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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

STANLEY MOSK COURTHOUSE

JUAN REGINO PEREZ, as an individual
 and on behalf of all aggrieved employees,

Plaintiff,

v.

IGS SOLUTIONS LLC; SHRYNE
 GROUP, INC. and DOES 1 through 50,
 inclusive,

Defendants.

Case No.: **22STCV15042**
COMPLAINT FOR DAMAGES

1. Violation of the Private Attorneys General Act, Labor Code §2698 et seq. for Recovery of Unpaid Wages and Overtime;
2. Violation of the Private Attorneys General Act, Labor Code §2698 et seq. for Failure to Provide Meal Periods;
3. Violation of the Private Attorneys General Act, Labor Code §2698 et seq for Failure to Provide Rest Periods;
4. Violation of the Private Attorneys General Act, Labor Code §2698 et seq for Failure to Provide Accurate Itemized Wage Statements;
5. Violation of the Private Attorneys General Act, Labor Code § 2802 for Failure to Reimburse for Necessary Expenditures; and
6. Violation of the Private Attorneys General Act, Labor Code §2698 et seq for Failure to Pay Wages Due Upon Termination of Employment.

1 Plaintiff JUAN REGINO PEREZ (“Plaintiff” or “Mr. Perez”), as a representative of the
2 state of California and the Labor and Workforce Development Agency (“LWDA”), and on behalf
3 of himself and other current and former employees, complains and alleges as follows:

4 **INTRODUCTION**

5 1. This is an action brought on behalf of Plaintiff and all similarly-situated employees
6 who were subjected to one or more of the violations alleged herein (“Aggrieved Employees”) by
7 Defendants IGS SOLUTIONS LLC and SHRYNE GROUP, INC. (“Defendant”). The term
8 “RELEVANT TIME PERIOD” or “TIME PERIOD” is defined as one (1) year and sixty-five (65)
9 days prior to the filing of the complaint. Plaintiff reserves the right to amend this complaint to
10 reflect a different “Time Period” as further discovery is conducted.

11 2. Plaintiff, individually and on behalf of all Aggrieved Employees, seeks relief
12 against Defendant for its: (1) failure to pay all wages due, including regular and overtime wages;
13 (2) failure to provide meal periods or premium compensation in lieu thereof; (3) failure to provide
14 rest periods or premium compensation in lieu thereof; (4) failure to provide accurate itemized
15 wage statements; (5) failure to reimburse for necessary business expenses; and (6) failure to pay
16 wages due upon termination of employment.

17 3. At all relevant times herein, Defendant has consistently maintained and enforced
18 the following unlawful policies and practices against Plaintiff:

- 19 (a) Willfully refusing to pay all hours worked, including both regular and overtime
20 wages;
- 21 (b) Willfully refusing to permit off-duty meal periods or providing compensation in
22 lieu thereof;
- 23 (c) Willfully refusing to permit rest periods or providing compensation in lieu
24 thereof;
- 25 (d) Willfully refusing to furnish accurate itemized wage statements upon payment of
26 wages;
- 27 (e) Willingly refusing to reimburse necessary business expenses; and
- 28 (f) Willfully refusing to pay all wages due upon separation of employment;

1 **JURISDICTION AND VENUE**

2 4. This Court has subject matter jurisdiction over the causes of action alleged in this
3 complaint because the Court is a court of general subject matter jurisdiction and is not otherwise
4 excluded from exercising subject matter jurisdiction over said causes of action.

5 5. Venue is proper in the County of Los Angeles because Defendants, IGS
6 SOLUTIONS LLC and SHRYNE GROUP, INC., transacts business in this county, the
7 obligations and liability arise in this county, and work performed by Plaintiff that forms the
8 subject of this action occurred in this county.

9 6. The California Superior Court has jurisdiction in the matter, because of the
10 individual claims are under the seventy-five thousand dollars (\$75,000.00) jurisdictional
11 threshold for Federal Court and this action seeks recovery of civil penalties. Plaintiff is a resident
12 of and/or domiciled in the County of Los Angeles, State of California. Defendants are California
13 corporations doing business in the State of California.

14 7. Further, there is no federal question at issue as the issues herein are based solely on
15 California statutes and law, including the Labor Code, Code of Civil Procedure, Business and
16 Professions Code, and California Rules of Court.

17 **THE PARTIES**

18 **Plaintiff**

19 8. Mr. Perez began his employment with Defendant on or about July 6, 2021, as a
20 cultivation technician, with duties including cleaning filters and de-foliating cannabis plants. Mr.
21 Perez was terminated by Defendants on or about July 22, 2021. Throughout the Relevant Time
22 Period, Plaintiff worked for Defendants within the County of Los Angeles. Plaintiff was always
23 paid an hourly wage, and was deemed a non-exempt hourly employee by Defendant. Plaintiff is
24 accordingly entitled to compensation for all hours worked, overtime compensation, premium pay,
25 and penalties from Defendant.

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1 **Defendant**

2 9. Plaintiff is informed and believes, and based thereon alleges, that Defendant is a
3 California corporation which manufactures cannabis products in Los Angeles County, and is
4 and/or was the employer of Plaintiff and similarly situated employees during the Relevant Time
5 Period.

