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Clerk of the Superior Court
By A. Villasenor, Deputy Clerk

Attorneys for Plaintiff Ivan Naranjo

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

IVAN NARANJO, on behalf of others similarly
situated and the State of California under the
Private Attorneys General Act,

Plaintiffs,

vs.

GLOBAL PHARMA TEK LLC and DOES 1
through 50, inclusive,

Defendants.

Case No. 25CU005136C

Hon. Judy S. Bae
Dept. 62

CLASS ACTION

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

1. Failure to Pay All Wages Owed
2. Failure to Pay All Overtime Wages
3. Meal Period Violations
4. Rest Period Violations
5. Paid Sick Leave Violations
6. Untimely Payment of Wages
7. Wage Statement Violations
8. Waiting Time Penalties
9. Failure to Reimburse Business Expenses
10. Failure to Provide Records
11. Unfair Competition
12. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

Action Filed: January 29, 2025

1 Plaintiff IVAN NARANJO, on behalf of all others similarly situated and the State of California
2 under the Private Attorneys General Act (“Plaintiff”) brings this FIRST AMENDED CLASS AND
3 REPRESENTATIVE ACTION COMPLAINT against Defendants GLOBAL PHARMA TEK LLC
4 and DOES 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

5 **INTRODUCTION**

6 1. This is a class and representative action for wage and hour violations of the California
7 Labor Code.

8 2. Defendants failed to compensate Plaintiff and class members for all hours suffered or
9 permitted to work in violation of the applicable IWC Wage Order. Defendants’ underpayment of
10 wages was facilitated by their unlawful company-wide policy and practices of time rounding as well
11 as Defendants’ policy and practices of failing to include all additional forms of non-discretionary
12 remuneration into the regular rate of pay.

13 3. Defendants failed to provide all paid sick leave due to Defendants’ policy and practice.

14 4. Defendants failed to provide, authorize, and/or permit Plaintiff and the class members
15 to take compliant meal and rest periods to which they were entitled. Further, Defendants failed to pay
16 meal and rest period premiums.

17 5. Defendants failed to reimburse Plaintiff and class members for necessary expenses
18 incurred in furtherance of class members’ job duties.

19 6. Defendants’ employment policies, practices, and payroll administration systems
20 enabled and facilitated these violations on a company-wide basis with respect to the class members.

21 7. Defendants are further liable for derivative claims for wage statements, untimely
22 payment, and other associated violations.

23 8. Plaintiff seeks to recover the underpaid damages, plus associated penalties, interests,
24 attorney’s fees, and costs.

25 **JURISDICTION & VENUE**

26 9. Jurisdiction of this action is proper in this Court under Article VI, Section 10 of the
27 California Constitution as the causes of action are premised upon violations of California law.
28

10. The monetary damages and restitution sought exceed the minimal jurisdiction limits of the Superior Court.

11. This Court has jurisdiction over Defendants because, upon information and belief, Defendants have sufficient minimum contacts in California, or otherwise intentionally avail themselves to the California economy so as to render the exercise of jurisdiction over them by the California courts consistent with traditional notions of fair play and substantial justice.

12. Venue is proper in this Court under Code of Civil Procedure sections 393(a), 395, and/or 395.5 because, upon information and belief, Defendants conducted business and committed some of the alleged violations in this County.

PARTIES

A. Plaintiff Ivan Naranjo

13. Plaintiff Naranjo is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about March 2024 to September 2024. Plaintiff worked as a Warehouse Material Handler.

14. The State of California, via the Labor and Workforce Development Agency (“LWDA”), is the real party in interest in this action. (*Kim v. Reins Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff files suit is always the real party in interest.”]) To the extent permitted by law, including pursuant *Balderas v. Fresh Start Harvesting, Inc.*, Court of Appeals Case No. B326759 (2nd App. Dist.) ____ Cal. App. 5th ____ (Mar. 20, 2024, *as modified* Apr. 18, 2024), the PAGA claim is brought exclusively as a representative action and does not include arbitrable claims.

B. Defendants

15. Defendant Global Pharma Tek LLC is a New Jersey limited liability company that maintains operations and conducts business throughout the State of California, including in this county.

16. The true names and capacities, whether individual, corporate, or otherwise, of the parties sued as DOES 1 through 50, are presently unknown, unascertainable, or uncertain, and are sued by such fictitious names under Code of Civil Procedure section 474. Upon information and belief,

each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their true names and capacities once ascertained.

17. Upon information and belief, Defendants in this action are employers, co-employers, joint employers, and/or part of an integrated employer enterprise, as each of the Defendants exercised control over the wages, hours, and working conditions of the employees, suffered and permitted them to work, and otherwise engaged them as employees under California law.

18. Upon information and belief, at least some of the Defendants have common ownership, common management, interrelationship of operations, and centralized control over labor relations and are therefore part of an integrated enterprise and thus jointly and severally responsible for the acts and omissions alleged herein, including pursuant to Labor Code sections 558, 558.1, and 1197.1.

19. Upon information and belief, Defendants acted in all respects pertinent to this action as an alter-ego, agent, servant, joint employer, joint venturer, co-conspirator, partner, in an integrated enterprise, or in some other capacity on behalf of all other co-defendants, such that the acts and omissions of each defendant may be legally attributable to all others.

CLASS ALLEGATIONS

20. This action is brought individually and on behalf of the following class pursuant to Code of Civil Procedure section 382:

- a. All current and former non-exempt employees who worked for Defendants in California at any time from four years (plus the additional 178-day statutory tolling period under Emergency Rule 9) prior to the filing of this action through date of class certification.

