

ELECTRONICALLY FILED

Superior Court of California,
County of Alameda

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By: Cheryl Clark, Deputy Clerk

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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ALAMEDA**

IVAN BARROSO SALAZAR, individually,
and on behalf of aggrieved employees pursuant
to the Private Attorneys General Act
("PAGA");

Plaintiff,

v.

CYGNUS HOME SERVICE, LLC, a
Minnesota limited liability company; and
DOES 1 through 100, inclusive;

Defendants.

Case No.: **21CV001411**

**COMPLAINT FOR CIVIL PENALTIES
FOR VIOLATION OF LABOR CODE
§ 2698 et seq. (PRIVATE ATTORNEYS
GENERAL ACT OF 2004)**

1 Plaintiff Ivan Barroso Salazar (“Plaintiff”) hereby submits his Complaint against
2 Defendants Cygnus Home Service, and DOES 1 through 100, inclusive; (collectively,
3 “Defendants”), on behalf of himself and other current and former aggrieved employees of
4 Defendants for penalties as follows:

5 **INTRODUCTION**

6 1. This representative action is brought pursuant to Labor Code § 2698 *et seq.*
7 (the Private Attorneys General Act of 2004 (“PAGA”)) for Defendants’ violations of Labor Code
8 §§ 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194,
9 1197, 1197.1, 1198, 2800 and 2802, and the IWC Wage Orders.

10 2. This Complaint challenges Defendants’ systemic illegal employment
11 practices resulting in violations of the stated provisions of the Labor Code against the identified
12 group of employees.

13 3. Plaintiff is informed and believes and thereon alleges Defendants jointly
14 and severally acted intentionally and with deliberate indifference and conscious disregard to the
15 rights of all employees in (1) failing to pay all meal period wages and rest break wages, (2) failing
16 to properly calculate and pay all minimum and overtime wages, (3) failing to provide accurate
17 wage statements, (4) failing to pay all wages due and owing during employment and upon
18 termination of employment, (5) failing to provide paid sick leave, (6) failing to keep payroll
19 records showing hours worked daily and wages paid to employees in a central location, and (7)
20 failing to reimburse all necessary business expenses.

21 **JURISDICTION AND VENUE**

22 4. This action is brought pursuant to PAGA. The civil penalties sought by
23 Plaintiff exceed the minimal jurisdiction limits of the Superior Court and will be established
24 according to proof at trial.

25 5. This Court has jurisdiction over this action pursuant to California
26 Constitution, Article VI, Section 10, which grants the Superior Court original jurisdiction in all
27 causes except those given by statute to other courts. The statutes under which this action is
28 brought do not specify any other basis for jurisdiction.

6. This Court has jurisdiction over the violations of PAGA and Labor Code §§ 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802.

7. This Court has jurisdiction over all Defendants because, upon information and belief, each party has sufficient minimum contacts in California, or otherwise intentionally avails itself of California law so as to render the exercise of jurisdiction over it by the California courts consistent with traditional notions of fair play and substantial justice.

8. Venue is proper in this Court because, upon information and belief, the named Defendants transact business and/or have offices in this county, and the acts and omissions alleged herein took place in this county. Moreover, this action is brought on behalf of the State of California as a private attorney general and has jurisdiction in this venue.

PARTIES

9. Plaintiff Ivan Barroso Salazar is an individual residing in the State of California. Plaintiff was employed by Defendants within the statutory time period.

10. Plaintiff is informed and believes and thereon alleges that Defendants are licensed to do business and actually doing business in the State of California, including the County of Alameda.

11. Plaintiff does not know the true names or capacities, whether individual, partner or corporate, of Defendants sued herein as DOES 1 through 100, inclusive, and for that reason, said Defendants are sued under such fictitious names, and Plaintiff prays for leave to amend this complaint when the true names and capacities are known. Plaintiff is informed and believes and thereon alleges that each of Defendants designated as a DOE was responsible in some way for the matters alleged herein and proximately caused Plaintiff and other current and former aggrieved employees to be subject to the illegal employment practices, wrongs and injuries complained of herein.

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12. At all times herein mentioned, Defendants, and each of them, were agents, partners, joint venturers, representatives, servants, employees, successors-in-interest, co-conspirators and assigns, each of the other, and at all times relevant hereto were acting within the course and scope of their authority as such agents, partners, joint venturers, representatives, servants, employees, successors, co-conspirators and assigns, and that all acts or omissions alleged herein were duly committed with ratification, knowledge, permission, encouragement, authorization and consent of each Defendant designated herein.