6 10. Plaintiff is ignorant of the true names, capacities, relationships, and extent of
7 participation in the conduct herein alleged of Defendant sued herein as DOES 1 through 50,
8 inclusive, but on information and belief alleges that said Defendant is legally responsible for the
9 violations alleged herein. Plaintiff will amend this complaint to allege the true names and
10 capacities of the DOE Defendants when ascertained.

11 11. Plaintiff is informed believes, and thereon alleges, that each Defendant acted in all
12 respects pertinent to this action as the agent of the other Defendants, carried out a joint scheme,
13 business plan, or policy in all respects pertinent hereto, and the acts of each Defendant are legally
14 attributable to the other Defendants. Furthermore, Defendants operate as a joint venture and/or
15 single business enterprise, integrated enterprise and/or are agents of one another, are alter egos,
16 joint employers and conspire with one another to increase profits by engaging in the conduct
17 described in this complaint.

18 12. Plaintiff is informed and believes, and based thereon alleges, that each Defendant
19 acted in all respects as the agent, servant, partner, joint venture, alter-ego, employee, proxy,
20 managing agent, and/or principal of the co-Defendants, and in performing the actions mentioned
21 below was acting, at least in part, within the course and scope of that authority as such agent,
22 proxy, servant, partner, joint venture, employee, alter-ego, managing agent, and/or principal with
23 the permission and consent of the co-Defendants. Plaintiff also alleges the acts of each Defendant
24 are legally attributable to the other Defendants.

25 **PAGA ADMINISTRATIVE PREREQUISITE**

26 13. Plaintiff brings this case as a representative action seeking penalties for the State
27 of California in a representative capacity, as provided by the Private Attorney General Act, Labor
28 Code section 2698 et seq. ("PAGA"), as an aggrieved employee that was employed by Defendant

1 and did not receive all wages due, was not paid minimum wages, was not paid overtime, was not
2 provided with accurate wage statements, was not reimbursed for necessary expenditures, and was
3 not able to take lawful meal and rest breaks or receive premium compensation in lieu thereof.

4 14. Prior to filing this complaint, on December 13, 2021, Plaintiff gave written notice
5 by certified electronic mail to the Labor and Workforce Development Agency (“LWDA”) and to
6 Defendant of the specified provisions alleged to have been violated, including the facts and
7 theories to support the alleged violation as required by Labor Code section 2699.3. A true and
8 correct copy of Plaintiff’s original letter sent to the LWDA is attached hereto as “Exhibit A.”

9 15. More than sixty-five (65) days have passed since Plaintiff submitted his December
10 13, 2021, notice to the LWDA and Defendant of the specific alleged Labor Code violations, and
11 the LWDA has not provided notice to Plaintiff of its intent to investigate such alleged violations.
12 Plaintiff further has received no notice of Defendant’s intent to cure any of the alleged violations.
13 Therefore, Plaintiff has satisfied the administrative prerequisites for filing this action with regard
14 to his December 13, 2021, PAGA notice.

15 **FACTUAL ALLEGATIONS**

16 16. This lawsuit arises out of an ongoing wrongful scheme by Defendant to deny its
17 employees the benefits due under California’s wage and hour laws for work performed in
18 California. Defendant wrongfully refused to pay Plaintiff and the Aggrieved Employees regular
19 wages, overtime compensation, meal and rest break premiums, and other statutory benefits
20 mandated by California.

21 17. Throughout the Relevant Time Period, Defendant employed Plaintiff and the
22 Aggrieved Employees in non-exempt positions throughout California. Plaintiff and Aggrieved
23 Employees were employed by Defendant in positions that are paid at an hourly rate less than
24 twice that of the state minimum wage and remain under the direct control and supervision of
25 Defendant. Accordingly, these positions remain non-exempt from California’s wage and hour
26 laws yet Defendant fails to pay overtime, provide meal and rest breaks and otherwise pay all
27 wages due to these non-exempt employees as required by law.

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1 18. Plaintiff is informed and believes, and based thereon alleges, that Defendant's
2 policies and practices described herein are common within the State of California.

3 19. Plaintiff is informed and believes, and based thereon alleges, that at all times
4 herein mentioned, Defendant was advised by skilled lawyers, employees and other professionals
5 who were knowledgeable about California's wage and hour laws, employment and personnel
6 practices, and the requirements of California law.

7 20. Plaintiff is informed and believes, and based thereon alleges, that Defendant knew
8 or should have known that Plaintiff and Aggrieved Employees were entitled to receive wages for
9 all hours worked, including minimum, regular, and overtime wages, and that they were not
10 receiving all wages earned for work that was required to be performed. In violation of the Labor
11 Code and IWC Wage Orders, Defendant failed to pay Plaintiff and Aggrieved Employees earned
12 wages by failing to compensate Plaintiff and Aggrieved Employees the mandatory minimum
13 wage. Defendant also failed to pay Plaintiff and Aggrieved Employees at the requisite overtime
14 and double time rate for all hours worked in excess of eight (8) hours and/or twelve (12) hours
15 per workday.

