and claims are based on Ms. Chavez's experience and counsel's review of those records currently available relating to Ms. Chavez's employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law's requirements, the employer misinformed its employee of the law's requirements, or because the employer effectively hid the violations). Thus, Ms. Chavez reserves the right to supplement this letter with additional facts, theories, and claims if she becomes aware of them subsequent to the submission of this letter.

regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

DD'S DISCOUNTS willfully failed to pay all overtime wages owed to Ms. Chavez and other aggrieved employees. During the relevant time period, Ms. Chavez and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

First, DD'S DISCOUNTS had, and continues to have, a company-wide policy of strictly staffing its retail locations based on the labor hours allocated by each location's labor or payroll budget set by corporate. This practice of labor budgeting, combined with the assignment of heavy workloads, has resulted in, and continues to result in, chronic understaffing and a lack of adequate meal period coverage, because there were too few employees on duty to handle the workload. In conjunction with DD'S DISCOUNTS's policy of understaffing its retail locations, on information and belief, and as an additional example of the impediments posed to employees preventing compliant meal periods, DD'S DISCOUNTS had a requirement that a loss prevention employee be always present on the floor. At the same time, on information and belief, the labor budgets and limited payroll hours that DD'S DISCOUNTS implemented did not always allow for more than one loss prevention employee to always be on the schedule. Because there were no other loss prevention employees to cover Ms. Chavez's shift during her meal period, Ms. Chavez and other aggrieved employees were often prevented from taking uninterrupted 30-minute meal periods. DD'S DISCOUNTS's chronic understaffing of its retail locations, coupled with labor budgeting and/or limited payroll allocation, further resulted in a lack of meal period coverage for its employees. Moreover, DD'S DISCOUNTS has a practice of failing to adhere to a schedule of meal periods, which further caused Ms. Chavez and other aggrieved employees to not be relieved of their duties for compliant meal periods. As a result of this inadequate meal period coverage, Ms. Chavez and other aggrieved employees were not always afforded uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal period.

Further, because DD'S DISCOUNTS frowned upon Ms. Chavez and other aggrieved employees accruing meal period penalties, DD'S DISCOUNTS's management pressured Ms. Chavez and other aggrieved employees to clock out for meal periods but continue working through their meal period, in order to reflect compliant meal periods and strictly limit the meal penalties that DD'S DISCOUNTS would otherwise owe. For example, at least once per week for about 3-10 minutes per each instance, Ms. Chavez would clock out for her meal period and continue completing work-related tasks. As a further example, at least once a week, for about three (3) minutes per each instance, Ms. Chavez's managers would ask her work-related questions or would call her on her walkie-talkie about loss prevention emergencies while she was clocked out for their meal period. Additionally, the timekeeping system further prevented Ms. Chavez and other aggrieved employees from clocking back in early from their meal periods until 30 minutes had elapsed, further preventing Ms. Chavez and other aggrieved employees from being able to record any off-the-clock work that they performed during their meal periods. Consequently, Ms. Chavez and other aggrieved employees performed work during meal periods for which they were not paid.

Second, during the relevant period, upon information and belief, DD'S DISCOUNTS had, and continues to have, a company-wide policy of discouraging and impeding Ms. Chavez and other aggrieved employees from recording hours worked that were outside of their scheduled shifts in order to limit the amount of overtime employees could accrue. On information and belief, this policy of limiting overtime, coupled with DD'S DISCOUNTS's use of labor budgets and assignment of heavy workloads, led Ms. Chavez and other aggrieved employees to work off-the-clock before and after their scheduled shift times. For example, prior to the start of each shift and before clocking in, Ms. Chavez and other aggrieved employees would have to wait for and undergo mandatory COVID-19 screenings, including temperature checks, conducted by managers which could take up to 10 minutes. In addition, about twice per month, Ms. Chavez would arrive to work early but was required to wait at the registers and respond to questions from her manager for about five (5) minutes until the start of her scheduled shift, until she was able to clock in. Moreover, at least once a week for about 5-10 minutes each instance, after clocking out, Ms. Chavez and other aggrieved employees would have to wait for their managers to unlock the door before they could leave the store. During this time, Ms. Chavez would continue completing her work-related tasks off-the-clock, because she had been instructed by her supervisors to avoid accruing overtime. Further, Ms. Chavez's managers would call her on her personal cellular phone on her off-days to discuss scheduling issues. Thus, DD'S DISCOUNTS failed to track all of this time spent working before clocking in or after clocking out, and Ms. Chavez and other aggrieved employees received no compensation for this time.

Third, during the relevant time period, DD'S DISCOUNTS had a company-wide loss prevention policy requiring employees to undergo mandatory security checks by a managerial employee, or other employees, before leaving the store premises after clocking out at the end of a shift and/or after clocking out for a meal period. For example, after clocking out at the end of their shifts, at least once a week, Ms. Chavez and other aggrieved employees were required to wait for a manager to check their belongings because employees were required to log out at their scheduled shift end-times to avoid accruing overtime. Although DD'S DISCOUNTS's requirement that Ms. Chavez and other aggrieved employees undergo security checks was mandatory, DD'S DISCOUNTS did not compensate them for the time it took them to wait and undergo these checks.