21. Plaintiff reserves the right to establish various subclass definitions as appropriate at the class certification stage, according to proof.

22. The class is ascertainable and shares a well-defined community of interest in this litigation:

- a. Numerosity: The class is estimated to exceed 50 individuals, although the precise membership of the entire class is unknown at this time. The class is so

1 numerous that joinder of all class members is impracticable. The identities of
2 class members are ascertainable by inspection of Defendants' employment and
3 payroll records.

4 b. Typicality: Plaintiff's claims are typical of the claims of the other class
5 members. They were subject to the same policies and practices of Defendants,
6 which resulted in losses to the class. Proof of common unlawful business
7 practices, which Plaintiff experienced, will establish the right of the class to
8 recover on the causes of action alleged herein.

9 c. Adequacy: Plaintiff is an adequate class representative; will take all necessary
10 steps to protect the class members' interests adequately and fairly; has no
11 interest antagonistic to other class members; and is represented by attorneys
12 who have substantial experience prosecuting, defending, resolving, and
13 litigating wage and hour class, collective, and representative actions in
14 California state and federal courts.

15 d. Superiority: A class action is superior to other means for adjudicating this
16 dispute. Individual joinder is impractical. Class treatment will allow for
17 common issues to be resolved in a single forum, simultaneously, and without
18 duplication of effort and expense.

19 e. Public Policy Considerations: Certification of this lawsuit as a class action
20 advances the State of California's strong public interest in ensuring its
21 approximately millions of employed residents are properly paid the wages they
22 earned for the hours they worked. Class actions provide a mechanism for
23 enforcement of labor laws and allow for vindication of employee rights by
24 unnamed class members.

25 23. Common questions of law and fact as to the class members predominate over questions
26 affecting only individual members. The common questions of law and fact exist as to whether the
27 employment policies and practices formulated by Defendants and applied to the class members
28 constitute violations of California law.

GENERAL ALLEGATIONS

24. Plaintiff and class members worked for Defendants as non-exempt employees and were compensated on an hourly basis.

25. Defendants failed to pay Plaintiff and the class members at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Defendants engaged in a pattern of rounding up employee's time records at the start of their workday. For example, if Plaintiff clocked in and began work earlier than his scheduled shift start time, Defendants would round his clock in time to match the scheduled hour. Due to this time rounding practice, Plaintiff and the class members were not paid for all time worked.

26. Likewise, Plaintiff and the class members were regularly required to work through their unpaid meal periods. As discussed in further detail below, Plaintiff and the class members were required to clock out each day to make it appear as if they took a compliant meal period, when in reality, they did not. On information and belief, Defendants had a policy and practice of requiring Plaintiff and the class members to insert false meal period entries (i.e., time editing) into their time records. During Plaintiff's employment, he altered his time records to insert meal period times (when none were taken) or to make his meal period entries appear compliant (i.e., taken by the fifth hour, thirty minutes in length). Plaintiff and the class members were deprived of regular wages each time Defendants altered their time records to make it appear as though they had taken a 30-minute meal period when in reality they had a shorter/interrupted meal period or no meal period at all. Plaintiff is informed and believes that other employees suffered the same violations. Each time Plaintiff and the class members worked through their unpaid meal periods, this resulted in unpaid off-the-clock work. This practice resulted in the underpayment of wages to employees.

27. Defendants failed to pay Plaintiff and the class members overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. As a result of Defendants' time rounding practice, Defendants failed to compensate Plaintiff and the class members for all overtime hours worked. Each time this practice resulted in unpaid work over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

1 28. Likewise, Defendant failed to pay Plaintiff and the class members overtime wages at
2 the lawful rate of pay for overtime hours worked, resulting in unpaid wages. Plaintiff and class
3 members earned other forms of non-discretionary remuneration, such as bonuses, in addition to their
4 base hourly wages. When Plaintiff and the class members earned supplemental remuneration and
5 overtime wages in the same pay periods, Defendant failed to properly factor in the bonuses and other
6 non-discretionary income into the “regular rate of pay” for overtime wages. Instead, Defendant
7 unlawfully paid overtime based on a multiple of only the class members’ base hourly rate, without
8 including other nonexcludable forms of income earned in the same pay period. An illustrative example
9 of Defendant’s regular rate violation for overtime can be found in Plaintiff’s wage statement for the
10 pay period from April 22, 2024, to April 28, 2024. During the pay period from April 22, 2024, to April
11 28, 2024, Plaintiff earned a bonus of \$219.28 in the same pay period that he earned overtime wages.
12 The overtime wages were paid during the pay period from April 29, 2024, to May 5, 2024, however,
13 the wage statement specifies that they were earned in the prior pay period. Nonetheless, Defendants
14 failed to include the bonus into the regular rate of pay when paying overtime wages. For each overtime
15 hour worked during the period in which Plaintiff and the class members earned the additional forms
16 of remuneration, Defendant should have (but failed to) pay overtime “at a rate no less than one and
17 one-half times the regular rate of pay for an employee” and “twice the regular rate of pay” for double
18 time hours as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

19 29. Defendants failed to comply with California’s paid sick leave laws with respect to the
20 class members. Plaintiff and the class members worked off-the-clock, overtime hours that were not
21 accounted for when calculating an employee’s accrued paid sick leave because of Defendants’ policy
22 and practice of time editing and requiring off-the-clock work. Therefore, Plaintiff and other class
23 members were not awarded the total accrued sick leave time they had earned.