13. As such, and based upon all the facts and circumstances incident to Defendants' business in California, Defendants are subject to PAGA and Labor Code §§ 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802.

CAUSE OF ACTION

VIOLATION OF PAGA

(AGAINST ALL DEFENDANTS BY PLAINTIFF)

14. Plaintiff re-alleges and incorporates by reference paragraphs 1 through 13 as though fully set forth herein.

15. PAGA expressly establishes that any provision of the California Labor Code which provides for a civil penalty to be assessed and collected by the LWDA, or any of its departments, divisions, commissions, boards, agencies or employees for a violation of the California Labor Code, may be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself, and other current or former employees.

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1 **16.** On August 23, 2021, Plaintiff provided written notice to the LWDA and
2 Defendants of the specific provisions of the Labor Code he contends were violated, and the
3 theories supporting his contentions. Plaintiff believes that on or about October 27, 2021, the sixty-
4 five (65) days' notice period expired, and the LWDA did not take any action to investigate or
5 prosecute this matter. Attached hereto as **Exhibit 1** and incorporated by reference is a copy of
6 the written notice to the LWDA. Therefore, Plaintiff exhausted the statutory time period to bring
7 this action.

8 **17.** Plaintiff and the other hourly-paid or non-exempt employees are
9 "aggrieved employees" as defined by California Labor Code § 2699(c) in that they are all current
10 or former employees of Defendants who worked for Defendants within the State of California at
11 any time during the period from August 23, 2020, to the present, and one or more of the alleged
12 violations was committed against them.

13 **Failure to Pay Minimum and Overtime Wages**

14 **18.** At all times relevant herein, Defendants were required to compensate their
15 non-exempt employees minimum wages for all hours worked and overtime wages for all hours
16 worked in excess of eight (8) hours in a day or forty (40) hours in a workweek, pursuant to the
17 mandate of Labor Code §§ 510, 1194, 1197, and 1198.

18 **19.** As a policy and practice, Defendants failed to compensate Plaintiff and
19 other aggrieved current and former employees for all hours worked, resulting in a failure to pay
20 all minimum wages and overtime wages, where applicable.

21 **Failure to Provide Paid Sick Leave**

22 **20.** At all times relevant herein, Defendants were required to provide
23 employees with paid sick leave of not less than one (1) hour per every thirty (30) hours worked,
24 pursuant to California Labor Code § 246.

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1 **21.** At all times relevant herein, Defendants were required to pay paid sick
2 leave at a non-exempt employee's regular rate of pay for the workweek in which the employee
3 uses paid sick time or at a rate calculated by dividing the employee's total wages, not including
4 overtime premium pay, by the employee's total hours worked in the full pay periods of the prior
5 ninety (90) days of employment, pursuant to California Labor Code § 246(l).

6 **22.** As a policy and practice, Defendants failed to provide Plaintiff and other
7 aggrieved current and former employees with compliant paid sick leave of one (1) hour worked
8 per every thirty (30) hours worked, by, for example, failing to pay paid sick leave at the proper
9 rate of pay.

10 **Failure to Provide Meal Periods and Rest Breaks**

11 **23.** In accordance with the mandates of Labor Code §§ 226.7 and 512,
12 Defendants were required to authorize and permit their non-exempt employees to take a 10-
13 minute rest break for every four (4) hours worked or major fraction thereof, and were further
14 required to provide their non-exempt employees with a 30-minute meal period for every five (5)
15 hours worked.

16 **24.** As a policy and practice, Defendants failed to provide Plaintiff and other
17 aggrieved current and former employees with legally-mandated meal periods and rest breaks and
18 failed to pay proper compensation for this failure.

19 **Failure to Timely Pay Wages During Employment**

20 **25.** At all times relevant herein, Defendants were required to pay their
21 employees within a specified time period pursuant to the mandate of Labor Code § 204.

22 **26.** As a policy and practice, Defendants failed to pay Plaintiff and other
23 aggrieved current and former employees all wages due and owing them within the required time
24 period.

25 **Failure to Timely Pay Wages Upon Termination**

26 **27.** At all times relevant herein, Defendants were required to pay their
27 employees all wages owed in a timely fashion at the end of employment pursuant to California
28 Labor Code §§ 201 to 204.

1 **28.** As a result of Defendants' Labor Code violations alleged above,
2 Defendants failed to pay Plaintiff and the other aggrieved former employees their final wages
3 pursuant to Labor Code §§ 201 to 204 and accordingly owe waiting time penalties pursuant to
4 Labor Code § 203.

