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Assigned for all Purposes

Judge James J. Di Cesare

C-16

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ORANGE

KACEY MATTHEWS, on behalf of the
State of California, as a private attorney
general,

Plaintiff,

vs.

DEJON ENTERPRISES, INC., a California
Corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No. 30-2021-01236246-CU-OE-CXC

REPRESENTATIVE ACTION
COMPLAINT FOR:

1. Civil Penalties Pursuant to Labor Code
§ 2699, *et seq.* for violations of Labor
Code §§ 201, 202, 203, 204 *et seq.*, 210,
221, 226(a), 226.7, 227.3, 510, 512,
558(a)(1)(2), 1194, 1197, 1197.1, 1198,
2802, California Code of Regulations,
Title 8, Section 11040, Subdivision 5(A)-
(B)

1 Plaintiff Kacey Matthews (“PLAINTIFF”) on behalf of the people of the State of
2 California and as an “aggrieved employee” acting as a private attorney general under the Labor
3 Code Private Attorney General Act of 2004, § 2699, *et seq.* (“PAGA”) only, alleges on
4 information and belief, except for her own acts and knowledge which are based on personal
5 knowledge, the following:

6 **INTRODUCTION**

7 1. PLAINTIFF brings this action against Defendant Dejon Enterprises, Inc.
8 (referred to as “DEFENDANT”) seeking only to recover PAGA civil penalties for herself, and
9 on behalf of all current and former aggrieved employees that worked for DEFENDANT.
10 PLAINTIFF does **not seek to recover anything other than penalties as permitted by**
11 **California Labor Code § 2699**. To the extent that statutory violations are mentioned for wage
12 violations, PLAINTIFF does not seek underlying general and/or special damages for those
13 violations, but simply the civil penalties permitted by California Labor Code § 2699.

14 2. California has enacted the PAGA to permit an individual to bring an action on
15 behalf of herself and on behalf of others for PAGA penalties *only*, which is the precise and sole
16 nature of this action.

17 3. Accordingly, PLAINTIFF seeks to obtain all applicable relief for
18 DEFENDANT’s violations under PAGA and solely for the relief as permitted by PAGA – that
19 is, penalties and any other relief the Court deems proper pursuant to the PAGA. Nothing in this
20 complaint should be construed as attempting to obtain any relief that would not be available in
21 a PAGA-only action.

22 **THE PARTIES**

23 4. Defendant Dejon Enterprises, Inc. (“DEFENDANT”) is a corporation that at all
24 relevant times mentioned herein conducted and continues to conduct substantial business in the
25 state of California.

26 5. DEFENDANT owns and operates McDonald’s restaurants in California.

27 6. PLAINTIFF was employed by DEFENDANT in California from October of 2020
28

1 to September 8, 2021 and was at all times classified by DEFENDANT as a non-exempt
2 employee, paid on an hourly basis, and entitled to the legally required meal and rest periods and
3 payment of minimum and overtime wages due for all time worked.

4 7. PLAINTIFF, and such persons that may be added from time to time who satisfy
5 the requirements and exhaust the administrative procedures under the Private Attorney General
6 Act, brings this Representative Action on behalf of the State of California with respect to herself
7 and all individuals who are or previously were employed by DEFENDANT in California and
8 classified as non-exempt employees ("AGGRIEVED EMPLOYEES") during the time period
9 of September 10, 2020 until a date as determined by the Court (the "PAGA PERIOD").