16 21. Mr. Perez alleges that Defendant failed to compensate him and Aggrieved
17 Employees at the legally mandated wage rates for all hours worked. Mr. Perez and Aggrieved
18 Employees performed work off-the-clock, during overtime periods and during meal periods and
19 regularly and frequently worked beyond the eighth (8th) hour of their shift. For example, Mr.
20 Perez and Aggrieved Employees routinely worked overtime periods but were not compensated
21 properly. During the Relevant Time Period, Defendant failed to utilize a time clock and required
22 Plaintiff and Aggrieved Employees to just show up at their scheduled start times. Defendant did
23 not have a way to track employees' hours.

24 22. Further, to the extent the total hours worked exceeded eight (8) in one day, or forty
25 (40) in one week, all excess hours were required to be compensated at a rate of one-and-a-half
26 (1½) times the employee's base rate of pay. Similarly, all excess hours over twelve (12) hours in
27 a day were required to be compensated at a rate of two (2) times the employee's base rate of pay.
28 Defendant's failure to provide Plaintiff and Aggrieved Employees any pay whatsoever for off-

1 the-clock hours worked therefore necessarily resulted in overtime violations as well.

2 23. Plaintiff is informed and believes, and based thereon alleges, that Defendant knew
3 or should have known that Plaintiff and Aggrieved Employees were entitled to receive all required
4 meal periods or payment of one (1) additional hour of pay at Plaintiff and Aggrieved Employees'
5 regular rate of pay when they did not receive a timely, uninterrupted off-duty meal period. In
6 violation of the Labor Code and IWC Wage Orders, Defendant had a pattern, practice, and policy
7 of not providing proper meal periods. Plaintiff and Aggrieved Employees missed their meal
8 periods, took them late, or had them interrupted by Defendant. Defendant also had a pattern,
9 practice, and policy of not providing second meal periods. As a result of Defendant's daily work
10 requirements, demands, and unlawful policies, Plaintiff and Aggrieved Employees did not receive
11 all meal periods or payment of one (1) additional hour of pay at Plaintiff and Aggrieved
12 Employees' regular rate of pay when they did not receive a timely, uninterrupted thirty (30)
13 minute off-duty meal period.

14 24. Plaintiff is informed and believes, and based thereon alleges, that Defendant knew
15 or should have known that Plaintiff and Aggrieved Employees were entitled to receive all paid
16 rest periods or payment of one (1) additional hour of pay at Plaintiff and Aggrieved Employees'
17 regular rate of pay when a rest period was missed, interrupted, or shortened. In violation of the
18 Labor Code and IWC Wage Orders, Defendant had a pattern, practice, and policy of not providing
19 paid rest periods. Mr. Perez is informed and believes that Defendant did not have either written
20 or verbal policies regarding rest breaks. This resulted in employees taking rest breaks only
21 sporadically. Defendant maintained a policy requiring all work to be completed by Plaintiff and
22 Aggrieved Employees within an eight (8) hour workday. If they failed to do so, aggrieved
23 employees were subjected to discipline. Defendant failed to provide adequate coverage to relieve
24 aggrieved employees to take their breaks. In addition, Defendant subjected Plaintiff and
25 Aggrieved Employees to pressure to complete work on time, thus discouraging employees from
26 taking their lawful breaks. Due to Defendant's policy and practices which prioritized work tasks
27 over rest period compliance, Plaintiff and Aggrieved Employees missed rest periods, or received
28 them untimely.

1 25. Plaintiff is informed and believes, and based thereon alleges, that Defendant knew
2 or should have known that Plaintiff and Aggrieved Employees were entitled to receive itemized
3 wage statements that accurately showed their actual hours worked, total hours worked, number
4 of hours worked at each hourly rate, gross and net wages earned, and premium wages earned per
5 pay period in accordance with California law. In violation of the Labor Code, Plaintiff and
6 Aggrieved Employees were not provided with accurate itemized wage statements showing their
7 rate of pay, the actual hours worked, correct premium wages earned per pay period, as well as the
8 total hours work per pay period.

9 26. Defendant failed to keep accurate time records reflecting the time Mr. Perez and
10 Aggrieved Employees started their shift, the time they began and ended their meal periods, and
11 the time they ended their shifts. Defendant did not utilize an electronic time clock to record
12 employee's work hours. However, insofar as Defendant required the employees to work before
13 and/or after signing in/out, and deducted meal periods even when no meal period was actually
14 taken, the timekeeping by Defendant was non-compliant as required under the Labor Code and
15 Code of Regulations.

16 27. By failing to include on Plaintiff and Aggrieved Employees' paystubs all owed
17 meal and rest premium pay, and all minimum wage and overtime and double-time owed,
18 Defendant failed to keep accurate payroll records and failed to provide Plaintiff and Aggrieved
19 Employees with complete and accurate wage statements.

20 28. Defendant willfully failed to reimburse Plaintiff and Aggrieved Employees for
21 necessary business expenses incurred during their employment with Defendant. Specifically,
22 Defendant required, and on information and belief continues to require, its employees to
23 communicate with one another through their personal cellular phones. Defendant required, and
24 on information and belief continues to require, employees to use the communication application
25 Slack on their personal cellular phones to obtain information from colleagues and management.
26 Defendant failed to reimburse employees for the expense of using their personal cellular phones
27 for business purposes in violation of the Labor Code and the IWC Wage Orders.