24 30. Likewise, Defendants failed to pay sick leave at the correct rate because they failed to
25 factor in bonuses, commissions, and/or other forms of remuneration, as required by section 246,
26 resulting in underpaid sick leave.

27 31. Plaintiff and the class members often experienced missed, short, late, and interrupted
28 meal periods to keep up with high demands of the job. For example, Plaintiff was expected to keep up

1 with critical tasks including unloading medical supplies from boxes, putting them on conveyor belts,
2 and repackaging equipment to be sent out to hospitals. Plaintiff was required to hit certain benchmark
3 measurements, therefore, meal periods were frequently missed, short, late, or interrupted.

4 32. Additionally, Defendants engaged in the unlawful policy and practice of requiring
5 Plaintiff and the class members to insert false meal periods into their time records. Employees were
6 required to alter their time records to make it appear as though they had taken a 30-minute meal period
7 when in reality they had missed a meal period or experienced a short or interrupted meal period. When
8 Defendants did not provide compliant meal periods, Defendants failed to pay Plaintiff and other class
9 members a meal period premium in violation of Labor Code section 226.7 for all violations.

10 33. Defendants had a policy and practice of not paying rest period premiums to employees
11 who were unable to take rest periods. Plaintiff and the class members often experienced missed, short,
12 late, and interrupted rest periods for the same reasons stated in the “Unpaid Meal Period Premium
13 Wages” section. Due to the high demands of the job, Plaintiff and the class members were not always
14 authorized or permitted to take all their rest periods. Plaintiff’s rest periods were not duty-free. Plaintiff
15 was required to work through rest breaks to keep up with the workload. For example, he was regularly
16 required to unpack medical equipment as it came in even though the work interfered with a compliant
17 rest period. When Defendants did not provide compliant rest periods, Defendants failed to pay Plaintiff
18 and class members a rest period premium.

19 34. Defendants required Plaintiff and the class members to incur costs for work-related
20 purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the class
21 members unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of
22 policy and practice. Plaintiff and the class members were required to use their personal cell phones for
23 various work-related purposes. Specifically, Plaintiff was required to download the app called “Field
24 Glass” to keep track of time and edit when they took breaks. Defendants failed to reimburse Plaintiffs
25 and the class members for personal cell phone use. Thus, in direct consequence of their job duties,
26 Plaintiff and the class members unavoidably and necessarily incurred these losses, expenditures, costs,
27 and as a matter of policy and practice.

1 35. Defendants failed to provide all records upon Plaintiff's request. On September 30,
2 2024, Plaintiff, through his attorneys of record, requested from Defendant a copy of his personnel and
3 payroll files. However, to date, Defendant has only produced a copy of Plaintiff's payroll history and
4 has refused to produce any further documents in violation on Labor Code 226. Defendant's failure to
5 provide, Plaintiff's time records upon request, violates Section 7(c) of the applicable IWC Wage
6 Order.

7 36. These violations create derivative liability for failure to timely pay all wages owed each
8 payday or upon separation of employment.

9 37. As a result of the foregoing issues, Defendants failed to provide accurate itemized wage
10 statements to Plaintiff and class members each pay period as a result of the policies set forth above.
11 Defendants failed to list the correct "gross wages earned" as employees earned wages and premiums
12 that were not paid, resulting in an inaccurate reflection and recording of "gross wages earned" on those
13 wage statements. Likewise, Defendants failed to state on employee wage statements each pay period
14 the applicable hourly rates in effect and the number of hours worked at that rate as Defendant failed
15 to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and
16 underpaid, resulting in an inaccurate reflection on the pay stub.

17 38. Further, Defendants' wage statements failed to accurately list employees' "total hours
18 worked." Thus, Plaintiff and class members cannot promptly and easily determine from the wage
19 statement alone the wages paid or earned without reference to other documents or information. These
20 wage statement violations are significant because they create confusion among Plaintiff and class
21 members with respect to what amounts were owed and paid, at what rate, the number of hours
22 worked, and how those amounts were or should be calculated. The wage statements reflect a false
23 statement of earnings and conceal the underpayments of employee wages.

24 39. Because of these policies and practices set forth above, Defendants failed to accurately
25 maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.
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1 **FIRST CAUSE OF ACTION**

2 **FAILURE TO PAY ALL WAGES OWED**

3 **Violation of Labor Code §§ 200, 218, 1194, 1194.2 and 1197**

4 **(All Claims Alleged by Plaintiff and Class Members Against All Defendants)**

5 40. All outside paragraphs of this Complaint are incorporated into this section.

6 41. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
7 §§ 200, 218, 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours
8 and Days of Work” and “Minimum Wages” sections of the applicable orders), which require non-
9 exempt employees be timely paid at least the state or local minimum wage (if higher) for each hour of
10 work, and further provide a private right of action for an employer’s failure to pay all minimum wages
11 (plus liquidated damages). In addition to minimum wages, Labor Code § 200 states that “wages”
12 includes all amounts for labor performed by employees of every description, whether the amount is
13 fixed or ascertained by the standard of time, task, piece, commission basis, or other method of
14 calculation.”

15 42. Defendants willfully failed in their affirmative obligation to pay Plaintiff and class
16 members at least the lawful minimum wage for each hour worked in violation of Labor Code sections
17 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours and Days of
18 Work” and “Minimum Wages” sections of the applicable orders), including payment at the lawful
19 local and county minimum wage ordinances in effect. As a result, Defendants are liable for all
20 associated damages, including liquidated damages for the minimum wage violations pursuant to Labor
21 Code § 1194.2.