10 8. PLAINTIFF, on behalf of herself and all AGGRIEVED EMPLOYEES presently
11 or formerly employed by DEFENDANT during the PAGA PERIOD, brings this representative
12 action pursuant to Labor Code § 2699, *et seq.* seeking fixed civil penalties for DEFENDANT's
13 violation of California Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 221, 226(a), 226.7, 227.3,
14 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title
15 8, Section 11040, Subdivision 5(A)-(B), and the applicable Wage Order(s). Based upon the
16 foregoing, PLAINTIFF and all AGGRIEVED EMPLOYEES are aggrieved employees within
17 the meaning of Labor Code § 2699, *et seq.*

18 9. The true names and capacities, whether individual, corporate, subsidiary,
19 partnership, associate or otherwise of defendants DOES 1 through 50, inclusive, are presently
20 unknown to PLAINTIFF who therefore sues these Defendants by such fictitious names pursuant
21 to Cal. Civ. Proc. Code § 474. PLAINTIFF will seek leave to amend this Complaint to allege
22 the true names and capacities of Does 1 through 50, inclusive, when they are ascertained.
23 PLAINTIFF is informed and believes, and based upon that information and belief alleges, that
24 the Defendants named in this Complaint, including DOES 1 through 50, inclusive, are
25 responsible in some manner for one or more of the events and happenings that proximately
26 caused the injuries and damages hereinafter alleged.

27 10. The agents, servants and/or employees of the Defendants and each of them acting
28 on behalf of the Defendants acted within the course and scope of his, her or its authority as the

1 agent, servant and/or employee of the Defendants, and personally participated in the conduct
2 alleged herein on behalf of the Defendants with respect to the conduct alleged herein.
3 Consequently, the acts of each Defendant are legally attributable to the other Defendants and
4 all Defendants are jointly and severally liable to PLAINTIFF and the other AGGRIEVED
5 EMPLOYEES, for the loss sustained as a proximate result of the conduct of the Defendants'
6 agents, servants and/or employees.

7 8 **THE CONDUCT**

9 11. Pursuant to the Industrial Welfare Commission Wage Orders, DEFENDANT was
10 required to pay PLAINTIFF and other AGGRIEVED EMPLOYEES for all their time worked,
11 meaning the time during which an employee is subject to the control of an employer, including
12 all the time the employee is suffered or permitted to work. DEFENDANT requires PLAINTIFF
13 and other AGGRIEVED EMPLOYEES to work without paying them for all the time they are
14 under DEFENDANT's control. Among other things, DEFENDANT requires PLAINTIFF to
15 work while clocked out during what is supposed to be PLAINTIFF's off-duty meal break.
16 PLAINTIFF is from time to time interrupted by work assignments while clocked out for what
17 should be PLAINTIFF's off-duty meal break. PLAINTIFF and other AGGRIEVED
18 EMPLOYEES also worked off the clock with respect to time spent undergoing mandatory drug
19 testing or any other testing and/or examination required as a condition of employment.
20 DEFENDANT, as a matter of established company policy and procedure, administers a uniform
21 practice of rounding the actual time worked and recorded by PLAINTIFF and other
22 AGGRIEVED EMPLOYEES, always to the benefit of DEFENDANT, so that during the course
23 of their employment, PLAINTIFF and other AGGRIEVED EMPLOYEES are paid less than
24 they would have been paid had they been paid for actual recorded time rather than "rounded"
25 time. Additionally, DEFENDANT engages in the practice of requiring PLAINTIFF and other
26 AGGRIEVED EMPLOYEES to perform work off the clock in that DEFENDANT, as a
27 condition of employment, required these employees to submit to mandatory temperature checks
28 and symptom questionnaires for COVID-19 screening prior to clocking into DEFENDANT's

1 timekeeping system for the workday. As a result, PLAINTIFF and other AGGRIEVED
2 EMPLOYEES forfeit minimum wage, overtime wage compensation, and off-duty meal breaks
3 by working without their time being correctly recorded and without compensation at the
4 applicable rates. DEFENDANT's policy and practice not to pay PLAINTIFF and other
5 AGGRIEVED EMPLOYEES for all time worked, is evidenced by DEFENDANT's business
6 records.

7 12. State law provides that employees must be paid overtime and meal and rest break
8 premiums at one-and-one-half times their "regular rate of pay." PLAINTIFF and other
9 AGGRIEVED EMPLOYEES are compensated at an hourly rate plus incentive pay that is tied
10 to specific elements of an employee's performance.