Fourth, during the relevant time period, DD'S DISCOUNTS had a company-wide "on-call" policy, whereby it scheduled Ms. Chavez and other aggrieved employees to work on-call, or on standby. These "on-call" shifts worked to DD's DISCOUNTS's benefit and to the detriment of Ms. Chavez and other aggrieved employees. By utilizing "on-call" shifts, DD's DISCOUNTS received the benefit of being able to maximize revenue by having a standby workforce it could choose to utilize or not, depending on store traffic, without incurring the cost of compensating employees who show up to work and work a full or partial scheduled day's work.

When scheduled for an "on-call" or standby shift, Ms. Chavez and other aggrieved employees were required to call in to work the night before their scheduled standby shift, or 1-2 hours prior to the start of their scheduled standby shift, to confirm whether they were required to report to work. Ms. Chavez and other aggrieved employees were engaged to wait and could not engage in personal activities as they had to be ready to travel to their respective store locations on short notice and work their standby shift. When scheduled to be "on-call" for a standby shift, Ms. Chavez and other aggrieved employees were controlled by DD'S DISCOUNTS because they were forced to put their lives on hold and could not use that time freely for their own purposes. For example, Ms. Chavez refrained from making plans altogether on days she was scheduled for a standby shift because she knew that she had to drop whatever she was doing at a moment's notice if she was instructed to work her standby shift. However, DD'S DISCOUNTS did not pay Ms. Chavez and other aggrieved

employees for the time during which they were waiting or on standby to be notified by DD'S DISCOUNTS that they were required to report to work and unable to use their time for their own purposes.

DD'S DISCOUNTS knew or should have known that as a result of these company-wide practices and/or policies, Ms. Chavez and other aggrieved employees were performing assigned duties off-the-clock during meal periods and/or before and after their shifts, and were suffered or permitted to perform work for which they were not paid. Because Ms. Chavez and other aggrieved employees sometimes worked shifts of eight (8) hours a day or more, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Ms. Chavez and other aggrieved employees were not paid overtime wages for all of the overtime hours they actually worked.

Furthermore, DD'S DISCOUNTS did not pay other aggrieved employees the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, DD'S DISCOUNTS paid other aggrieved employees incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. However, in violation of the California Labor Code, DD'S DISCOUNTS failed to incorporate all compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when other aggrieved employees worked overtime and received these other forms of pay, DD'S DISCOUNTS failed to pay all overtime wages by paying a lower overtime rate than required.

DD'S DISCOUNTS's failure to pay Ms. Chavez and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in Wage Order No. 7-2001 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." Cal. Code. Regs. tit. 8, § 11070(2)(G) (defining "Hours Worked").

First, as set forth above, due to DD'S DISCOUNTS's company-wide practice of utilizing labor budgets, assignment of heavy workloads, subsequent lack of meal period coverage, and policy requiring loss prevention employees to be on duty at all times, Ms. Chavez and other aggrieved employees were impeded from taking all uninterrupted meal periods to which they were entitled and were required to work off-the-clock. Moreover, as set forth above, in order to prevent employees from accruing meal period penalties, DD'S DISCOUNTS's management pressured employees to clock out for meal periods to reflect compliant meal periods, but required them to continue working, time for which they were not paid. Also, as set forth above, DD'S DISCOUNTS systematically failed to pay Ms. Chavez and other aggrieved employees for actual hours worked during unpaid meal

periods, because DD'S DISCOUNTS's timekeeping system locked out Ms. Chavez and other aggrieved employees for 30 minutes when they clocked out for a meal period.

Second, as stated above, during the relevant time period, as a result of DD'S DISCOUNTS's policy of limiting the amount of overtime employees could accrue, Ms. Chavez and other aggrieved employees were forced to work off-the-clock before and after their scheduled shift start and end times to complete their work-related tasks. As stated, DD'S DISCOUNTS required Ms. Chavez and other aggrieved employees to perform work off-the-clock, including performing pre- and post-shift work; submitting to off-the-clock mandatory COVID-19 screenings, temperature checks, and security checks; waiting for managers to unlock the store before they could leave; and responding to phone calls and/or voicemails from managers regarding scheduling matters. Moreover, as set forth above, DD'S DISCOUNTS had a company-wide "on-call" policy, whereby it required Ms. Chavez and other aggrieved employees to call in when scheduled for "on-call" or standby shifts. However, DD'S DISCOUNTS did not pay Ms. Chavez and other aggrieved employees at least minimum wages for the time they spent calling in or waiting to see if they were needed at the store.

Thus, DD'S DISCOUNTS did not pay at least minimum wages for all hours worked by Ms. Chavez and other aggrieved employees. Also, to the extent that these off-the-clock hours did not qualify for overtime premium payment, DD'S DISCOUNTS did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, and 1197.1. Accordingly, DD'S DISCOUNTS regularly failed to pay at least minimum wages to Ms. Chavez and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1 and 1198.

Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

During the relevant time period, as stated, DD'S DISCOUNTS had, and continues to have, a company-wide policy and/or practice of understaffing locations due to labor budgeting and/or limited payroll allocation, which, combined with the assignment heavy workloads and failure to adhere to a

schedule of meal periods, has resulted in a lack of meal period coverage and prevented Ms. Chavez and other aggrieved employees from taking all timely, uninterrupted meal periods to which they were entitled. As stated, Ms. Chavez and other aggrieved employees would have their meal periods interrupted or cut short due to a lack of coverage and to attend to their managers' work-related inquiries. Because Ms. Chavez was often the only loss prevention employee on duty and because there were no other loss prevention employees to cover Ms. Chavez's shift during her meal period, she was prevented from taking timely, uninterrupted 30-minute meal periods because she was required to keep her walkie-talkie on during her meal periods and attend to emergencies or security situations as needed. In addition, as stated, Ms. Chavez and other aggrieved employees had their meal periods cut short due to mandatory security checks of their personal belongings when they exited the store during their meal periods.