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1 29. Plaintiff is informed and believes, and based thereon alleges, that Defendant knew
2 or should have known that Plaintiff and certain Aggrieved Employees were entitled to timely
3 payment of wages due upon separation of employment. In violation of the Labor Code, Plaintiff
4 and certain Aggrieved Employees did not receive payment of all wages due, within permissible
5 time periods, upon separation of employment.

6 **FIRST CAUSE OF ACTION**

7 **VIOLATION OF PAGA FOR RECOVERY OF UNPAID MINIMUM WAGE AND**
8 **OVERTIME**

9 **(Plaintiff Against All Defendants)**

10 30. Plaintiff realleges and incorporates by reference the preceding paragraphs of this
11 complaint as if fully set forth herein.

12 31. Any work in excess of eight hours in any workday and any work in excess of forty
13 (40) hours in a workweek shall be compensated at a rate of no less than one and one-half times
14 the regular rate of pay for an employee. (Labor Code § 510(a); IWC Wage Order 4-2001, Sect.
15 3(A).) Any work in excess of twelve (12) hours in a workday shall be compensated at the rate of
16 twice the regular rate of pay for an employee. (*Ibid.*)

17 32. Plaintiff and Aggrieved Employees regularly worked over eight (8) hours per day
18 and forty (40) hours per week. Defendant failed to pay Plaintiff and Aggrieved Employees
19 minimum wage for all hours worked and overtime premium for hours worked in excess of over
20 eight (8) hours per day and/or forty (40) hours per week for work performed for the Defendant.
21 Defendant failed to schedule Plaintiff and Aggrieved Employees in such a manner that allowed
22 Plaintiff and Aggrieved Employees to be relieved of their shift immediately, thereby causing
23 Plaintiff and Aggrieved Employees to work in excess of eight (8) hours per day and/or forty (40)
24 hours per week.

25 33. Plaintiff and Aggrieved Employees were also frequently required to work through
26 meal periods for which Defendant required at least thirty (30) minutes be deducted from the time
27 recorded, resulting in additional unpaid wages. Additional time was worked by Plaintiff and
28 Aggrieved Employees that they were not permitted to record on time records also resulting in

1 unpaid wages.

2 34. Since the LWDA has not indicated that it will be investigating more than sixty-
3 five (65) days since Plaintiff provided notice, and because Defendant took no corrective action to
4 remedy the allegations set forth above, Plaintiff, as a representative of the people of the State of
5 California, will seek any and all penalties otherwise capable of being collected by the Labor
6 Commission, the LWDA and/or the Department of Labor Standards Enforcement (“DLSE”). This
7 includes each of the following, as set forth in Labor Code section 2699.5, which provides that
8 section 2699.3, subdivision (a), applies to any alleged violation of the following provisions: 510
9 and 1194.

10 35. Plaintiff is informed and believes that Defendant has violated, and continues to
11 violate, provisions of the Labor Code and applicable Wage Orders related to the payment of
12 minimum wages and overtime.

13 36. Plaintiff, as a personal representative of the general public, will and does seek to
14 recover any and all penalties for each and every violation shown to exist or to have occurred
15 during the Relevant Time Period, in an amount according to proof, as to those penalties that are
16 otherwise only available to public agency enforcement actions. Funds recovered will be
17 distributed in accordance with the PAGA, with at least 75% of the penalties recovered being
18 reimbursed to the LWDA.

19 37. Additionally, Plaintiff and Aggrieved Employees are entitled to attorneys’ fees and
20 costs pursuant to Labor Code sections 2699, subdivision (g)(1), 218.5, 1194, and prejudgment
21 interest.

22 **SECOND CAUSE OF ACTION**

23 **VIOLATION OF PAGA FOR FAILURE TO PROVIDE MEAL PERIODS OR**

24 **PREMIUM COMPENSATION IN LIEU THEREOF**

25 **(Plaintiff against All Defendants)**

26 38. Plaintiff realleges and incorporates by reference all preceding paragraphs as if
27 fully set forth herein.

28 39. Labor Code sections 226.7 and 512 and IWC Wage Order 4-2001, Sect. 11

1 provides that no employer shall employ any person for a work period of more than five (5) hours
2 without providing a meal period uninterrupted by work duties of not less than thirty (30) minutes
3 or employ any person for a work period of more than ten (10) hours without a second (2nd) meal
4 period of not less than thirty (30) minutes.

5 40. Labor Code section 226.7 provides that if an employer fails to provide an
6 employee a meal period in accordance with this section, the employer shall pay the employee one
7 (1) hour of pay at the employee's regular rate of compensation for each workday that the meal
8 period is not provided in accordance with this section. Plaintiff alleges Defendant failed to provide
9 legally compliant meal periods in addition to impeding, discouraging, dissuading and/or not
10 relieving employees from all work duties during meal periods thereby preventing employees from
11 taking legally compliant meal periods.

12 41. At all relevant times, Plaintiff and Aggrieved Employees have worked shifts of
13 more than five (5) hours in a workday.