22 43. Defendants’ unlawful acts and omissions deprived Plaintiff and class members of
23 minimum, regular and overtime wages in amounts to be determined at trial. Plaintiff and class
24 members are entitled to recover the full amount of the unpaid wages, plus liquidated damages in an
25 amount equal to the wages unlawfully unpaid (and interest thereon), in addition to interest, attorneys’
26 fees, and costs to the extent permitted by law, including under Labor Code sections 1194 and 1194.2,
27 218.6 and any other applicable statutes.

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50. Defendants willfully failed in their affirmative obligation to consistently provide Plaintiff and class members compliant, duty-free meal periods of not less than 30 minutes beginning before the fifth hour of hour for each work period of more than five hours per day and a second duty-free meal period of not less than 30 minutes beginning before the tenth hour of hour of work in violation of Labor Code sections 226.7, 512, 558, 1198 and the IWC Wage Orders (the “Meal Periods” sections of the applicable orders).

51. Further, Defendants willfully failed in their affirmative obligation to consistently pay Plaintiff and class members one additional hour of pay at the respective regular rate of compensation for each workday that a fully compliant meal period was not provided, in violation of Labor Code sections 226.7, 512, 558, and 1198 and the IWC Wage Orders (the “Meal Periods” sections of the applicable orders).

52. Plaintiff and class members are entitled to recover the full amount of the meal period premiums owed, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to the extent permitted by law.

FOURTH CAUSE OF ACTION

REST PERIOD VIOLATIONS

Violation of Labor Code §§ 226.7 and 516

53. All outside paragraphs of this Complaint are incorporated into this section.

54. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 226.7 and 516, which require non-exempt employees be authorized to take complaint rest periods (or rest period premiums in lieu thereof), and which further provide a private right of action for an employer's failure to lawfully provide all rest periods and/or pay rest period premiums at the lawful regular rate of compensation.

55. Defendants willfully failed in their affirmative obligation to consistently authorize and permit Plaintiff and class members to receive compliant, duty-free rest periods of not less than ten (10) minutes for every four hours worked (or major fraction thereof) in violation of Labor Code sections 226.7, 516, 558, and 1198 and the IWC Wage Orders (the “Rest Periods” sections of the applicable orders).

56. Further, Defendants willfully failed in their affirmative obligation to consistently pay Plaintiff and class members one additional hour of pay at the respective regular rate of compensation for each workday that a fully compliant rest period was not provided, in violation of Labor Code sections 226.7, 516, 558, and 1198 and the IWC Wage Orders.

FIFTH CAUSE OF ACTION

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

Violation of Labor Code §§ 200, 218, 246 *et seq.*

57. All outside paragraphs of this Complaint are incorporated into this section.

58. Defendants knowingly and intentionally failed in their affirmative obligation to pay sick leave wages to Plaintiff and a paid sick leave subclass in violation of Labor Code section 246 *et seq.* Paid sick leave earnings constitute wages for purposes of California wage and hour law. (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103 [“Courts have recognized that ‘wages’ also include those benefits to which an employee is entitled as a part of his or her compensation, including money, room, board, clothing, vacation pay, and sick pay”].)

59. Labor Code section 246(1), in conjunction with Labor Code section 248 *et seq.*, 248.1, 248.2, and 248.6, in addition to the applicable County sick pay ordinances in locales worked by class members, govern how Defendants were required to calculate paid sick leave.

60. Defendants failed to pay Plaintiff and class members their paid sick leave wages at one of the lawful rates set forth in the statute or ordinance because Defendants failed to include in their sick leave calculation the additional remuneration received by Plaintiff and class members (i.e., at the regular rate of pay and/or calculated based on total wages earned).

61. Furthermore, to the extent the paid sick leave paid constitutes Covid-related paid sick leave, Defendants knowingly and intentionally failed in their affirmative obligation to pay Covid-19 Supplemental Sick Leave wages to class members at the correct accrual rate or hourly pay rate in violation of Labor Code sections 246, 248.1, 248.2, and 248 *et seq.*

62. As a result, Defendants violated the Labor Code and are liable to Plaintiff and class members for underpaid sick leave wages, in addition to interest, attorneys' fees, and costs.

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Violation of Labor Code §§ 204, 210, 218

64. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code , 204b, and 210 which require non-exempt employees be timely paid all wages owed each pay and which further provide a private right of action for an employer's failure to comply with litigation. Labor Code § 218 authorizes individuals to sue directly for wages and penalties due these sections, including Labor Code § 210(c)'s statutory late payment penalties.

66. Plaintiff and class members are entitled to recover the full amount of the unpaid wages, in addition to a statutory penalty in the amount of \$100 for the initial violation for each failure to pay each employee and \$200 for all subsequent violations and for all willful or intentional violations for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld under provided in Labor Code § 210, in addition to interest, attorneys' fees, and costs to the extent permitted by law.

WAGE STATEMENT VIOLATIONS

raphs of this Complaint are incorporated into this section.

68. This cause of action is brought by a wage statement subclass pursuant to Labor Code § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each pay period, and which further provide a private right of action for an employer's failure to comply with this obligation.

69. Defendants knowingly and intentionally failed in their affirmative obligation to provide accurate itemized wage statements to Plaintiff and class members resulting in injury to Plaintiff and class members. Specifically, the wage statements issued to Plaintiff and class members did not accurately state each pay period all of the information required by Labor Code § 226(a)(1)-(9).

70. Defendants' unlawful acts and omissions deprived Plaintiff and class members of accurate itemized wage statements, causing confusion and concealing wage and premium underpayments.

71. As a result, Plaintiff and class members are entitled to recover the statutory penalty of \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor Code section 226(e).