Further, as stated, because DD'S DISCOUNTS frowned upon Ms. Chavez and other aggrieved employees accruing meal period penalties, DD'S DISCOUNTS's management pressured Ms. Chavez and other aggrieved employees to clock out for meal periods, in order to reflect compliant meal periods, regardless of whether they had received a compliant meal period, in order to strictly limit meal penalties that DD'S DISCOUNTS would otherwise owe. As stated, at least once per week for about 3-10 minutes per each instance, Ms. Chavez would complete her work-related tasks off the clock during her meal period because her supervisors had instructed her to clock out to avoid meal period penalties.

DD'S DISCOUNTS's practices and policies prevented Ms. Chavez and other aggrieved employees from taking all compliant meal periods to which they were entitled. As a result, Ms. Chavez and other aggrieved employees would be forced to work in excess of five (5) hours before taking a meal period, had their meal periods interrupted or cut short, and/or had to forgo their meal periods altogether.

Furthermore, as stated, DD'S DISCOUNTS company-wide timekeeping system prevented Ms. Chavez and other aggrieved employees from recording all hours worked when their meal periods were shortened or interrupted, because the system locked out Ms. Chavez and other aggrieved employees once they clocked out for a meal period, and would not permit them to clock back in from a meal period until 30 minutes had elapsed. Additionally, on information and belief, DD'S DISCOUNTS's timekeeping system also automatically clocked out Ms. Chavez and other aggrieved employees at the fifth hour of their shift in order to reflect compliant meal periods, regardless of whether employees received compliant meal periods, and to further prevent Ms. Chavez and other aggrieved employees from incurring meal period penalties.

Moreover, DD'S DISCOUNTS did not provide other aggrieved employees with second 30-minute meal periods on days that they worked in excess of 10 hours in one day. Ms. Chavez and other aggrieved employees did not sign valid meal period waivers on days that they were entitled to meal periods and were not relieved of all duties.

DD'S DISCOUNTS knew or should have known that as a result of its company-wide policies and/or practices, Ms. Chavez and other aggrieved employees were not actually relieved of all duties to take timely, uninterrupted meal periods. DD'S DISCOUNTS further knew or should have known that it did not pay Ms. Chavez and other aggrieved employees meal period premiums when meal periods were missed, late, short, and/or interrupted.

Furthermore, DD'S DISCOUNTS engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and/or policy, Ms. Chavez and other aggrieved employees have not received premium pay for missed, interrupted, or late meal periods. Alternatively, to the extent that DD'S DISCOUNTS did pay other aggrieved employees premium pay for missed, late, and interrupted meal periods, DD'S DISCOUNTS did not pay other aggrieved employees at the correct rate of pay for premiums because DD'S DISCOUNTS systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, DD'S DISCOUNTS failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Ms. Chavez and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, 1198 and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "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" unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 269-270 (2016).

During the relevant time period, DD'S DISCOUNTS regularly failed to authorize and permit Ms. Chavez and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, DD'S DISCOUNTS's company-wide labor budget policies and resultant understaffing, heavy workload, and lack of coverage prevented Ms. Chavez and other aggrieved employees from being relieved of all duty in order to take compliant rest periods. DD'S DISCOUNTS also failed to adhere to a schedule of rest periods, which, coupled with DD'S DISCOUNTS's failure to provide adequate rest period coverage, further led to Ms. Chavez and other aggrieved employees not being authorized and permitted to take rest periods.

As a result of DD'S DISCOUNTS's practices and policies, Ms. Chavez and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, at least once during her employment, Ms. Chavez was unable to take a rest period during her shift because the store was busy and she did not have coverage. Further, Ms. Chavez's rest periods were

cut short and/or interrupted at least twice per month by her supervisors asking her work-related inquiries or calling her on her walkie-talkie.

DD'S DISCOUNTS also has engaged in a company-wide practice and/or policy of not paying all rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Ms. Chavez and other aggrieved employees have not received premium pay for all missed rest periods. Alternatively, to the extent that DD'S DISCOUNTS did pay other aggrieved employees one (1) additional hour of premium pay for missed rest periods, DD'S DISCOUNTS did not pay other aggrieved employees at the correct rate of pay for premiums because DD'S DISCOUNTS failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, in the regular rate of pay.

Accordingly, DD'S DISCOUNTS failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Ms. Chavez and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. DD'S DISCOUNTS has not provided Ms. Chavez and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wages statements as set forth in 226(a), then the employee is entitled to recover 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 to exceed \$4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of \$250 per employee per violation in an initial citation and \$1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, DD'S DISCOUNTS has knowingly and intentionally provided Ms. Chavez and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, DD'S DISCOUNTS issued uniform wage statements to Ms. Chavez and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; the name of the legal entity that is the employer; and all applicable hourly rates in effect during the pay period, including overtime rates of pay, and the corresponding number of hours worked at each hourly rate. Specifically, DD'S DISCOUNTS violated sections 226(a)(1), 226(a)(2), 226(a)(5), 226(a)(8), and 226(a)(9).