14 42. The burden to prove that a meal or rest period violation has occurred normally
15 rests on the Plaintiff. However, under *Safeway, Inc. v. Superior Court* (238 Cal. App. 4th 1138,
16 1159-60 (2015)), where an employer fails to keep accurate records of meal and rest periods, a
17 presumption of meal and rest period violations is created, shifting the burden to the employer to
18 prove that meal and rest period violations did not occur.

19 43. Defendant failed to schedule non-exempt employees adequately to reasonably
20 ensure Plaintiff and Aggrieved Employees could take and/or receive such meal periods within the
21 statutory timeframe. Defendant denied Plaintiff and Aggrieved Employees duty-free meal
22 periods, as a result, Plaintiff and Aggrieved Employees were often forced to forego meal periods
23 and/or work during their meal periods. In so doing, Defendant has intentionally and improperly
24 denied meal periods to Plaintiff and Aggrieved Employees in violation of Labor Code sections
25 226.7 and 512 and other regulations and statutes.

26 44. Defendant failed to keep accurate records of the meal periods taken by Plaintiff
27 and Aggrieved Employees.

28 45. At all times relevant hereto, Plaintiff and Aggrieved Employees have worked more

1 than five (5) hours in a workday.

2 46. At varying times relevant hereto, Plaintiff and Aggrieved Employees at times have
3 worked more than ten (10) hours in a workday.

4 47. Pursuant to Labor Code section 226.7, Plaintiff and Aggrieved Employees are
5 entitled to damages equal to one (1) hour of wages at their regular rate of pay for each missed
6 meal break, in an amount according to proof.

7 48. At all times relevant hereto, Defendant, failed to offer or to schedule non-exempt
8 positions in a manner so as to reasonably provide meal and/or work free meal period as required
9 by Labor Code sections 226.7 and 512.

10 49. Defendant's failure to schedule Plaintiff and Aggrieved Employees in such a way
11 as to provide meal periods, and/or work free meal periods to Plaintiff and Aggrieved Employees,
12 and/or to provide on-duty meal periods in accordance with the applicable Wage Order, has caused
13 Plaintiff and Aggrieved Employees to suffer, and continue to suffer, injury which will be
14 ascertained according to proof at trial.

15 50. Further, Defendant's failure to maintain accurate records of the meal periods taken
16 by Plaintiff and Aggrieved Employees creates a presumption of the violations having occurred
17 and shifts the burden to Defendant to prove they did not occur.

18 51. Plaintiff individually, and on behalf of the Aggrieved Employees, requests
19 recovery of meal period compensation pursuant to Labor Code sections 226.7 and 558,
20 subdivision (a), which they are owed beginning one (1) year prior to filing this complaint as well
21 as the assessment of any civil penalties against Defendant, and each of them, in a sum as provided
22 by the Labor Code and/or other statutes.

23 52. Since the LWDA has not indicated that it will be investigating and sixty-five (65)
24 days have passed since Plaintiff mailed his letter, and because Defendant took no corrective action
25 to remedy the allegations set forth above, Plaintiff, as a representative of the people of the State
26 of California, will seek any and all penalties otherwise capable of being collected by the Labor
27 Commission, the LWDA and/or the Department of Labor Standards Enforcement ("DLSE"). This
28 includes each of the following, as set forth in Labor Code section 2699.5, which provides that

section 2699.3, subdivision (a), applies to any alleged violation of the following provisions: 510 and 1194.

53. Plaintiff, as a personal representative of the general public, will and does seek to recover any and all penalties for each and every violation shown to exist or to have occurred during the Relevant Time Period, in an amount according to proof, as to those penalties that are otherwise only available to public agency enforcement actions. Funds recovered will be distributed in accordance with the PAGA, with at least seventy-five percent (75%) of the penalties recovered being reimbursed to the LWDA.

54. Additionally, Plaintiff and Aggrieved Employees are entitled to attorneys' fees and costs pursuant to Labor Code section 2699, subdivision (g)(1), and prejudgment interest.

THIRD CAUSE OF ACTION

VIOLATION OF PAGA FOR FAILURE TO PROVIDE REST PERIODS OR

PREMIUM COMPENSATION IN LIEU THEREOF

(Plaintiff against All Defendants)

55. Plaintiff and Aggrieved Employees reallege and incorporate by reference the preceding paragraphs of this complaint as if fully set forth herein.

56. Labor Code section 226.7 provides that employers authorize and permit all employees to take rest periods at the rate of ten (10) minutes rest time per four (4) work hours.

57. Labor Code section 226.7, subdivision (b), provides that if an employer fails to provide an employee rest periods in accordance with this section, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

58. Defendant, and each of them, failed and or refused to implement a relief system by which Plaintiff and Aggrieved Employees could receive rest periods and/or work free rest periods. Defendant denied Plaintiff and Aggrieved Employees duty free rest periods by interrupting Plaintiff and Aggrieved Employees' rest periods. By and through their actions, Defendant intentionally and improperly denied duty free rest periods to the Plaintiff and Aggrieved Employees in violation of Labor Code sections 226.7 and 512.

1 59. Furthermore, Defendant failed to provide Plaintiff and Aggrieved Employees with
2 duty free rest periods or failed to provide Plaintiff and Aggrieved Employees with rest periods all
3 together in violation of Labor Code section 226.7 and 512.