11 13. The second component of PLAINTIFF's and other AGGRIEVED EMPLOYEES'
12 compensation is DEFENDANT's non-discretionary incentive program that paid PLAINTIFF
13 and other AGGRIEVED EMPLOYEES incentive wages based on their performance for
14 DEFENDANT. The non-discretionary incentive program provided all employees paid on an
15 hourly basis with incentive compensation when the employees met the various performance
16 goals set by DEFENDANT. However, when calculating the regular rate of pay in order to pay
17 overtime and meal and rest break premiums to PLAINTIFF and other AGGRIEVED
18 EMPLOYEES, DEFENDANT failed to include the incentive compensation as part of the
19 employees' "regular rate of pay" for purposes of calculating overtime pay and meal and rest
20 break premium pay. Management and supervisors described the incentive program to potential
21 and new employees as part of the compensation package. As a matter of law, the incentive
22 compensation received by PLAINTIFF and other AGGRIEVED EMPLOYEES must be
23 included in the "regular rate of pay." The failure to do so has resulted in a underpayment of
24 overtime compensation and meal and rest break premiums to PLAINTIFF and other
25 AGGRIEVED EMPLOYEES by DEFENDANT.

26 14. As a result of their rigorous work schedules, PLAINTIFF and other AGGRIEVED
27 EMPLOYEES were from time to time unable to take thirty (30) minute off duty meal breaks
28 and were not fully relieved of duty for their meal periods. PLAINTIFF and other AGGRIEVED

1 EMPLOYEES were required from time to time to perform work as ordered by DEFENDANT
2 for more than five (5) hours during some shifts without receiving a meal break. Further,
3 DEFENDANT from time to time failed to provide PLAINTIFF and other AGGRIEVED
4 EMPLOYEES with a second off-duty meal period for some workdays in which these employees
5 were required by DEFENDANT to work ten (10) hours of work. DEFENDANT also engaged
6 in the practice of rounding the meal period times to avoid paying penalties to PLAINTIFF and
7 other AGGRIEVED EMPLOYEES. PLAINTIFF and other AGGRIEVED EMPLOYEES
8 therefore forfeit meal breaks without additional compensation and in accordance with
9 DEFENDANT's corporate policy and practice.

10 15. During the PAGA PERIOD, PLAINTIFF and other AGGRIEVED EMPLOYEES
11 were also required from time to time to work in excess of four (4) hours without being provided
12 ten (10) minute rest periods. Further, these employees were denied their first rest periods of at
13 least ten (10) minutes for some shifts worked of at least two (2) to four (4) hours from time to
14 time, a first and second rest period of at least ten (10) minutes for some shifts worked of
15 between six (6) and eight (8) hours from time to time, and a first, second and third rest period
16 of at least ten (10) minutes for some shifts worked of ten (10) hours or more from time to time.
17 PLAINTIFF and other AGGRIEVED EMPLOYEES were also not provided with one hour
18 wages in lieu thereof. Additionally, the applicable California Wage Order requires employers
19 to provide employees with off-duty rest periods, which the California Supreme Court defined
20 as time during which an employee is relieved from all work related duties and free from
21 employer control. In so doing, the Court held that the requirement under California law that
22 employers authorize and permit all employees to take rest period means that employers must
23 relieve employees of all duties and relinquish control over how employees spend their time
24 which includes control over the locations where employees may take their rest period.
25 Employers cannot impose controls that prohibit an employee from taking a brief walk - five
26 minutes out, five minutes back. Here, DEFENDANT's policy restricted PLAINTIFF and other
27 AGGRIEVED EMPLOYEES from unconstrained walks and is unlawful based on
28 DEFENDANT's rule which states PLAINTIFF and other AGGRIEVED EMPLOYEES cannot

1 leave the work premises during their rest period.