First, because DD'S DISCOUNTS did not record the time Ms. Chavez and other aggrieved employees spent working off-the-clock and deducted time from their records for meal periods that were interrupted and/or missed (and therefore time for which they should have been paid), DD'S DISCOUNTS did not list the correct amount of gross wages and net wages earned by Ms. Chavez and other aggrieved employees in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, DD'S DISCOUNTS failed to accurately list the total number of hours worked by Ms. Chavez and other aggrieved employees, in violation of section 226(a)(2), and

failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

Second, because DD'S DISCOUNTS did not calculate other aggrieved employees' regular rate of pay correctly for purposes of paying overtime wages, DD'S DISCOUNTS did not list the correct amount of gross wages earned by other aggrieved employees in compliance with section 226(a)(1) and did not list the correct amount of net wages earned by other aggrieved employees in violation of section 226(a)(5). DD'S DISCOUNTS also failed to correctly list all applicable hourly rates in effect during the pay period, namely, correct overtime rates of pay, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the address of the legal entity that is the employer; failing to list the inclusive dates of the period for which aggrieved employees were paid; and/or failing to state all hours worked as a result of not recording or stating the hours they worked off-the-clock.

California Labor Code section 1174(d) provides that "[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors" and "[keep, 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. . . ." Labor Code section 1174.5 provides that employers are subject to a \$500 civil penalty if they fail to maintain accurate and complete records as required by section 1174(d). During the relevant time period, and in violation of Labor Code section 1174(d), DD'S DISCOUNTS willfully failed to maintain accurate payroll records for Ms. Chavez and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Orders. Section 1198 further provides that "[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful." Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, DD'S DISCOUNTS failed, on a company-wide basis, to keep accurate records of work period and meal period start and stop times for Ms. Chavez and other aggrieved employees, in violation of section 1198. As stated, DD'S DISCOUNTS engaged in a company-wide practice and/or policy of falsifying Ms. Chavez's and other aggrieved employees' time records by recording that compliant meal periods were taken regardless of if or when meal periods were actually taken, and thereby failed to keep accurate records of meal start and end times for Ms. Chavez and other aggrieved employees. Furthermore, in light of DD'S DISCOUNTS's failure to provide other aggrieved employees with second 30-minute meal periods to which they were entitled, DD'S DISCOUNTS kept no records of meal start and end times for second meal periods.

Because DD'S DISCOUNTS failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Ms. Chavez and other aggrieved employees have been prevented from verifying, solely from information on the wage statements

themselves, that they were paid correctly and in full. Instead, Ms. Chavez and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)-(g).

Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that 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. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, DD'S DISCOUNTS failed to pay Ms. Chavez and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, within any time period specified by California Labor Code section 204.

Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 201, 202, and 203 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201, 202, and 203 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (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.

DD'S DISCOUNTS willfully failed to pay Ms. Chavez and other aggrieved employees who are no longer employed by DD'S DISCOUNTS all their earned wages, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay, either at the time of discharge, or within seventy-two (72) hours of their leaving DD'S DISCOUNTS's employ.

Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 256 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 551 and 552 – Failure to Provide One Day’s Rest in Seven

California Labor Code section 551 provides that every person employed in any occupation of labor is entitled to one day’s rest in seven. California Labor Code section 552 prohibits employers from requiring employees to work more than six consecutive days without a day of rest. California Labor Code section 556 exempts an employer from the day-of-rest requirement when the total hours worked by an employee do not exceed 30 hours in any week or six hours in any one day thereof.

During the relevant time period, on information and belief, DD’S DISCOUNTS scheduled Ms. Chavez and/or other aggrieved employees to work eight (8) or more hours per day and more than seven (7) consecutive days in a workweek. Because Ms. Chavez and/or other aggrieved employees worked over 30 hours per week and over six (6) hours per day in a workweek, they were not exempt from the day-of-rest requirement. To the extent that Ms. Chavez and/or other aggrieved employees may have signed purported waivers of their right to a day’s rest in seven, such waivers are invalid.

Thus, DD’S DISCOUNTS caused Ms. Chavez and/or other aggrieved employees to work more than six days in seven, in violation of Labor Code sections 551 and 552. Ms. Chavez and/or other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 14(A) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” California Code of Regulations, Title 8, section 11070(14)(A) provides that “[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.”

“The ‘nature of the work’ refers to an employee’s tasks performed at a given location for which a right to a suitable seat is claimed, rather than a ‘holistic’ consideration of the entire range of an employee’s duties anywhere on the jobsite during a complete shift. If the tasks being performed at a given location reasonably permit sitting, and provision of a seat would not interfere with performance of any other tasks that may require standing, a seat is called for.” *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d 554, 558 (Cal. 2016). “Whether the nature of the work reasonably permits sitting is a question to be determined objectively based on the totality of the circumstances. An employer’s business judgment and the physical layout of the workplace are relevant but not dispositive factors. The inquiry focuses on the nature of the work, not an individual employee’s characteristics.” *Id.* The burden of proof to show suitable seating is not available is on the employer. *Id.* at 568. In other words, the employer must show that compliance is “infeasible because no suitable seating exists.” *See id.*

DD’S DISCOUNTS’s California retail stores are generally similar in their layout and design and there was, and continues to be, space near each entrance/exit and behind each cash wrap to allow for the presence and use of a seat or stool by Ms. Chavez and other aggrieved employees (with reasonable or no modification to these work areas) during the performance of their work duties.

DD'S DISCOUNTS could provide Ms. Chavez and other aggrieved employees with a seat or stool at its store entrances/exits and cash wraps, but instead denies employees seating and forces Ms. Chavez and other aggrieved employees to stand throughout the day.