4 60. Defendant failed to keep accurate records of the rest periods taken by Plaintiff and
5 Aggrieved Employees.

6 61. At all times relevant hereto, Plaintiff and Aggrieved Employees, have worked
7 more than four (4) hours in a workday.

8 62. By virtue of the Defendant's unlawful failure to provide rest periods to Plaintiff
9 and Aggrieved Employees as a result of their routes scheduled by Defendant, Plaintiff and
10 Aggrieved Employees have suffered, and will continue to suffer, damages, in amounts which are
11 presently unknown, but which exceed the jurisdictional limits of this Court and which will be
12 ascertained according to proof at trial.

13 63. Plaintiff, by virtue of Plaintiff's employment with Defendant, Defendant's failure
14 to provide Plaintiff and Aggrieved Employees with rest breaks, and Defendant's policy of
15 requiring employees to work through their rest periods without receiving compensation in lieu
16 thereof, is an aggrieved employee with standing to bring an action under the PAGA. Plaintiff has
17 satisfied all prerequisites to serve as a representative of the general public to enforce California's
18 labor laws, and the penalty provisions identified in Labor Code section 2699.5.

19 64. Plaintiff individually, and on behalf of the Aggrieved Employees, requests
20 recovery of meal period compensation pursuant to Labor Code sections 226.7 and 558,
21 subdivision (a), which they are owed beginning one (1) year prior to filing this complaint as well
22 as the assessment of any civil penalties against Defendants, and each of them, in a sum as provided
23 by the Labor Code and/or other statutes. Plaintiff, as a representative of the people of the State of
24 California, will seek any and all penalties otherwise capable of being collected by the Labor
25 Commission, the LWDA and/or the DLSE. This includes each of the following, as set forth in
26 Labor Code section 2699.5, which provides that section 2699.3, subdivision (a), applies to any
27 alleged violation of the following provisions: 226.7 and 512.

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65. Plaintiff, as a personal representative of the general public, will and does seek to recover any and all penalties for each and every violation shown to exist or to have occurred during the Relevant Time Period, in an amount according to proof, as to those penalties that are otherwise only available to public agency enforcement actions. Funds recovered will be distributed in accordance with the PAGA, with at least seventy-five percent (75%) of the penalties recovered being reimbursed to the LWDA.

66. Additionally, Plaintiff and Aggrieved Employees are entitled to attorney's fees and costs pursuant to Labor Code section 2699, subdivision (g)(1), and prejudgment interest.

FOURTH CAUSE OF ACTION

VIOLATION OF PAGA FOR FAILURE TO PROVIDE ACCURATE ITEMIZED

WAGE STATEMENTS

(Plaintiff against All Defendants)

67. Plaintiff and Aggrieved Employees reallege and incorporate by reference the preceding paragraphs of this complaint as if fully set forth herein.

68. Labor Code section 226, subdivision (a), states in pertinent part that, “every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee’s wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing: (1) gross wages earned; (2) total hours worked by the employee . . . ; (3) the number of piece-rate units earned . . . ; (4) all deductions . . . ; (5) net wages; (6) the inclusive dates of the period for which the employee is paid; (7) 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; (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 corresponding number of hours worked at each hourly rate by the employee...” (Lab. Code, § 226.)

69. Defendant knowingly and intentionally failed to provide timely and accurate itemized wage statements to Plaintiff and Aggrieved Employees in accordance with Labor Code section 226, subdivision (a), by failing to record the accurate number of hours worked, the

1 accurate rate of pay for each hour worked, the accurate amount of premiums wages earned, the
2 accurate net pay, and the accurate gross pay. Such failure caused injury to Plaintiff and Aggrieved
3 Employees.

4 70. Plaintiff and Aggrieved Employees are entitled to damages under Labor Code
5 section 226, subdivision (a), and the greater of all actual damages or fifty dollars (\$50.00) for the
6 initial pay period in which a violation occurs and one-hundred (\$100.00) per employee for each
7 violation in each subsequent pay period, pursuant to Labor Code section 226, subdivision (e).

8 71. Plaintiff, as a personal representative of the general public, will and does seek to
9 recover any and all penalties for each and every violation shown to exist or to have occurred
10 during the Relevant Time Period, in an amount according to proof, as to those penalties that are
11 otherwise only available to public agency enforcement actions. Funds recovered will be
12 distributed in accordance with the PAGA, with at least seventy-five percent (75%) of the penalties
13 recovered being reimbursed to the LWDA.

14 72. Additionally, Plaintiff and Aggrieved Employees are entitled to attorney's fees and
15 costs pursuant to Labor Code section 2699, subdivision (g)(1), and prejudgment interest.

16 **FIFTH CAUSE OF ACTION**

17 **VIOLATION OF PAGA FOR FAILURE TO REIMBURSE**

18 **NECESSARY BUSINESS EXPENDITURES**

19 **(Plaintiff against All Defendants)**

20 73. Plaintiff realleges and incorporates by reference the allegations in the preceding
21 paragraphs.

22 74. Labor Code section 2802 states that "An employer shall indemnify his or her
23 employee for all necessary expenditures or losses incurred by the employee in direct consequence
24 of the discharge of his or her duties...."