EIGHTH CAUSE OF ACTION

WAITING TIME PENALTIES

Violation of Labor Code §§ 201 *et seq.*

72. All outside paragraphs of this Complaint are incorporated into this section.

73. This cause of action is brought by a waiting time subclass pursuant to Labor Code §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of employment, and which further provide a private right of action to recover statutory waiting time penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days wages.

74. Defendants willfully failed and continue to fail in their affirmative obligation to pay all wages earned and unpaid to Plaintiff and class members immediately upon termination of employment or within 72 hours thereafter for employees who did not provide at least 72 hours prior notice of his or her intention to quit, and further failed to pay those sums for 30 days thereafter in violation of Labor Code sections 201 through 203 and the IWC Wage Orders.

75. Plaintiff and class members are entitled to recover a waiting time penalty for a period of up to 30 days, in addition to interest, attorneys' fees, and costs to the extent permitted by law.

1 **NINTH CAUSE OF ACTION**

2 **FAILURE TO REIMBURSE BUSINESS EXPENSES**

3 **Violation of Labor Code § 2802**

4 76. All outside paragraphs of this Complaint are incorporated into this section.

5 77. Defendants willfully failed in their affirmative obligation to reimburse Plaintiff and a
6 reimbursement subclass for all necessary expenditures, losses, expenses, and costs incurred by them
7 in direct discharge of the duties of their employment, in violation of Labor Code section 2802.

8 78. Defendants' unlawful acts and omissions deprived Plaintiff and class members of
9 lawful reimbursements for business expenses in amounts to be determined at trial. Plaintiff and class
10 members are entitled to recover the amount unreimbursed expenses of Plaintiff and class members in
11 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
12 Code section 2802.

13 **TENTH CAUSE OF ACTION**

14 **FAILURE TO PROVIDE RECORDS**

15 **Violation of Labor Code §§ 226, 432, and 1198.5**

16 79. All outside paragraphs of this Complaint are incorporated into this section.

17 80. Plaintiff brings this cause of action exclusively *in an individual capacity*.

18 81. Labor Code section 432 states that [i]f an employee. . . signs any instrument relating to
19 the obtaining or holding of employment, he shall be given a copy of the instrument upon request."

20 82. Labor Code section 226(b) grants employees the right to inspect or receive "a copy of
21 records pertaining to their employment." Labor Code section 226(f) authorizes a penalty of \$750 for
22 an employer's failure to comply with a request for records made under section 226.

23 83. Labor Code section 1198.5 requires employers to provide an employee's "personnel
24 records" within 30 days of receipt of the request. Section 1198.5(k) authorizes a penalty of \$750 for
25 an employer's failure to provide a copy of or permit inspection of personnel records. Section 1198.5(l)
26 allows an employee to seek injunctive relief to obtain an employer's compliance with this section and
27 authorizes the recovery of attorneys' fees and costs.
28

1 84. Section 7 (Records) of the IWC Wage Orders, which may be enforced through Labor
2 Code section 1198, requires that employers maintain time records of when an employee begins and
3 ends each work period and when the employee takes meal periods, among other required employment
4 and payroll records. Section 7(C) states that “[a]n employee’s records shall be made available for
5 inspection by the employee upon reasonable request.”

6 85. Plaintiff requested from Defendants all records due under the IWC Wage Orders
7 (including the Records sections) and Labor Code sections 226, 432, and 1198.5. Yet, Defendant has
8 failed to produce all of Plaintiff’s time records.

9 86. Defendants’ unlawful acts and omissions deprived Plaintiff of the ability review the
10 documents they received during their employment and to inspect and reconcile their actual time
11 worked with the ultimate pay they received on their wage statements. Plaintiff is entitled to recover
12 the penalties and injunctive relief, in addition to interest, attorneys’ fees, and costs to the extent
13 permitted by law, including under Code of Civil Procedure section 1021.5, and Labor Code sections
14 226 and 1198.5.

15 **ELEVENTH CAUSE OF ACTION**

16 **UNFAIR COMPETITION**

17 **Violation of Business and Professions Code §§ 17200 *et seq.***

18 87. All outside paragraphs of this Complaint are incorporated into this section.

19 88. Defendants have engaged and continue to engage in unfair and/or unlawful business
20 practices in the State of California in violation of California Business and Professions Code § 17200
21 by committing the foregoing wage and hour violations alleged throughout this Complaint.

22 89. Defendants’ dependence on these unfair and/or unlawful business practices deprived
23 Plaintiff and continue to deprive other class members of compensation to which they are legally
24 entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage to
25 Defendants over competitors who have been and/or are currently employing workers in compliance
26 with California’s wage and hour laws. These failures constitute unlawful, deceptive, and unfair
27 business acts and practices in violation of Business and Professions Code section 17200 *et seq.*

90. Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged in this Complaint, and Plaintiff, as an individual and on behalf of others similarly situated, seeks full restitution of the moneys as necessary and according to proof to restore all monies withheld, acquired, and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

91. Plaintiff does not have an adequate remedy at law for past or future violations, to the extent the statute of limitations on each of the alleged causes of action do not extend to the four year limitation provided under the UCL or to the extent the underlying Labor Code and IWC Wage Order violations do not provide a private right of action.

92. Plaintiff and class members are entitled to injunctive relief against Defendants, restitution, and other equitable relief to return all funds over which Plaintiff and class members have an ownership interest and to prevent future damage and the public interest under Business and Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest, attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure § 1021.5.