2 16. During the PAGA PERIOD, DEFENDANT failed to accurately record and pay
3 PLAINTIFF and other AGGRIEVED EMPLOYEES for the actual amount of time these
4 employees worked. Pursuant to the Industrial Welfare Commission Wage Orders,
5 DEFENDANT was required to pay PLAINTIFF and other AGGRIEVED EMPLOYEES for
6 all time worked, meaning the time during which an employee was subject to the control of an
7 employer, including all the time the employee was permitted or suffered to permit this work.
8 DEFENDANT required these employees to work off the clock without paying them for all the
9 time they were under DEFENDANT's control. As such, DEFENDANT knew or should have
10 known that PLAINTIFF and the other AGGRIEVED EMPLOYEES were under compensated
11 for all time worked. As a result, PLAINTIFF and other AGGRIEVED EMPLOYEES forfeited
12 time worked by working without their time being accurately recorded and without compensation
13 at the applicable minimum wage and overtime wage rates. To the extent that the time worked
14 off the clock does not qualify for overtime premium payment, DEFENDANT fails to pay
15 minimum wages for the time worked off-the-clock in violation of Cal. Lab. Code §§ 1194,
16 1197, and 1197.1.

17 17. From time to time, DEFENDANT also failed to provide PLAINTIFF and other
18 AGGRIEVED EMPLOYEES with complete and accurate wage statements which failed to
19 show, among other things, the correct gross and net wages earned. Cal. Lab. Code § 226
20 provides that every employer shall furnish each of his or her employees with an accurate
21 itemized wage statement in writing showing, among other things, gross wages earned and all
22 applicable hourly rates in effect during the pay period and the corresponding amount of time
23 worked at each hourly rate. Aside, from the violations listed above in this paragraph,
24 DEFENDANT failed to issue to PLAINTIFF an itemized wage statement that lists all the
25 requirements under California Labor Code 226 *et seq.* As a result, DEFENDANT from time to
26 time provided PLAINTIFF and other AGGRIEVED EMPLOYEES with wage statements which
27 violated Cal. Lab. Code § 226.

28 18. Cal. Lab. Code § 204(d) provides, the requirements of this section shall be

1 deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the
2 wages are paid not more than seven calendar days following the close of the payroll period.
3 Cal. Lab. Code § 210 provides:

4 [I]n addition to, and entirely independent and apart from, any other penalty provided in
5 this article, every person who fails to pay the wages of each employee as provided in
6 Sections. . . .204. . . shall be subject to a civil penalty as follows: (1) For any initial
7 violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For each
8 subsequent violation, or any willful or intentional violation, two hundred dollars (\$200)
9 for each failure to pay each employee, plus 25 percent of the amount unlawfully
10 withheld.

11 19. DEFENDANT from time to time failed to pay PLAINTIFF and other
12 AGGRIEVED EMPLOYEES within seven (7) days of the close of the payroll period in
13 accordance with Cal. Lab. Code § 204(d), including but not limited to the “Retro Pay Flat” wage
14 payment.

15 20. DEFENDANT underpaid sick pay wages to PLAINTIFF and other AGGRIEVED
16 EMPLOYEES by failing to pay such wages at the regular rate of pay in violation of Cal. Lab.
17 Code Section 246. Specifically, PLAINTIFF and other non-exempt employees earned non-
18 discretionary remuneration, including but not limited to, incentives, shift differential pay, and
19 bonuses. Rather than pay sick pay at the regular rate of pay, DEFENDANT underpaid sick pay
20 to PLAINTIFF and other AGGRIEVED EMPLOYEES at their base rates of pay.

21 21. Cal. Lab. Code Section 246(1)(2) requires that paid sick time for non-exempt
22 employees be calculated by dividing the employee’s total wages, not including overtime
23 premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days
24 of employment.

25 22. DEFENDANT violated Cal. Lab. Code Section 246 by failing to pay sick pay at
26 the regular rate of pay. PLAINTIFF and other AGGRIEVED EMPLOYEES routinely earned
27 non-discretionary incentive wages, including but not limited to, incentives, shift differential pay,
28 and bonuses which increased their regular rate of pay. However, when sick pay was paid, it was
paid at the base rate of pay for PLAINTIFF and other AGGRIEVED EMPLOYEES, as opposed
to the correct, higher regular rate of pay, as required under Cal. Lab. Code Section 246.