25 75. Plaintiff and similarly-aggrieved employees were not reimbursed by Defendant for
26 necessary expenditures as a direct consequence of the discharge of their duties.

27 76. Defendant knowingly, willingly, and intentionally attempted to offset the cost of
28 doing business on Plaintiff and similarly-aggrieved employees.

77. Defendant had a corporate practice and policy of requiring Plaintiff and similarly-aggrieved employees to shoulder the burden of Defendant's cost of doing business by failing to reimburse Plaintiff and Aggrieved Employees for necessary business expenditures, specifically by requiring Plaintiff and Aggrieved Employees to utilize their personal cell phone for work-related purposes.

SIXTH CAUSE OF ACTION

79. Plaintiff and Aggrieved Employees reallege and incorporate by reference the preceding paragraphs of this complaint as if fully set forth herein.

81. Defendant refused and/or failed to promptly compensate Plaintiff and Aggrieved Employees wages owed as a result of Defendant's failure to provide meal and/or rest periods as well as pay both minimum and overtime compensation owed for work performed for Defendant.

83. Plaintiff, as a representative of the people of the State of California, will seek any and all penalties otherwise capable of being collected by the Labor Commission and/or the DLSE.

1 This includes each of the following, as set forth in Labor Code section 2699.5, which provides
2 that section 2699.3, subdivision (a), applies to any alleged violation of the following provisions:
3 201-203, 226, 226.7, 510, 512, 1174, and 1194.

4 84. Plaintiff, as a personal representative of the general public, will and does seek to
5 recover any and all penalties for each and every violation shown to exist or to have occurred
6 during the Relevant Time Period, in an amount according to proof, as to those penalties that are
7 otherwise only available to public agency enforcement actions. Funds recovered will be
8 distributed in accordance with the PAGA, with at least seventy-five percent (75%) of the penalties
9 recovered being reimbursed to the LWDA.

10 85. Additionally, Plaintiff and Aggrieved Employees are entitled to attorney's fees and
11 costs pursuant to Labor Code section 2699, subdivision (g)(1), and prejudgment interest.

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1. For civil penalties for each violation for Plaintiff and each Aggrieved Employee as provided by law, including, but not limited to, those civil penalties provided by statute, provided by PAGA and for unpaid wages pursuant to Labor Code section 558;
2. For costs of suit and expenses incurred herein pursuant to Labor Code section 2699, subdivision (g), and any other statutory basis or pursuant to the California Rules of Court;
3. For reasonable attorneys' fees pursuant to Labor Code section 2699, subdivision (g), and any other statutory basis; and
4. For all such other and further relief as the Court may deem just and proper.

MAHONEY LAW GROUP, APC

Kevin Mahoney, Esq.
Robert Costa, Esq.
Attorneys for Plaintiff JUAN REGINO PEREZ

EXHIBIT A



Robert L. Costa, Esq.
(562) 590-5550 phone
(562) 590-8400 facsimile
rcosta@mahoney-law.net

December 13, 2021

Via Certified Electronic Mail

LABOR AND WORKFORCE DEVELOPMENT AGENCY

Attn: PAGA Administrator

PAGAFilings@dir.ca.gov

VIA CERTIFIED MAIL # 7019 0700 0001 7488 9326

Return Receipt Requested

IGS Solutions LLC

c/o Legalinc Registered Agents Inc., Agent for Service of Process

Four Embarcadero Center, Suite 1400 #85

San Francisco, CA 94111

VIA CERTIFIED MAIL#7019 0700 0001 7488 9333

Return Receipt Requested

Shryne Group, Inc.

c/o Legalinc Registered Agents Inc., for Service of Process

Four Embarcadero Center, Suite 1400 #85

San Francisco, CA 94111

Re: Juan Regino Perez v. IGS Solutions LLC and Shryne Group, Inc.

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION § 2698 ET SEQ.**

To: California Labor and Workforce Development Agency, People's Care LLC and Inland Residential Services LLC

From: Juan Regino Perez, on behalf of himself and other aggrieved employees who were subject to the Employer's wage and hour policies as set forth below.

Factual Statement

Please note that this firm, Mahoney Law Group, APC, represents the interests of Juan Regino Perez ("Mr. Perez" or "Employee"), who intends to file a complaint alleging various Labor Code violations and seeking civil penalties under the Private Attorneys General Act of 2004, Labor Code sections 2698 *et seq.* ("PAGA"), on behalf of himself and all other aggrieved employees.

Theories of Labor Code Violations and Remedies

IGS Solutions, LLC and Shryne Group, Inc. (“Employers”) is a large cannabis cultivator headquartered in Los Angeles, CA. Mr. Perez was an hourly-paid, non-exempt employee for Employers.

Mr. Perez alleges Employers violated various sections of the Labor Code, including sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, and 2802, by failing to provide Mr. Perez and all other aggrieved employees with all wages for all hours worked, including, but not limited to, regular and minimum wage, overtime and double-time pay, meal and rest period premium pay and reimbursement for necessary business expenditures. Mr. Perez and similarly aggrieved employees consist of identifiable, current, and/or former similarly situated persons who worked for Employers in non-exempt cultivation technician, or similar positions, in California during the liability period of one year prior to the filing of a complaint alleging a PAGA cause of action.

