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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

ARTHUR JUAREZ, on behalf of the State of
California and other aggrieved persons,

Plaintiff,

v.

CONSOLIDATED HOSPITALITY SUPPLIES,
LLC, a Delaware corporation, and DOES 1
through 10, inclusive,

Defendants.

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

MAY 11 2022


Isabel Torres

Case No.: **CIV SB 2210350**

**PAGA REPRESENTATIVE ACTION
COMPLAINT:**

1. Civil Penalties Under PAGA [Cal. Lab.
Code § 2699, et seq.]

**FILE BY FAX
PER CRC
2.303**

1 Plaintiff Arthur Juarez (“Plaintiff”), based upon facts that either have evidentiary support
2 or are likely to have evidentiary support after a reasonable opportunity for further investigation
3 and discovery, alleges as follows:

4 **INTRODUCTION & PRELIMINARY STATEMENT**

5 1. Plaintiff brings this action against Defendants Consolidated Hospitality Supplies,
6 LLC and DOES 1 through 10 (Consolidated Hospitality Supplies, LLC and DOES 1 through 10
7 are collectively referred to as “Defendants”) for civil penalties under the Private Attorneys General
8 Act of 2004, California Labor Code §§ 2698 *et seq.* (“PAGA”) stemming from Defendants’ failure
9 to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide meal
10 periods, failure to authorize and permit rest periods, failure to pay all earned wages twice per
11 month, failure to maintain accurate records of hours worked and meal periods, failure to furnish
12 accurate wage statements, and failure to indemnify for necessary expenditures.

13 2. For over 50 years, California’s courts and legislature have recognized that this
14 State’s wage-and-hour laws serve a compelling public interest of fostering a stable job market.
15 Wages are not ordinary debts. Because of the economic position of the average worker and his or
16 her family, it is essential to the public welfare that employers obey the wage-and-hour laws so that
17 employees are promptly paid the minimum/overtime wages that the Legislature has required for
18 employees. So fundamental are California’s wage-and-hour laws that the Legislature has
19 criminalized certain types of violations. In extending extra protection to deter violations of these
20 underlying statutes—since Plaintiff is not seeking general and/or special damages, restitution, or
21 other damages other than civil penalties—California has enacted PAGA to permit an individual to
22 bring an action for PAGA penalties only, which is the precise and sole nature of this action.

23 3. All California employees during the relevant statutes of limitations who are or were
24 harmed by Defendants’ illegal practices are “Aggrieved Employees.” The Aggrieved Employees
25 worked for Defendants as hourly-paid or non-exempt employees within the applicable statutory
26 period.

27 4. Plaintiff brings this action against Defendants seeking only to recover penalties on
28 behalf of all Aggrieved Employees that worked for Defendants, and on behalf of the State of

1 California. Plaintiff does not seek to recover anything other than penalties as permitted by
2 California Labor Code Section 2699 at this time. To the extent that statutory violations are
3 mentioned for wage violations, Plaintiff does not seek underlying general and/or special damages
4 for those violations, but simply penalties as permitted by California Labor Code Section 2699,
5 declaratory relief, and injunctive relief for himself and all Aggrieved Employees as permitted by
6 the PAGA.

7 5. Defendants own/owned and operate/operated an industry, business, and
8 establishment within the State of California, including San Bernardino County. As such and based
9 upon all the facts and circumstances incident to Defendants' business in California, Defendants are
10 subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission
11 ("IWC"), and the California Business & Professions Code.

12 6. On information and belief, Defendants, and each of them were on actual and
13 constructive notice of the improprieties alleged herein and intentionally refused to rectify their
14 unlawful policies. Defendants' violations, as alleged above, during all relevant times herein were
15 willful and deliberate.

16 7. At all relevant times, Defendants were and are legally responsible for all of the
17 unlawful conduct, policies, practices, acts and omissions as described in each and all of the
18 foregoing paragraphs as the employer of Plaintiff and the Aggrieved Employees. Further,
19 Defendants are responsible for each of the unlawful acts or omissions complained of herein under
20 the doctrine of "respondeat superior".