23. As a pattern and practice, DEFENDANT regularly failed to pay PLAINTIFF and

1 other AGGRIEVED EMPLOYEES their correct wages and accordingly owe waiting time
2 penalties pursuant to Cal. Lab. Code Section 203. Further, PLAINTIFF is informed and believes
3 and based thereon alleges that such failure to pay sick pay at regular rate was willful, such that
4 PLAINTIFF and other AGGRIEVED EMPLOYEES whose employment has separated are
5 entitled to waiting time penalties pursuant to Cal. Lab. Code Sections 201-203.

6 24. Pursuant to Cal. Lab. Code Section 221, "It shall be unlawful for any employer
7 to collect or receive from an employee any part of wages theretofore paid by said employer to
8 said employee." DEFENDANT failed to pay all compensation due to PLAINTIFF and other
9 AGGRIEVED EMPLOYEES, made unlawful deductions from compensation payable to
10 PLAINTIFF and other AGGRIEVED EMPLOYEES, failed to disclose all aspects of the
11 deductions from compensation payable to PLAINTIFF and other AGGRIEVED EMPLOYEES,
12 and thereby failed to pay these employees all wages due at each applicable pay period and upon
13 termination. PLAINTIFF and other AGGRIEVED EMPLOYEES seek recovery of all illegal
14 deductions from wages according to proof, related penalties, interest, attorney fees and costs.

15 25. DEFENDANT intentionally and knowingly failed to reimburse and indemnify
16 PLAINTIFF and the other AGGRIEVED EMPLOYEES for required business expenses
17 incurred by the PLAINTIFF and other AGGRIEVED EMPLOYEES in direct consequence of
18 discharging their duties on behalf of DEFENDANT. Under California Labor Code Section
19 2802, employers are required to indemnify employees for all expenses incurred in the course
20 and scope of their employment. Cal. Lab. Code § 2802 expressly states that "an employer shall
21 indemnify his or her employee for all necessary expenditures or losses incurred by the employee
22 in direct consequence of the discharge of his or her duties, or of his or her obedience to the
23 directions of the employer, even though unlawful, unless the employee, at the time of obeying
24 the directions, believed them to be unlawful."

25 26. In the course of their employment PLAINTIFF and other AGGRIEVED
26 EMPLOYEES as a business expense, were required by DEFENDANT to use their own personal
27 cellular phones as a result of and in furtherance of their job duties as employees for
28 DEFENDANT but are not reimbursed or indemnified by DEFENDANT for the cost associated

1 with the use of their personal cellular phones for DEFENDANT's benefit. Specifically,
2 PLAINTIFF and other AGGRIEVED EMPLOYEES were required by DEFENDANT to use
3 their personal cellular phones. As a result, in the course of their employment with
4 DEFENDANT, PLAINTIFF and other AGGRIEVED EMPLOYEES incurred unreimbursed
5 business expenses which included, but were not limited to, costs related to the use of their
6 personal cellular phones all on behalf of and for the benefit of DEFENDANT.

7 27. All of the conduct and violations alleged herein occurred during the PAGA
8 PERIOD. To the extent that any of the conduct and violations alleged herein did not affect
9 PLAINTIFF during the PAGA PERIOD, PLAINTIFF seeks penalties for those violations that
10 affected other AGGRIEVED EMPLOYEES pursuant to *Carrington v. Starbucks Corp.* 2018
11 AJDAR 12157 (Certified for Publication 12/19/18).

12 **JURISDICTION AND VENUE**

13 28. This Court has jurisdiction over this Action pursuant to California Code of Civil
14 Procedure, Section 410.10.

15 29. Venue is proper in this Court pursuant to California Code of Civil Procedure,
16 Sections 395 and 395.5, because PLAINTIFF worked in this County for DEFENDANT and
17 DEFENDANT (i) currently maintains and at all relevant times maintained offices and facilities
18 in this County and/or conducts substantial business in this County, and (ii) committed the
19 wrongful conduct herein alleged in this County against PLAINTIFF and other AGGRIEVED
20 EMPLOYEES.