Ms. Chavez and other aggrieved employees spent a substantial portion of their day by the store entrances/exits and/or behind these cash wraps. The nature of the work of an employee performing the duties of Ms. Chavez and/or other aggrieved employees can reasonably be accomplished from a seated position. Ms. Chavez and other aggrieved employees could have guarded the store entrances/exits, evaluated customer behavior, and monitored store security and safety while seated, without interference in their ability to complete these duties. Other aggrieved employees similarly could have handled transactions at the cash registers, provided customer service, and/or greeted customers, all while seated without interference in their ability to complete those duties. However, as set forth herein, DD'S DISCOUNTS systematically, and on a company-wide basis, does not provide seats or stools at or near each entrance/exit or cash wrap, forcing Ms. Chavez and other aggrieved employees to stand throughout their work shifts.

DD'S DISCOUNTS violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(14)(A) because Ms. Chavez and other aggrieved employees were not allowed to sit, even when it would not have interfered with the performance of their duties, nor were they provided with suitable seats. DD'S DISCOUNTS's management did not inform Ms. Chavez and other aggrieved employees that they were allowed to sit down, provide any means for them to sit down, or mention any policy regarding sitting.

As a result of DD'S DISCOUNTS's company-wide policy and/or practice of prohibiting employees from sitting during their shifts and company-wide failure to provide suitable seating, Ms. Chavez and other aggrieved employees were forced to stand during shifts and denied seats. DD'S DISCOUNTS's failure to provide suitable seating to Ms. Chavez and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order 7-2001, subdivision 14(A).

Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, and seek injunctive relief to bring DD'S DISCOUNTS into compliance with California's seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 14(B) – Failure to Provide Suitable Seating

California Labor Code section 1198 makes it illegal to employ an employee under conditions of labor that are prohibited by the applicable wage order. California Labor Code section 1198 requires that "... the standard conditions of labor fixed by the commission shall be the ... standard conditions of labor for employees. The employment of any employee ... under conditions of labor prohibited by the order is unlawful." California Code of Regulations, Title 8, section 11070(14)(B) provides that "[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties."

The IWC states that subdivision 14(B) applies during "lulls in operation" when an employee, while still on the job, is not then actively engaged in any duties. *Kilby v. CVS Pharmacy, Inc.*, 368 P.3d

554, 565 (Cal. 2016), citing IWC, 1976 Wage Orders, Summary of Basic Provisions, Seats. When taken together, an employee is entitled to a seat under subdivision 14(A) if his or her actual tasks at a discrete location make seated work feasible, while working there. *Id.* However, if other job duties take the employee to a different location where he or she must perform tasks requiring standing, the employee would be entitled to a seat under subdivision 14(B) during “lulls in operation.” *Id.*

As stated, DD’S DISCOUNTS’s California retail stores are generally similar in their layout and design and there was, and continues to be, space near its work areas (with reasonable or no modification to these work areas) to allow for the presence and use of a seat or stool by Ms. Chavez and other aggrieved employees during lulls in operation. DD’S DISCOUNTS could provide Ms. Chavez and other aggrieved employees with a seat or stool in its work areas, but instead denies employees seating and forces Ms. Chavez and other aggrieved employees to stand throughout the day.

DD’S DISCOUNTS did not provide Ms. Chavez and other aggrieved employees with seats or stools in reasonable proximity to their work areas to allow them to use seats when it would not interfere with the performance of their duties for times when they were not engaged in active duties that require standing. In other words, to the extent Ms. Chavez and other aggrieved employees engaged in duties in which the nature of the work required standing, DD’S DISCOUNTS denied them the use of seats nearby during lulls in their work duties. Moreover, DD’S DISCOUNTS did not inform Ms. Chavez and other aggrieved employees of their rights to a seat or stool under California law.

As a result of DD’S DISCOUNTS’s company-wide policy and/or practice of prohibiting employees from sitting at any time, even when they were not engaged in active duties requiring standing, and company-wide failure to provide seats in reasonable proximity to their work areas, and Ms. Chavez and other aggrieved employees were forced to stand during shifts and denied seats. DD’S DISCOUNTS’s failure to provide suitable seating to Ms. Chavez and other aggrieved employees violates California Labor Code section 1198 and IWC Wage Order 7-2001, subdivision 14(B).

Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, and seek injunctive relief to bring DD’S DISCOUNTS into compliance with California’s seating requirements, pursuant to Labor Code sections 1194.5 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 5(A) – Failure to Pay Reporting Time Pay

California Labor Code section 1198 dictates that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC wage order. California Labor Code section 1198 further requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

California Code of Regulations, Title 8, section 11070(5)(A) provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage.” The “primary purpose of the reporting time regulation” is “to guarantee at least partial compensation for

employees who report to work expecting to work a specified number of hours, and who are deprived of that amount because of inadequate scheduling or lack of proper notice by the employer.” *Aleman v. AirTouch Cellular*, 209 Cal. App. 4th 556 (2012).

During the relevant time period, DD’S DISCOUNTS violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(5)(A), because DD’S DISCOUNTS failed to pay Ms. Chavez and other aggrieved employees reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the regularly scheduled day’s work.