5 **Failure to Provide Complete and Accurate Wage Statements**

6 **29.** At all times relevant herein, Defendants were required to keep *accurate*
7 records regarding their California employees pursuant to the mandate of Labor Code §§ 226 and
8 1174.

9 **30.** As a result of Defendants' various Labor Code violations, Defendants
10 failed to keep accurate records regarding Plaintiff and other aggrieved current and former
11 employees. For example, Defendants failed in their affirmative obligation to keep accurate
12 records regarding Plaintiff and other aggrieved current and former employees' gross wages
13 earned, total hours worked, all deductions, net wages earned, and all applicable hourly rates and
14 the number of hours worked at each hourly rate.

15 **Failure to Keep Complete and Accurate Payroll Records**

16 **31.** At all times relevant herein, Defendants were required to keep, at a central
17 location in the state or at the plants or establishments at which employees are employed, payroll
18 records showing the hours worked daily by and the wages paid to, and the number of piece-rate
19 unit earned by and any applicable piece rate paid to, employees employed at the respective plants
20 or establishments, pursuant to California Labor Code § 1174(d).

21 **32.** As a policy and practice, Defendants failed to keep accurate and complete
22 payroll records showing the hours worked daily and the wages paid to Plaintiff and current and
23 former aggrieved employees.

24 **Failure to Reimburse Business Expenses**

25 **33.** At all times relevant herein, Defendants were required to reimburse its
26 employees for any and all necessary expenditures or losses incurred by the employees in direct
27 consequences of the discharge or his or her duties pursuant to the mandate of Labor Code §§ 2800
28 and 2802.

34. As a policy and practice, Defendants failed to pay Plaintiff and other aggrieved current and former employees all business expenses incurred and owing them within the required time period.

Penalties

35. Pursuant to California Labor Code § 2699, Plaintiff, individually, and on behalf of other current and former aggrieved employees, requests and is entitled to recover from Defendants, and each of them, civil penalties, interest, attorneys' fees and costs pursuant, including but not limited to:

36. Penalties under California Labor Code § 2699 in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation;

37. Penalties under California Code of Regulations Title 8 § 11040 in the amount of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation, and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation;

38. Penalties under California Labor Code § 210 in addition to, and entirely independent and apart from, any other penalty provided in the California Labor Code in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation;

39. Penalties under Labor Code § 1197.1 in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred fifty dollars (\$250) for each aggrieved employee per pay period for each subsequent violation;

40. Any and all additional penalties as provided by the Labor Code and/or other statutes; and

41. Attorneys' fees and costs pursuant to Labor Code §§ 210, 1194, and 2699, and any other applicable statute.

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1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiff, on his own behalf and as representative of other current
3 and former aggrieved employees pursuant to PAGA, prays for judgment as follows:

- 4 1. Upon the Cause of Action, for civil penalties pursuant to statute as set forth in
5 Labor Code § 2698 *et seq.*, for Defendants' violations of Labor Code §§ 201, 202,
6 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194,
7 1197, 1197.1, 1198, 2800 and 2802.
- 8 2. Upon the Cause of Action, for costs and attorneys' fees pursuant to Labor Code
9 §§ 210, 218.5, 1194, and 2699, and any other applicable statute; and
- 10 3. For such other and further relief the court may deem just and proper.

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12 Dated: November 1, 2021

JUSTICE LAW CORPORATION

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15 By: 

Douglas Han
Shunt Tatavos-Gharajeh
Arsiné Grigoryan
Attorneys for Plaintiff

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EXHIBIT 1

August 23, 2021

BY U.S. EMAIL/ELECTRONIC SUBMISSION

PAGAfilings@dir.ca.gov

State of California

Labor & Workforce Development Agency

800 Capitol Mall, MIC-55

Sacramento, California 95814

Re: CYGNUS HOME SERVICE, LLC and SCHWAN'S HOME SERVICE, INC.

Dear Representative:

We have been retained to represent Ivan Barroso against Cygnus Home Service, LLC and Schwan's Home Services, Inc. (including any and all affiliates, managers, members, subsidiaries, and parents, and their shareholders, officers, directors, and employees), any individual, owner, officer and managing agent, DOES 1-10 as an "Employer" or person acting on behalf of an "Employer" pursuant to California Labor Code section 558.1, and DOES 11-20¹ for violations of California wage-and-hour laws (hereinafter collectively referred to as "CYGNUS").