21 **FIRST CAUSE OF ACTION**

22 **For Violation of the Private Attorneys General Act**

23 **[Cal. Lab. Code §§ 2698, *et seq.*]**

24 **(By PLAINTIFF and Against All Defendants)**

25 30. PLAINTIFF realleges and incorporates by this reference, as though fully set forth
26 herein, the prior paragraphs of this Complaint.
27
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1 31. PAGA is a mechanism by which the State of California itself can enforce state
2 labor laws through the employee suing under the PAGA who do so as the proxy or agent of the
3 state's labor law enforcement agencies. An action to recover civil penalties under PAGA is
4 fundamentally a law enforcement action designed to protect the public and not to benefit private
5 parties. The purpose of the PAGA is not to recover damages or restitution, but to create a
6 means of "deputizing" citizens as private attorneys general to enforce the Labor Code. In
7 enacting PAGA, the California Legislature specified that "it was ... in the public interest to
8 allow aggrieved employees, acting as private attorneys general to recover civil penalties for
9 Labor Code violations ..." Stats. 2003, ch. 906, § 1. Accordingly, PAGA claims cannot be
10 subject to arbitration.

11 32. PLAINTIFF, and such persons that may be added from time to time who satisfy
12 the requirements and exhaust the administrative procedures under the Private Attorney General
13 Act, brings this Representative Action on behalf of the State of California with respect to
14 herself and all individuals who are or previously were employed by DEFENDANT in California
15 and classified as non-exempt employees ("AGGRIEVED EMPLOYEES") during the time
16 period of September 10, 2020 until a date as determined by the Court (the "PAGA PERIOD").

17 33. On September 10, 2021, PLAINTIFF gave written notice by electronic mail to
18 the Labor and Workforce Development Agency (the "Agency") and by certified mail to the
19 employer of the specific provisions of this code alleged to have been violated as required by
20 Labor Code § 2699.3. The statutory waiting period for PLAINTIFF to add these allegations to
21 the Complaint has expired. As a result, pursuant to Section 2699.3, PLAINTIFF may now
22 commence a representative civil action under PAGA pursuant to Section 2699 as the proxy of
23 the State of California with respect to all AGGRIEVED EMPLOYEES as herein defined.

24 34. The policies, acts and practices heretofore described were and are an unlawful
25 business act or practice because DEFENDANT (a) failed to provide PLAINTIFF and the other
26 AGGRIEVED EMPLOYEES accurate itemized wage statements, (b) failed to properly record
27 and provide legally required meal and rest periods, (c) failed to pay minimum wages, (d) failed
28 to pay overtime wages and sick pay wages, (e) failed to reimburse employees for required

1 expenses, and (f) failed to provide wages when due, all in violation of the applicable Labor
2 Code sections listed in Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 221, 226(a), 226.7,
3 227.3, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations,
4 Title 8, Section 11040, Subdivision 5(A)-(B), and the applicable Wage Order(s), and thereby
5 gives rise to civil penalties as a result of such conduct.¹ PLAINTIFF hereby seeks recovery of
6 only civil penalties as prescribed by the Labor Code Private Attorney General Act of 2004 as
7 the representative of the State of California for the illegal conduct perpetrated on PLAINTIFF
8 and the other AGGRIEVED EMPLOYEES.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, PLAINTIFF prays for judgment against each Defendant, jointly and
11 severally, as follows:

12 1. On behalf of the State of California and with respect to all AGGRIEVED
13 EMPLOYEES:

14 A) Recovery of civil penalties as prescribed by the Labor Code Private
15 Attorneys General Act of 2004; and,

16 B) An award of attorneys' fees and cost of suit, as allowable under the
17 law, including, but not limited to, pursuant to Labor Code §2699.

18 Dated: December 14, 2021 BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW LLP
19

20 By: /s/ Norman Blumenthal
21 Norman B. Blumenthal
22 Attorneys for Plaintiff
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28 ¹Plaintiff specifically excludes and/or does not allege any claims under California Labor Code §558(a)(3).