21 **THE PARTIES**

22 **A. Plaintiff**

23 8. Plaintiff Arthur Juarez is a resident of San Bernardino, California who worked for
24 Defendants in San Bernardino, California as an hourly-paid, non-exempt employee from
25 approximately 2014 to the present.

26 **B. Defendants**

27 9. Plaintiff is informed and believes, and based upon that information and belief
28 alleges, that Consolidated Hospitality Supplies, LLC is, and at all times herein mentioned, was:

- 1 (a) A business entity qualified to do business and actually conducting business
2 in numerous counties throughout the State of California, including San
3 Bernardino County; and,
- 4 (b) The former employer of Plaintiff, and the current and/or former employer of
5 the Aggrieved Employees because Defendant Consolidated Hospitality
6 Supplies, LLC suffered and permitted Plaintiff and the Aggrieved
7 Employees to work, and/or controlled their wages, hours, or working
8 conditions.

9 10. Plaintiff does not know the true names or capacities of the persons or entities sued
10 herein as Does 1-10, inclusive, and therefore sues said Defendants by such fictitious names. Each
11 of the Doe Defendants were in some manner legally responsible for the damages suffered by
12 Plaintiff and the Aggrieved Employees as alleged herein. Plaintiff will amend this complaint to set
13 forth the true names and capacities of these Defendants when they have been ascertained, together
14 with appropriate charging allegations, as may be necessary.

15 11. At all times mentioned herein, the Defendants named as Does 1-10, inclusive, and
16 each of them, were residents of, doing business in, availed themselves of the jurisdiction of, and/or
17 injured a significant number of the Plaintiff and the Aggrieved Employees in the State of
18 California.

19 12. Plaintiff is informed and believes and thereon alleges that at all relevant times each
20 Defendant, directly or indirectly, or through agents or other persons, employed Plaintiff and the
21 other employees and exercised control over their wages, hours, and working conditions. Plaintiff
22 is informed and believes and thereon alleges that, at all relevant times, each Defendant was the
23 principal, agent, partner, joint venturer, officer, director, controlling shareholder, subsidiary,
24 affiliate, parent corporation, successor in interest and/or predecessor in interest of some or all of
25 the other Defendants, and was engaged with some or all of the other Defendants in a joint enterprise
26 for profit, and bore such other relationships to some or all of the other Defendants so as to be liable
27 for their conduct with respect to the matters alleged below. Plaintiff is informed and believes and
28 thereon alleges that each Defendant acted pursuant to and within the scope of the relationships

1 alleged above, that each Defendant knew or should have known about, and authorized, ratified,
2 adopted, approved, controlled, aided and abetted the conduct of all other Defendants.

3 **ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

4 13. Plaintiff Arthur Juarez worked for Defendants in San Bernardino, California from
5 approximately 2014 to the present. At all times, Defendants paid Plaintiff an hourly wage and
6 classified him as non-exempt from overtime.

7 14. Throughout Plaintiff's employment, Defendants committed numerous labor code
8 violations under state law. As discussed below, Plaintiff's experience working for Defendants were
9 typical and illustrative.

10 **A. Failure to Pay for All Hours Worked, Including Minimum, Straight Time,**
11 **and Overtime Wages**

12 15. Under California law, an employer must pay for all hours worked by an employee.
13 "Hours worked" is the time during which an employee is subject to the control of an employer and
14 includes all the time the employee is suffered or permitted to work, whether or not required to do
15 so.

16 16. Labor Code § 510 provides that employees in California shall not be employed more
17 than eight hours in any workday or forty (40) hours in a workweek unless they receive additional
18 compensation beyond their regular wages in amounts specified by law.

19 17. Labor Code §§ 1194 and 1198 also provide that employees in California shall not
20 be employed more than eight hours in any workday unless they receive additional compensation
21 beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states
22 that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

23 18. Throughout the statutory period, Defendants maintained a policy and practice of not
24 paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight
25 time, and overtime wages. Defendants required Plaintiff and the Aggrieved Employees to work
26 "off-the-clock", uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees
27 to work unpaid after their recorded shifts. Some of this unpaid work should have been paid at the
28 overtime rate. Defendants frequently paid Plaintiff and the Aggrieved Employees less than all

1 their work time. In failing to pay for all hours worked, Defendants also failed to maintain accurate
2 records of the hours Plaintiff and the Aggrieved Employees worked. As discussed below,
3 Plaintiff's experience working for Defendants was typical and illustrative.