Mr. Barroso is pursuing his California Labor Code section 2698, *et seq.*, the Private Attorneys General Act of 2004 ("PAGA") claim on a representative basis. Therefore, Mr. Barroso may seek penalties and wages for violations of the Labor Code on behalf of the State of California and aggrieved employees, which are recoverable under PAGA. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Cygnus Home Service, LLC is a Minnesota limited liability company located at 115 West College Drive, Marshall, Minnesota 56258. Schwan's Home Service, Inc. is a Minnesota corporation located at 115 West College Drive, Marshall, Minnesota 56258.

CYGNUS currently employs Mr. Barroso as a commissioned exempt Route Sales Representative within one year of the data of this letter in the State of California. CYGNUS directly controlled the wages, hours and/or working conditions of Mr. Barroso and other aggrieved employees' employment, including direction, retention, scheduling, supervision, and termination.

¹ Mr. Barroso does not know the true names or capacities, whether individual, partner or corporate, of DOES 1 through 20, inclusive, and for that reason, said DOES are designated under such fictitious names. Mr. Barroso will amend this notice when the true names and capacities are known. Mr. Barroso is informed and believes that each DOE was responsible in some way for the matters alleged herein and proximately caused Mr. Barroso and other current and former aggrieved employees to be subject to the illegal employment practices, wrongs and injuries complained of herein.

The “aggrieved employees” that Mr. Barroso may seek penalties on behalf of are all current and former hourly-paid, commissioned, non-exempt and/or exempt employees (whether hired directly or through a staffing agency) of CYGNUS within the State of California.

CYGNUS failed to properly pay its hourly-paid or non-exempt employees for all hours worked, failed to properly provide or compensate minimum and overtime wages and for meal and rest breaks, failed to issue compliant wage statements and failed to reimburse for all necessary business-related costs and expenses, thus resulting in other Labor Code violations as stated below.

CYGNUS misclassified Mr. Barroso and other commissioned exempt employees (including but not limited to, on the basis of the Outside Salespersons Exemption, despite route sales representatives spending more than fifty percent of their time engaging in non-sales activities including attending meetings and trainings, making deliveries) and failed to properly pay them for all hours worked, failed to properly provide or compensate minimum and overtime wages and for meal and rest breaks, failed to issue compliant wage statements and failed to reimburse for all necessary business-related costs and expenses, thus resulting in other Labor Code violations as stated below.

Pursuant to *Huff v. Securitas Security Services*, 23 Cal. App. 5th 745, 751 (2018), an employee who brings a representative action and was affected by at least one of the violations alleged in the complaint has standing to pursue penalties on behalf of the state not only for that violation, but for violations affecting other employees as well. Accordingly, Mr. Barroso has standing to pursue penalties on behalf of the state for violations affecting all the aggrieved employees at CYGNUS, regardless of their classification, job title, location, or whether they were hired directly or through a staffing agency.

CYGNUS has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the IWC Wage Orders.

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California Labor Code sections 510, 1194, and 1198 require employers to pay at least minimum wage for all hours worked, pay time-and-a-half, or double-time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates. During the relevant time period, Mr. Barroso and other aggrieved employees routinely worked in excess of 8 hours in a day and 40 hours in a week. CYGNUS failed to compensate Mr. Barroso and other aggrieved employees for all hours worked and performing off-the-clock work, including pre- and post-shift, and during meal breaks. Moreover, CYGNUS maintained an illegal rounding policy that had a net negative impact on aggrieved employees' time and pay. CYGNUS also failed to include non-discretionary bonuses, commissions, and incentives in aggrieved employees' regular rate of pay for purposes of overtime compensation. Therefore, Mr. Barroso and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code section 246 requires that employers provide employees with paid sick leave of not less than one hour per every 30 hours worked. California Labor Code section 246(l) also requires that paid sick leave be paid at a non-exempt employee's regular rate of pay for the workweek in which the employee uses paid sick time or at a rate calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment. During the relevant time period, CYGNUS failed to pay Mr. Barroso and other aggrieved employees with paid sick leave that complied with California Labor Code section 246, by, for example, failing to pay paid sick leave at non-exempt employee's regular rate of pay or at a rate calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each workday that a meal or rest break is not provided. During the relevant time period, CYGNUS routinely required Mr. Barroso and other aggrieved employees to work through, interrupt, cut short, and/or delay their meal and rest breaks to comply with CYGNUS's policies and expectations. CYGNUS assigned Mr. Barroso and other aggrieved employees to high volume routes with strict delivery windows, forcing them to forego legally compliant meal and rest breaks to ensure they complete their deliveries in a timely manner. Further, CYGNUS failed to provide coverage to Mr. Barroso and other aggrieved employees, so they may be relieved of all work duties and take legally mandated meal and rest breaks. CYGNUS also failed to authorize and permit Mr. Barroso and other aggrieved employees to take the requisite number of meal and rest breaks, including second meal breaks and third rest breaks, when working shifts exceeding 10 hours in length. Despite these facts, CYGNUS failed to compensate Mr. Barroso and other aggrieved employees all the premium wages they were owed, including failing to pay premium wages at Mr. Barroso and other aggrieved employees' regular rate of pay.