As stated, DD’S DISCOUNTS had a company-wide “on-call” policy, whereby it scheduled Ms. Chavez and other aggrieved employees to work “on-call,” or on standby. When scheduled for a “on-call” or standby shift, Ms. Chavez and other aggrieved employees regularly presented themselves as ready for work by calling into the store the night prior to their scheduled shift and/or 1-2 hours prior to their scheduled standby shift and would await instructions on whether to report to the store, but were ultimately told not to come in. For example, at least twice during her employment, Ms. Chavez waited at home during her scheduled standby or on-call shifts as required by DD’S DISCOUNTS’s “on-call” policy. When this occurred, DD’S DISCOUNTS did not pay Ms. Chavez and other aggrieved employees for at least half of their scheduled day’s work or the minimum reporting time pay when they were subject to DD’S DISCOUNTS’s “on-call” policy and were ultimately not called. Accordingly, Ms. Chavez and other aggrieved employees were not properly compensated with reporting time pay in violation of California Labor Code section 1198.

Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 246 – Failure to Provide Written Notice of Paid Sick Leave

California’s Healthy Workplaces, Healthy Families Act of 2014 was enacted to provide employees who have worked in California for 30 or more days from the commencement of employment with paid sick days, to be accrued at least one hour for every 30 hours worked. Employers must provide no less than 24 hours or three (3) days of paid sick leave (or equivalent paid leave or paid time off) in each year of the employee’s employment. Codified at California Labor Code sections 245.5, 246, 246.5, 247, 247.5, 248.5, and 249, section 246(h) provides that an employer must provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off that an employer provides in lieu of sick leave, for use on either the employee’s itemized wage statement or in a separate written statement provided on the designated pay date with the employee’s wages. The penalties described in this article for a violation of this subdivision shall be in lieu of the penalties for a violation of Section 226.

During the relevant time period, DD’S DISCOUNTS has failed to provide Ms. Chavez and other aggrieved employees written notice on wage statements and/or other separate written statements that listed the requisite information set forth in Labor Code section 246(h). DD’S DISCOUNTS’s ongoing and systematic failure to provide written notice of sick leave benefits to Ms. Chavez and other aggrieved employees violates California Labor Code section 246.

Ms. Chavez and other aggrieved employees are therefore entitled to recover penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 248.5 and/or 2699(f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order 7-2001, provides that: “[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft.”

During the relevant time period, DD’S DISCOUNTS, on a company-wide basis, required that Ms. Chavez and other aggrieved employees use their own personal cellular phones and/or cellular data to carry out their job duties but failed to reimburse them for the costs of their work-related cellular phone expenses. For example, Ms. Chavez and other aggrieved employees would be contacted on their off-days on their personal cellular phones by their supervisors regarding scheduling issues. Ms. Chavez spent at least 30 minutes during her employment responding and/or reviewing voicemails that her supervisors had left for her on her cellular phone. In addition, DD’S DISCOUNTS required that Ms. Chavez download a mobile application on her personal cellular phone to track the number of customers in the store at one time. Although DD’S DISCOUNTS required Ms. Chavez and other aggrieved employees to utilize their personal cellular phones to carry out their work-related responsibilities, DD’S DISCOUNTS failed to fully reimburse them for this cost.

DD’S DISCOUNTS could have provided Ms. Chavez and other aggrieved employees with the actual tools for use on the job, such as company phones. Or, DD’S DISCOUNTS could have reimbursed employees for the costs of their cellular phone usage and their data. Instead, DD’S DISCOUNTS passed these operating costs off onto Ms. Chavez and other aggrieved employees. At all relevant times, Ms. Chavez did not earn at least two (2) times the minimum wage.

Thus, DD’S DISCOUNTS had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred in violation of California Labor Code section 2802. Ms. Chavez and other aggrieved employees are entitled to recover civil penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

California Labor Code § 558(a)

California Labor Code section 558(a) provides “[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. . . . (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid. . . .” Labor Code section 558(c) provides that “[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.” DD’S DISCOUNTS, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Ms. Chavez’s and other aggrieved employees’ rights by violating various sections of the California Labor Code.

Accordingly, Ms. Chavez seeks the remedies set forth in Labor Code section 558 for herself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 1194.5, 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558, Ms. Chavez, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties and injunctive relief for herself, all other aggrieved employees, and the State of California against DD'S DISCOUNTS for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 246, 510, 512(a), 516, 551, 552, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Therefore, on behalf of all aggrieved employees, Ms. Chavez seeks all applicable civil penalties related to these violations of the California Labor Code pursuant to PAGA.

Pre-Litigation Demand

This notice shall further serve as Ms. Chavez's reasonable attempt to settle her dispute with DD'S DISCOUNTS prior to litigation. Pursuant to *Graham v. DaimlerChrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to inform DD'S DISCOUNTS of Ms. Chavez's aforementioned grievances and the proposed remedies as detailed below, while affording DD'S DISCOUNTS a reasonable opportunity to satisfy Ms. Chavez's demands.

Demand is hereby made that DD'S DISCOUNTS shall, within 30 calendar days of this notice, agree, in writing to the following corrective actions:

1. DD'S DISCOUNTS shall pay Ms. Chavez and all other aggrieved employees employed by DD'S DISCOUNTS at any time during the past three years from the date of this notice unpaid wages and compensation for the above-referenced violations.
2. DD'S DISCOUNTS shall comply with all California labor laws and ensure that its non-exempt employees are paid overtime wages and minimum wages for all hours worked, provided lawful meal and rest periods, and paid all reporting time pay.
3. DD'S DISCOUNTS shall conduct a survey or interview all current and former aggrieved employees in California who worked for DD'S DISCOUNTS in the past three years to obtain information from them regarding the above-referenced violations, including, but not limited to: the number of meal periods which were not provided; the number of rest periods which were not authorized and permitted; and the number of employees who were required to pay for cellular phone expenses or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. DD'S DISCOUNTS shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not provided one or more meal periods, as required by Labor Code sections 226.7, 512(a), 516, and 1198. DD'S DISCOUNTS also shall pay each aggrieved employee one hour of pay at his or her regular rate of pay for each work day he or she was not authorized and permitted one or more rest periods, as required by Labor Code sections 226.7, 516, and 1198.
5. DD'S DISCOUNTS shall reimburse those aggrieved employees who were required to pay for any business expenses incurred for DD'S DISCOUNTS's benefit, including, but not limited to, cellular phone expenses, or other expenditures, as required by Labor Code section 2802.