A. Employers Failed to Provide Mr. Perez and Other Aggrieved Employees with Meal and Rest Periods, or Premium Compensation in Lieu Thereof, in Violation of California Law

Mr. Perez alleges that he and other aggrieved employees were routinely not provided with timely, 30-minute off-duty meal periods, as required by the Labor Code. Mr. Perez and other aggrieved employees were typically not allowed to take their meal periods within the first five hours worked. Employer failed to maintain a policy or practice of providing meal and rest periods for Employees as they were not always allowed to take their meal and rest periods in a timely manner. Mr. Perez and other aggrieved employees allege that they did not receive at least one duty-free, uninterrupted meal period within the first five (5) hours worked nor a second meal period before the start of the 11th hour of work. (*Brinker Rest. Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1041-42.) When employees failed to receive their meal break, they did not receive premium pay as compensation for the missed meal breaks. Specifically, Employers’ policy provided that Mr. Perez and other aggrieved employees were not allowed to take meal breaks within the first five hours worked.

Mr. Perez further alleges that he and other aggrieved employees did not receive duty-free, uninterrupted rest periods for every four (4) hours worked, or major fraction thereof, as required by the Labor Code. Employers prevented Mr. Perez and other aggrieved employees from taking rest breaks throughout their shifts. This was due to Employers’ policy of not telling Employees to take their rest periods. Mr. Perez and other aggrieved employees were also not told to take a second rest period, on shifts exceeding six hours of work.

When employees were prevented from taking rest breaks, they did not receive premium pay for the missed rest breaks. Employers’ conduct, which is in violation of the Labor Code, is also actionable under PAGA.

B. Employers Failed to Pay Mr. Perez and Other Aggrieved Employees for all Hours Worked, Including Minimum Wage and Overtime, in Violation of California Law

Employers failed to pay Mr. Perez and other aggrieved employees for all hours worked at the legally mandated wage rates for all hours worked. Specifically, Mr. Perez and other aggrieved employees regularly worked beyond the eighth (8th) hour of their shifts, but Employer only compensated Mr. Perez and aggrieved employees for eight (8) hours at their regular rate of pay and did not compensate Mr. Perez and similarly aggrieved employees for all time worked beyond the eighth hour of their scheduled shifts at one and one-half times the employees' regular rate of pay. Employers did not properly calculate Mr. Perez's and other aggrieved employees' overtime and double-time rates. Mr. Perez and other aggrieved employees often worked overtime, however Defendant failed to compensate for all overtime hours worked. Employers would only pay an employees' regular hourly rate of pay for any overtime hours by Mr. Perez and other aggrieved employees. As a result, Employers failed to compensate Mr. Perez and other aggrieved employees for all time actually worked at the proper rate of pay. Employers was obligated to pay Mr. Perez and other aggrieved employees overtime compensation for all hours worked in excess of eight (8) hours of work in one (1) day or forty (40) hours in one (1) week, and double-time compensation for hours worked in excess of twelve (12) in one (1) day. Employers' conduct is in violation of Labor Code sections 510, 1194 and 1197, and is actionable under PAGA.

C. Employers Failed to Provide Mr. Perez and Other Aggrieved Employees with Compliant Wage Statements, and Failed to Timely Pay All Wages Owed Upon Severance of Employment, in Violation of California Law

Based on currently available information and records, Employers did not keep accurate time records in violation of the Labor Code, the applicable wage order, and actionable under PAGA. By failing to include on Mr. Perez's and other aggrieved employees' pay stubs all rest and meal break premium wages and full compensation for all hours worked including proper overtime and double-time wages as set forth above, Employers failed to keep accurate payroll records and failed to provide Mr. Perez and other aggrieved employees with complete and accurate wage statements. This conduct is in violation of Labor Code sections 226 and 1174, and is actionable under PAGA.

As a further result of Employers' failure to pay all wages owed as described herein, Employers also violated Labor Code sections 201, 202, 203, and 204 due to its uniform policy, practice, and procedure of failing to pay all wages earned to former employees at the time their employment ended.

D. Employers Failed to Reimburse Mr. Perez and Other Aggrieved Employees for Necessary Business Expenditures, in Violation of California Law

Based on currently available information and records, Employer did not reimburse Mr. Perez and other aggrieved employees for necessary business expenditures, including, but not

limited to, the cost of a cellular phone monthly plan, which is in violation of Labor Code section 2802, the applicable wage order, and actionable under PAGA. Mr. Perez and aggrieved employees were required to use their personal cell phones to communicate with supervisors and colleagues on the company's Slack channel, which is an application for internal business communications. Employers did not have a policy or practice to reimburse employees for the required use of their personal cell phones.

E. Reservation of Rights

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Mr. Perez becomes aware of additional compensation owed or losses incurred by Mr. Perez or by any other aggrieved employee of the Employers, Mr. Perez expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please provide notice via certified mail to:

Mahoney Law Group, APC
Kevin Mahoney, Esq.
Robert L. Costa, Esq.
249 E. Ocean Blvd., Suite 814
Long Beach, CA 90802
Tel: (562) 590-5550
Email: rcosta@mahoney-law.net

Sincerely,



Robert L. Costa, Esq.
MAHONEY LAW GROUP, APC