California Labor Code section 201 requires that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. California Labor Code section 202 requires that 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. California Labor Code section 203 provides that if an employer willfully fails to pay, without abatement or reduction, in accordance with Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 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 therefor is commenced; but the wages shall not continue for more than 30 days. During the relevant time period, CYGNUS failed to pay Mr. Barroso and other aggrieved employees all wages, including for misclassification, failing to pay them for all hours, uncompensated off-the-clock work, unpaid overtime premiums and premium wages for failing to provide legally mandated meal and rest breaks, due to them within any time period specified by California Labor Code sections 201 and 203 and therefore is liable under California Labor Code section 203.

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. During the relevant time period, CYGNUS failed to pay Mr. Barroso and other aggrieved employees all wages due to them, including for misclassification, failing to pay them for all hours, uncompensated off-the-clock work, unpaid overtime premiums and premium wages for failing to provide legally mandated meal and rest breaks within any time period specified by California Labor Code section 204.

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California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, CYGNUS did not provide Mr. Barroso and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from CYGNUS were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include (1) gross wages earned by Mr. Barroso and other aggrieved employees, (2) total hours worked by Mr. Barroso and other aggrieved employees, (3) the number of piece-rate units earned and any applicable piece rate by Mr. Barroso and other aggrieved employees (4) all deductions for Mr. Barroso and other aggrieved employees, (5) net wages earned by Mr. Barroso and other aggrieved employees, (6) the inclusive dates of the period for which Mr. Barroso and other aggrieved employees are paid, (7) the name of the aggrieved 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, (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 Mr. Barroso and other aggrieved employees.

California Labor Code section 558 allows recovery of penalties. (a) Any 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. (3) Wages recovered pursuant to this section shall be paid to the affected employee. Mr. Barroso and other aggrieved employees have been denied their wages and premium wages and, therefore, are entitled to penalties.

California Labor Code sections 1174(d) requires an employer to 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. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than two years. During the relevant time period, CYGNUS failed to keep accurate and complete payroll records showing the hours worked daily and the wages paid, to Mr. Barroso and other aggrieved employees.

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California Labor Code sections 1194, 1197 and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, CYGNUS did not provide Mr. Barroso and other aggrieved employees with the minimum wages to which they were entitled despite constructive and actual knowledge of misclassification, and off-the-clock work, including pre- and post-shift, and during meal breaks.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During their employment, Mr. Barroso and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by CYGNUS, including for using their personal cellular phones to communicate with customers and management.

We believe that Mr. Barroso and other current and former California-based hourly-paid, commissioned, non-exempt and/or exempt employees are entitled to penalties as allowed under California Labor Code section 2698, *et seq.* for violations of Labor Code sections 201, 202, 203, 204, 210, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and the IWC Wage Orders.

California Labor Code section 2699.3 requires that a claimant send a certified letter to the employer in questions and the California Labor & Workforce Development Agency setting forth the claims, and the basis for the claims, thereby giving the California Labor & Workforce Development Agency an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this letter is to satisfy the requirement created by California Labor code section 2699 prior to seeking penalties allowed by law for the aforementioned statutory violations. We look forward to determining whether California Labor & Workforce Development Agency intends to take any action in reference to these claims. We kindly request that you respond to this notice according to the time frame contemplated by the California Labor Code.

Mr. Barroso will seek these penalties on his own behalf and on behalf of other similarly situated California-based hourly-paid, commissioned, non-exempt and/or exempt employees of CYGNUS within one year of the date of this letter, as allowed by law.

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LWDA

August 23, 2021

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If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

Very truly yours,

JUSTICE LAW CORPORATION

A handwritten signature in black ink, appearing to read 'D. Han', with a long horizontal stroke extending to the right.

Douglas Han, Esq.

CC: (By Certified U.S. Mail Only):

C T Corporation System

c/o Cygnus Home Service, LLC and Schwan's Home Service, Inc.

330 N. Brand Blvd.

Glendale, California 91203

Agent for Service of Process for Cygnus Home Service, LLC and Schwan's Home Service, Inc.

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PROOF OF SERVICE