6. DD'S DISCOUNTS shall pay accrued legal interest to all aggrieved employees at the rate of 10% per annum for said unpaid wages.
7. DD'S DISCOUNTS shall provide Ms. Chavez and all aggrieved employees employed by DD'S DISCOUNTS at any time during the past three years from the date of this notice corrected wage statements that include the requisite information set forth in Labor Code section 226(a).
8. DD'S DISCOUNTS shall provide all aggrieved employees with written notice of sick leave benefits, as set forth in Labor Code section 246(i).
9. DD'S DISCOUNTS shall provide all aggrieved employees who worked over thirty (30) hours per week and over six (6) hours per day in a workweek with one day's rest in seven, as required by Labor Code sections 551 and 552.
10. DD'S DISCOUNTS shall implement and provide suitable seating to all aggrieved employees.
11. DD'S DISCOUNTS shall pay waiting time penalties, equal to 30 days of pay, to each former aggrieved employee who was not paid all wages due as described herein.
12. DD'S DISCOUNTS shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code sections 2698, *et seq.*, including, but not limited to, penalties under Labor Code sections 210, 226.3, 248.5, 256, 558, 1174.5, 1197.1, and 2699, and Wage Order No. 7-2001, section 20.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Mao Shiokura
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
(310) 556-4811

Best Regards,

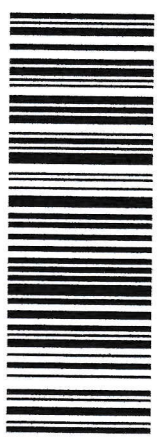


Mao Shiokura

Copy: ROSS DRESS FOR LESS, INC. (via U.S. Certified Mail); ROSS STORES, INC. (via U.S. Certified Mail); RETAIL ASSURANCE GROUP, INC. (via U.S. Certified Mail); ROSS DISTRIBUTION COMPANY LLC (via U.S. Certified Mail); ROSS MERCHANDISING, INC. (via U.S. Certified Mail); ROSS PROCUREMENT, INC. (via U.S. Certified Mail)

one
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ry Park East, Ste 1000
s, CA 90067

CERTIFIED MAIL



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ROSS DRESS FOR LESS, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568



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- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

ROSS DRESS FOR LESS, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568



9590 9402 5816 0034 8456 73

2. Article Number (Transfer from service label)

7020 1290 0001 8879 4952

PS Form 3811, July 2015 PSN 7530-02-000-9053

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A. Signature

X

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

- ☐ Yes
- ☐ No

3. Service Type

- ☐ Adult Signature
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- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
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Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

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Extra Services & Fees (check box, add fee as appropriate)

- ☒ Return Receipt (hardcopy) \$ 2.85
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- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

\$ 1.63

Total Postage and Fees

\$ 8.08

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DUBLIN CA 94568

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Chavez v. Ross
Dress for Less, Inc.

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- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
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1. Article Addressed to:

ROSS DISTRIBUTION COMPANY LLC
5130 HACIENDA DRIVE
DUBLIN CA 94568



9590 9402 5816 0034 8457 10

2. Article Number (Transfer from service label)

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PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

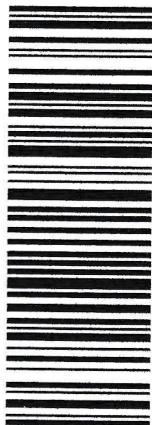
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☒ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Insured Mail | |
| ☐ Insured Mail Restricted Delivery (over \$500) | |

Domestic Return Receipt

CERTIFIED MAIL



7020 1290 0001 8879 4945

ROSS DISTRIBUTION COMPANY LLC
5130 HACIENDA DRIVE
DUBLIN CA 94568

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$ 3.60

Extra Services & Fees (check box, add fee as appropriate)

- | | |
|---|---------|
| ☒ Return Receipt (hardcopy) | \$ 2.85 |
| ☐ Return Receipt (electronic) | \$ |
| ☐ Certified Mail Restricted Delivery | \$ |
| ☐ Adult Signature Required | \$ |
| ☐ Adult Signature Restricted Delivery | \$ |

Postage

\$ 1.63

Total Postage and Fees

\$ 8.08

Sent To

ROSS DISTRIBUTION COMPANY LLC

Street and Apt. No. 5130 HACIENDA DRIVE

City, State, ZIP+4 DUBLIN CA 94568

Postmark
Here

Chavez V. Ross
Distribution Company
LLC

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

one

AW APC

1000 Park East, Ste 1000
CA 90067



SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

ROSS STORES, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568



9590 9402 5816 0034 8457 03

2. Article Number (Transfer from service label)

7020 1290 0001 8879 4938

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X☐ Agent
☐ Addressee

B. Received by (Printed Name)

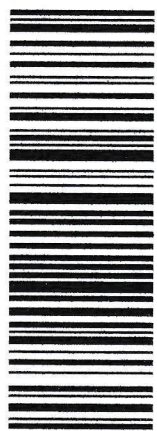
C. Date of Delivery

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

3. Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☒ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Insured Mail | |
| ☐ Insured Mail Restricted Delivery over \$500 | |