4 **B. Failure to Provide Meal Periods**

5 19. Under California law, employers have an affirmative obligation to relieve
6 employees of all duty in order to take their first 30-minute, duty-free meal period by the end of
7 their fifth hour of work in a workday, and to allow employees to take their second 30-minute, duty-
8 free meal period by the end of their tenth hour of work. Further, employees are entitled to be paid
9 one hour of additional wages for each workday they were not provided with a required meal
10 period(s).

11 20. Despite these legal requirements, Defendants wrongfully failed to provide Plaintiff
12 and the Aggrieved Employees with legally compliant meal periods. Defendants regularly, but not
13 always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive
14 hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five
15 hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods
16 that were not provided by the end of the fifth hour of work or tenth hour of work. Instead,
17 Defendants continued to assert control over Plaintiff and the Aggrieved Employees by requiring,
18 pressuring, or encouraging them to perform work tasks which could not be completed without
19 working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved
20 Employees permission to take a meal period. Accordingly, Defendants' policy and practice was
21 not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with
22 California law.

23 21. Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of
24 additional wages for each workday he or she was not provided with all required meal period(s).
25 Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional
26 wages to which they were entitled for meal periods that were not provided.

27 **C. Failure to Authorize and Permit Rest Periods**

28 22. Employers are required by California law to authorize and permit breaks of ten

uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

23. Throughout the statutory period, Defendants have wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendants authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendants continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendants' policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

24. Accordingly, Defendants' policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

25. Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest periods. Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

D. Failure to Pay All Earned Wages Twice Per Month

26. Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

27. Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action,

employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendants systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendants, all wages for all rest periods not authorized and permitted by Defendants, and all wages for all hours worked. As a result, Defendants owe employees the legally required wages not paid, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

E. Failure to Maintain Accurate Records of Hours Worked and Meal Periods

28. Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded

29. Defendants, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

30. Defendants' failure to provide and maintain records required by the California Labor Code and IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendants' records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendants. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendants to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendants' knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also

suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

F. Failure to Furnish Accurate Itemized Wage Statements

31. Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Labor Code § 226(e)(2)(B)(iii).)

32. The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” (Labor Code § 226(e)(1).)

33. Throughout the statutory period, Defendants failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

34. Because Defendants violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff

1 and similarly Aggrieved Employees are entitled to recover from Defendants the greater of their
2 actual damages caused by Defendants' failure to comply with Labor Code § 226(a), or an aggregate
3 penalty not exceeding four thousand dollars (\$4,000) dollars per employee.

4 **G. Failure to Indemnify for Necessary Expenditures**

5 35. Labor Code § 2802(a) provides that employers shall indemnify his or her employees
6 for all necessary business expenditures or losses that have been incurred by the employees in direct
7 discharge of his or her duties. Throughout the statute of limitations period applicable to this cause
8 of action, Defendants wrongfully required Plaintiff and the Aggrieved Employees to pay expenses
9 that they incurred in direct discharge of their duties for Defendants.

10 36. Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary
11 employment-related expenses, including, without limitation, work gloves and tools. Plaintiff and
12 the Aggrieved Employees incurred substantial expenses as a direct result of performing their job
13 duties for Defendants, but Defendants failed to indemnify Plaintiff and the Aggrieved Employees
14 for these employment-related expenses. As a result, Defendants are liable to Plaintiff and the
15 Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2)
16 for failing to indemnify Plaintiff and the Aggrieved Employees for necessary business
17 expenditures.

18 **FIRST CAUSE OF ACTION**

19 **(Against all Defendants for Civil Penalties Under the Private Attorneys General Act of**
20 **2004, Cal. Lab. Code § 2698 et seq.)**

21 37. Plaintiff incorporates by reference and re-alleges all preceding paragraphs as though
22 fully set forth herein.

23 38. At all times herein mentioned, Defendants were subject to the Labor Code of the
24 State of California and the applicable IWC Orders.