TWELFTH CAUSE OF ACTION

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

Violation of Labor Code §§ 2698 *et seq.*

(By Plaintiff on Behalf of the State and the Aggrieved Employees Against All Defendants)

93. All outside paragraphs of this Complaint are incorporated into this section.

94. Plaintiff brings this cause of action as a proxy for the State of California on behalf of the following “aggrieved employees” pursuant to the Private Attorneys General Act (“PAGA”), codified as Labor Code section 2698 *et seq.*:

a. All current and former non-exempt employees who worked for Defendants in California at any time from one year prior to the postmark date of the initial PAGA notice through date of trial.

95. Plaintiff reserves the right to amend, supplement, or add to this description of the aggrieved employees, according to proof.

1 96. The State of California, via the Labor and Workforce Development Agency
2 (“LWDA”), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*
3 *Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff
4 files suit is always the real party in interest.”])

5 97. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law,,
6 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor
7 and Workforce Development Agency or any of its departments, divisions, commissions, boards,
8 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil
9 action brought by an aggrieved employee on behalf of the employee and other current or former
10 employees against whom a violation of the same provision was committed pursuant to the procedures
11 specified in Section 2699.3. “

12 98. Any allegations regarding violations of the IWC Wage Orders are enforceable as
13 violations of Labor Code section 1198, which states: “[t]he employment of any employee for longer
14 hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

15 99. Labor Code section 2699.3 sets forth the procedure for commencing an action for civil
16 penalties under the PAGA.

17 100. On or about **January 13, 2025**, Plaintiff paid the requisite PAGA filing fee and
18 provided written notice (by online electronic filing with the LWDA and by certified mail to
19 Defendants) of Defendants’ alleged Labor Code violations, including the facts and theories to support
20 the alleged violations.

21 101. A true and correct copy of Plaintiff’s written PAGA notice, entitled “Notice of Labor
22 Code Violations” is attached hereto as Exhibit 1 and incorporated by reference as though fully set
23 forth herein (the “PAGA notice”).

24 102. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
25 written PAGA notice from the LWDA.

26 103. Within 33 calendar days of the postmark date of the notice sent by Plaintiff, neither
27 Plaintiff nor Plaintiff’s counsel has received written notice by certified mail from any defendant
28 providing a description of any actions taken to cure the alleged violations.

1 104. Now that at least 65 days have passed from Plaintiff notifying Defendants of these
2 violations, without notice of cure from Defendants or notice from the LWDA of its intent to investigate
3 the alleged allegations and issue the appropriate citations to Defendants, Plaintiff exhausted all
4 prerequisites and commenced this civil action under Labor Code section 2699 *et seq.*

5 105. As set forth in the PAGA notice attached as Exhibit 1 and incorporated into this
6 Complaint, Defendants committed the following violations and are liable for all corresponding civil
7 penalties:

- 8 a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194,
9 1197, 1198; IWC Wage Orders.
- 10 b. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage
11 Orders.
- 12 c. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- 13 d. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512,
14 1198; IWC Wage Orders.
- 15 e. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516,
16 1198; IWC Wage Orders.
- 17 f. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code
18 §§ 204, 204b, 210.
- 19 g. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of
20 Labor Code §§ 201, 202, 203, 256.
- 21 h. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- 22 i. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.
- 23 j. ***Failure to Provide Employee Records.*** Violation of Labor Code §§ 226, 432,
24 1174, 1198.5; IWC Wage Orders.
- 25 k. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC
26 Wage Orders.

27 106. Plaintiff seeks to collect all recoverable civil penalties for the Labor Code violations
28 alleged in this Complaint and the PAGA notice (including amendments thereto) against Defendants

pursuant to Labor Code section 2699(a) and (f), in addition to attorneys' fees, costs, and interest to the extent permitted by law, including under Labor Code section 2699(k).

PRAYER

Plaintiff prays for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiff as the class representative;
- c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;
- d. For division of class members into appropriate classes and/or subclasses according to proof;
- e. For recovery of all statutory penalties and liquidated damages;
- f. For disgorgement of all amounts wrongfully obtained to the extent permitted by law;
- g. For restitution and injunctive relief;
- h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, 2802 and Code of Civil Procedure § 1021.5.
- i. For recovery of damages in amount according to proof;
- j. For all recoverable pre- and post-judgment interest;
- k. For this action to be maintained as a representative action under the PAGA;
- l. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;
- m. For recovery of all civil penalties and other recoverable amounts under the PAGA;

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- 1 n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
2 permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699,
3 and Code of Civil Procedure section 1021.5 and any other applicable sections; and
4 o. For such other relief the Court deems just and proper.

5
6 Dated: March 27, 2025

Ferraro Vega Employment Lawyers, Inc.

7 
8 _____
9 Nicholas J. Ferraro
Attorneys for Plaintiff Ivan Naranjo

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA
SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
lauren@ferrarovega.com

ATTORNEYS AT LAW
3333 Camino del Rio South, Suite 300
San Diego, California 92108

619-693-7727
619-350-6855 fax
ferrarovega.com

January 16, 2025

NOTICE OF LABOR CODE VIOLATIONS
CALIFORNIA LABOR CODE SECTIONS 2698 *et seq.*

VIA CERTIFIED U.S. MAIL
- Electronic Return Receipt -

Global Pharma Tek LLC
2025 Lincoln Hwy, Ste 225A
Edison, New Jersey 08817

- PAGA Notice & Filing Fee -
Submitted electronically to the Labor and
Workforce Development Agency

Dear LWDA Officer and Company Representatives:

This letter serves as written notice under Labor Code section 2699.3 on behalf of **IVAN NARANJO** (“Plaintiff(s)”) and all other “aggrieved employees” of the following “Defendant(s)”:

GLOBAL PHARMA TEK LLC

Defendant(s) shall mean and include the foregoing in addition to any other related employer entities, individuals under Labor Code sections 558 and 558.1, and all others who may be later added upon further investigation and discovery as liable employers.