Domestic Return Receipt



7020 1290 0001 8879 4938

ROSS STORES, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.**OFFICIAL USE**

Certified Mail Fee

\$ 3.60

Extra Services & Fees (check box, add fee as appropriate)

- | | |
|---|---------|
| ☒ Return Receipt (hardcopy) | \$ 2.85 |
| ☐ Return Receipt (electronic) | \$ |
| ☐ Certified Mail Restricted Delivery | \$ |
| ☐ Adult Signature Required | \$ |
| ☐ Adult Signature Restricted Delivery | \$ |

Postage

\$ 1.63

Total Postage and Fees

\$ 8.08

Sent To

ROSS STORES, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

Postmark
Here

Chavez v. Ross
Stores, Inc.

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for instructions

**SENDER: COMPLETE THIS SECTION**

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

1. Article Addressed to:

ROSS MERCHANDISING, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568



9590 9402 5816 0034 8456 97

2. Article Number (Transfer from service label)

7020 1290 0001 8879 4921

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY**A. Signature**

X

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)**C. Date of Delivery**

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

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery over \$500
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



7020 1290 0001 8879 4921

ROSS MERCHANDISING, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only**

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$ 3.60

Extra Services & Fees (check box, add fee as appropriate)

- ☒ Return Receipt (hardcopy) \$ 2.85
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

\$ 1.63

Total Postage and Fees

\$ 8.08

Sent To

ROSS MERCHANDISING, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

Postmark
Here

Chavez V. Ross
Merchandising, Inc.

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

UNITED STATES POSTAGE
PITNEY BOWES
\$008.08
02 1P
000066553 MAY 21 2021
MAILED FROM ZIP CODE 90067



SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

RETAIL ASSURANCE GROUP, INC.
C/O MARSH MANAGEMENT SERVICES, INC.
745 FORT ST STE 1100
HONOLULU, HAWAII 96813



9590 9402 5816 0034 8456 80

2. Article Number (Transfer from service label)

7020 1290 0001 8879 4914

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

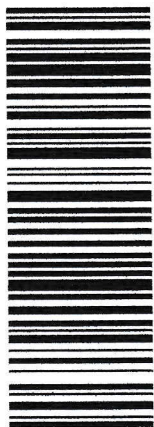
D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- | | |
|--|---|
| ☐ Adult Signature | ☐ Priority Mail Express® |
| ☐ Adult Signature Restricted Delivery | ☐ Registered Mail™ |
| ☒ Certified Mail® | ☐ Registered Mail Restricted Delivery |
| ☐ Certified Mail Restricted Delivery | ☐ Return Receipt for Merchandise |
| ☐ Collect on Delivery | ☐ Signature Confirmation™ |
| ☐ Collect on Delivery Restricted Delivery | ☐ Signature Confirmation Restricted Delivery |
| ☐ Insured Mail | |
| ☐ Insured Mail Restricted Delivery over \$500 | |

Domestic Return Receipt

CERTIFIED MAIL



7020 1290 0001 8879 4914

RETAIL ASSURANCE GROUP, INC.
C/O MARSH MANAGEMENT SERVICES, INC.
745 FORT ST STE 1100
HONOLULU, HAWAII 96813

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only**

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee
\$ 3.60

Extra Services & Fees (check box, add fee as appropriate)

☒ Return Receipt (hardcopy) \$ 2.55

☐ Return Receipt (electronic) \$

☐ Certified Mail Restricted Delivery \$

☐ Adult Signature Required \$

☐ Adult Signature Restricted Delivery \$

Postage

\$ 1.63

Total Postage and Fees

\$ 8.08

Sent To

RETAIL ASSURANCE GROUP, INC.
C/O MARSH MANAGEMENT SERVICES, INC.

Street and Apt. No., **745 FORT ST STE 1100**

City, State, ZIP+4® **HONOLULU, HAWAII 96813**

Postmark
Here

Chavez v. Retail
Assurance Group,
Inc.

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

one
AW APC
y Park East, Ste 1000
CA 90027



SENDER: COMPLETE THIS SECTION

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

1. Article Addressed to:

ROSS PROCUREMENT, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568



9590 9402 5816 0034 8456 66

2. Article Number (Transfer from service label)

7020 1290 0001 8879 4907

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? If YES, enter delivery address below:

☐ Yes☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over \$500)

- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt



7020 1290 0001 8879 4907

ROSS PROCUREMENT, INC.
5130 HACIENDA DRIVE
DUBLIN CA 94568

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee

\$ 3.60

Extra Services & Fees (check box, add fee as appropriate)

- ☒ Return Receipt (hardcopy) \$ 2.85
- ☐ Return Receipt (electronic) \$
- ☐ Certified Mail Restricted Delivery \$
- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

Postage

\$ 1.63

Total Postage and Fees

\$ 8.08

Sent To

ROSS PROCUREMENT, INC.

Street and Apt. No.,

5130 HACIENDA DRIVE

City, State, ZIP+4®

DUBLIN CA 94568

Postmark
Here

Chavez v. Ross
Procurement,
Inc.

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions.

one
LAW APC
ry Park East, Ste 1000
CA 90047