25 39. California Labor Code § 2699(a) specifically provides for a private right of action
26 to recover penalties for violations of the Labor Code: "Notwithstanding any other provision of law,
27 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor
28 and Workforce Development Agency or any of its departments, divisions, commissions, boards,

1 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a
2 civil action brought by an aggrieved employee on behalf of herself or himself and other current or
3 former employees pursuant to the procedures specified in Section 2699.3.”

4 40. Plaintiff has exhausted his administrative remedies pursuant to California Labor
5 Code § 2699.3. On March 4, 2022, he gave written notice by online filing to the Labor and
6 Workforce Development Agency (“LWDA”) and by certified mail to Defendants of the specific
7 provisions of the Labor Code that Defendants have violated against Plaintiff and current and former
8 Aggrieved Employees, including the facts and theories to support the violations. Plaintiff also paid
9 the filing fee on March 4, 2022. Plaintiff’s PAGA case number is LWDA-CM-871555-22 (*Arthur*
10 *Juarez v. Consolidated Hospitality Supplies, LLC*).

11 41. The statute of limitations is tolled while a plaintiff exhausts his administrative
12 remedies with California’s LWDA prior to suit, which is required by the statute. (*See* Labor Code
13 § 2699.3(d).)

14 42. The statute of limitations is also tolled from April 6, 2020, to October 1, 2020,
15 pursuant to Rule 9(a) of the Emergency Rules Related to COVID-19.

16 43. More than sixty-five (65) days has elapsed since Plaintiff provided notice, but the
17 LWDA has not indicated that it intends to investigate Defendants’ Labor Code violations discussed
18 in the notice. Accordingly, Plaintiff may commence a civil action to recover penalties under Labor
19 Code § 2699 pursuant to § 2699.3 for the violations of the Labor Code described in this Complaint.
20 These penalties include, but are not limited to, penalties under California Labor Code §§ 210,
21 226.3, 1174.5, 1197.1, and 2699(f)(2).

22 44. Based on the conduct described in this Complaint, Plaintiff is entitled to an award
23 of civil penalties on behalf of the State of California and similarly Aggrieved Employees of
24 Defendants. The exact amount of the applicable penalties, in all, is in an amount to be shown
25 according to proof at trial. These penalties are in addition to all other remedies permitted by law.

26 45. In addition, Plaintiff seeks an award of reasonable attorney’s fees and costs pursuant
27 to Labor Code § 2699(g)(1), which states, “Any employee who prevails in any action shall be
28 entitled to an award of reasonable attorney’s fees and costs.”

1 **PRAYER FOR RELIEF**

2 Plaintiff, on behalf of all similarly aggrieved employees, prays for relief and judgment
3 against Defendants, jointly and severally, as follows:

4 1. That the Court declare, adjudge and decree that Defendants violated the California
5 Labor Code by failing to pay for all hours worked (minimum, straight time, and overtime wages),
6 failing to provide meal periods, failing to authorize and permit rest periods, failing to pay all earned
7 wages twice per month, failing to maintain accurate records of hours worked and meal periods,
8 failing to furnish accurate wage statements, and failing to indemnify for necessary expenditures;

9 2. An award of civil penalties on behalf of himself and all similarly aggrieved
10 employees pursuant to PAGA;

11 3. Pre-judgment and post-judgment interest at the maximum rate allowed;

12 4. Attorneys' fees and costs reasonably incurred;

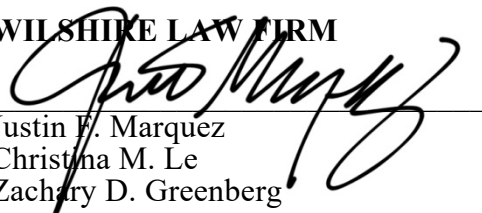
13 5. Injunctive and declaratory relief to the extent allowed by PAGA; and,

14 6. Such other and further relief that the Court deems proper.
15

16 Respectfully submitted,

17 Dated: May 11, 2022

18 **WILSHIRE LAW FIRM**

19 By: 

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Christina M. Le

Zachary D. Greenberg

21 Attorneys for Plaintiff

22 Arthur Juarez
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