This office serves as legal counsel for Plaintiff. If the California Labor and Workforce Development Agency (“LWDA”) does not investigate the facts, allegations, and violations set forth in this notice within the statutorily prescribed 65-day period under Labor Code section 2699.3, Plaintiff intends to commence a civil action against Defendants as a proxy and agent of the State of California under the Private Attorneys General Act (“PAGA”). “PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed by an employer—to pursue penalties for all the Labor Code violations committed by that employer.” *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal. App. 5th 745, 751; *Kim v. Reins International California, Inc.* (2020) 9 Cal. 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

Through this notice, Plaintiff requests that Defendants complete an internal investigation and audit of the wage and hour and employment practices at issue and make a good faith effort to

correct any violations. Plaintiff attempts to identify the non-compliant policies and practices affecting the aggrieved employees so that the parties may resolve the underlying damages and penalties in judgment or settlement approved by the Superior Court of California under Labor Code section 2699(s). Defendants are notified that any attempt to resolve this case should be conducted in coordination with Plaintiff's counsel to protect the interests of Plaintiff, the aggrieved employees, and the State of California via the LWDA. Plaintiff advises Defendants this letter should be also considered a reasonable attempt at settlement of this matter, subject to an exchange of additional documents and information. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal. 4th 553, 561.

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Warehouse Material Handler from about March 2024 to September 2024. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

Through this notice, Plaintiff informs the LWDA of the Labor Code violations set forth herein. The “aggrieved employees” include Plaintiff and the following individuals:

All current and former non-exempt employees who worked for Defendants in the State of California during one-year period preceding the date of this notice through the current date and the date of trial in any pending action (the “aggrieved employees” and the “PAGA Period”).

Plaintiff reserves the right to expand or narrow the definition of the “aggrieved employees” in the forthcoming civil action. Furthermore, Plaintiff seeks all recoverable civil penalties for Defendants’ violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered.

- PAGA CLAIMS -

Unpaid Hours Worked/Minimum Wage Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the “Hours and Days of Work” and “Minimum Wages” sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates that “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.”

Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The “Minimum Wages” sections of the applicable IWC Wage Order provide that “[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise.” The foregoing California wage laws require payment of “not less than the applicable minimum wage *for all hours worked* in the payroll period” and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal. App. 3d 314, 324.

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Defendants engaged in a pattern of editing employee’s time records that resulted in an underpayment of regular wages to Plaintiff and the aggrieved employees.

First, Defendants engaged in a pattern of rounding up employee’s time records at the start of their workday that resulted in an underpayment of regular wages to Plaintiff and the aggrieved employees. For example, if Plaintiff clocked in and began work earlier than his scheduled shift start time, Defendants would round his clock in time to match the scheduled hour. Due to this time rounding practice, Plaintiff and the aggrieved employees were not paid for all time worked.

Second, Plaintiff and the aggrieved employees were regularly required to work through their unpaid meal periods. As discussed in further detail in the “Meal Period Premium” section below, Plaintiff and the aggrieved employees were required to clock out each day to make it appear as if they took a compliant meal period, when in reality, they did not. Defendants had a policy and practice of requiring Plaintiff and, on information and belief, the aggrieved employees to insert false meal period entries (i.e., time editing) into their time records. During Plaintiff’s employment, he altered his time records to insert meal period times (when none were taken) or to make his meal period entries appear compliant (i.e., taken by the 5th hour, 30 minutes in length). Plaintiff and the aggrieved employees were deprived of regular wages each time Defendants altered their time records to make it appear as though they had taken a 30-minute meal period when in reality they had a shorter/interrupted meal period or no meal period at all. Plaintiff is informed and believes that other employees suffered the same violations. Each time Plaintiff and the aggrieved employees worked through their unpaid meal periods, this resulted in unpaid off-the-clock work.

Due to this unlawful practice, Defendants failed to compensate Plaintiff and the aggrieved employees for all hours worked, resulting in minimum wage violations.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Overtime
Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders

Defendants violated Labor Code sections 510, 1194, and 1198, along with the “Hours and Days of Work” sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 510 requires “[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee;” and “any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee;” and “any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.” Labor Code section 1194 renders it unlawful for an employee to receive less than the legal overtime rate for overtime hours worked in California. Labor Code section 1198 renders “employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders further require payment of overtime wages for all overtime hours worked, including the “Hours and Days of Work” sections.

First, Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. As a result of Defendants’ time rounding practice, Defendants failed to compensate Plaintiff and the aggrieved employees for all overtime hours worked. Each time this practice resulted in unpaid work over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

Second, Defendant failed to pay Plaintiff and the aggrieved employees overtime wages at the lawful rate of pay for overtime hours worked, resulting in unpaid wages. Plaintiff and aggrieved employees earned other forms of non-discretionary remuneration outside of their base hourly wages, including bonuses. When Plaintiff and the aggrieved employees earned supplemental remuneration and overtime wages in the same pay periods, Defendant failed to properly factor in the bonuses and other non-discretionary income into the “regular rate of pay” for overtime wages. Instead, Defendant unlawfully paid overtime based on a multiple of only the aggrieved employees’ base hourly rate, without including other nonexcludable forms of income earned in the same pay period. An example of Defendant’s regular rate violation for overtime is below:

CO: FILE DEPT: CLOCK: VCHR: NO: 020
UQ8: 000401 0000184056 2

GLOBAL PHARMA TEK LLC
2025 STATE ROUTE 27 STE
EDISON, NJ 08817

Earnings Statement



Period Beginning: 04/22/2024
Period Ending: 04/28/2024
Pay Date: 05/03/2024

IVAN NARANJO

Filing Status: Head of household
Exemptions/Allowances:
Federal: Standard Withholding Table

Social Security Number: XXX-XX-6862

Earnings	rate	hours	this period	year to date
Bonus			219.18	219.18
Regular				3,496.00
Overtime				912.00
Gross Pay			\$219.18	4,627.18

Important Notes

ER PHONE NUMBER IS 732-543-7155

BASIS OF PAY: HOURLY

Extract from Plaintiff's wage statement for the pay period from April 22, 2024 to April 28, 2024, showing that he earned a bonus of \$219.28.

CO. FILE DEPT. CLOCK VCHR. NO. 020
UQ8 000401 0000190052 1

GLOBAL PHARMA TEK LLC
2025 STATE ROUTE 27 STE
EDISON,NJ 08817

Earnings Statement



Period Beginning: 04/29/2024
Period Ending: 05/05/2024
Pay Date: 05/10/2024

IVAN NARANJO

Filing Status: Head of household
Exemptions/Allowances:
Federal: Standard Withholding Table

Social Security Number: XXX-XX-6862

Earnings	rate	hours	this period
Regular	19.0000	40.00	760.00
Overtime	28.5000	8.00	228.00
Bonus			
Gross Pay			\$988.00

year to date
4,256.00
1,140.00
219.18
5,615.18

Other Benefits and Information	this period	total to date
Totl Hrs Worked	48.00	

Important Notes

ER PHONE NUMBER IS 732-543-7155

Deductions	Statutory
Social Security Tax	-61.25
Medicare Tax	-14.33
CA State Income Tax	-3.64
CA SDI Tax	-10.87
Net Pay	\$897.91
Checking 1	-897.91
Net Check	\$0.00

348.14
81.42
13.73
61.77

BASIS OF PAY: HOURLY

Additional Tax Withholding Information

Taxable Marital Status:
CA: Single
Exemptions/Allowances:
CA: 3(Head of Household)

Correction: 8.00 OT Hours for 04/29/24 - 04/28/24

Your federal taxable wages this period are \$988.00

Extract from Plaintiff's wage statement showing that he earned overtime wages on April 28, 2024, and April 29, 2024.

During the pay period from April 22, 2024, to April 28, 2024, Plaintiff earned a bonus of \$219.28 in the same pay period that he earned overtime wages. The overtime wages were paid during the pay period from April 29, 2024, to May 5, 2024, however, the wage statement specifies that they were earned in the prior pay period.

Nonetheless, Defendants failed to include the bonus into the regular rate of pay when paying overtime wages. For each overtime hour worked during the period in which Plaintiff and the aggrieved employees earned the additional forms of remuneration, Defendant should have (but failed to) pay overtime "at a rate no less than one and one-half times the regular rate of pay for an employee" and "twice the regular rate of pay" for double time hours as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Paid Sick Leave
Violation of Labor Code §§ 246 through 248.7

Defendants violated Labor Code sections 246 through 248.7 with respect to the aggrieved employees.

Labor Code section 246 requires employers to provide paid sick leave to its workforce on the terms set forth in the statute. Employers must comply with the accrual, use, and notice provisions of Labor Code sections 246, 246.5, 247, and must further ensure that they maintain the paid sick leave records required by Labor Code section 247.5. Employers have the option of providing 24 hours of paid sick leave to employees or to allow employees to accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

Employers must pay sick leave in accordance with one of the three permissible methods provided in Labor Code section 246(l): (1) “the same manner as the regular rate of pay for the workweek;” (2) “by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days;” or (3) “for exempt employee ... in the same manner as the employer calculates wages for other forms of paid leave time.” Labor Code sections 248.6 and 248.7 similarly require paid sick leave to be paid at a regular rate-based calculation in excess of the base hourly rate and at the lawful accrual rate.

Under Labor Code section 246(i), employers must provide employees “with written notice of the amount of paid sick leave available ... for use on either the employee’s itemized wage statement ... or in a separate writing provided on the designated pay date with the employee’s payment of wages.”

Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees. Defendants failed to provide Plaintiff and the aggrieved employees with all sick leave accrued.

First, Plaintiff and the aggrieved employees worked off-the-clock, overtime hours that were not accounted for when calculating an employee’s accrued paid sick leave as a result of Defendants policy and practice of time editing and requiring off-the-clock work. Therefore, Plaintiff and other aggrieved employees were not awarded the total accrued sick leave time they had earned.

Second, upon information and belief, Defendant failed to pay sick leave at the correct rate because they failed to factor in bonuses, commissions, and/or other forms of remuneration, as required by section 246. Instead, Defendant paid sick leave to Plaintiff and the aggrieved employees at their base hourly rate.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Meal Period Premium Wages
Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal. 5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal. 5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal. 5th 444, 459.

Defendants failed to provide compliant meal periods. Plaintiff and the aggrieved employees often experienced missed, short, late, and interrupted meal periods to keep up with high demands of the job. For example, Plaintiff was expected to keep up with critical tasks including unloading medical supplies from boxes and putting them on conveyor belts and repackaging equipment to be sent out to hospitals. Plaintiff was required to hit certain benchmark measurements; therefore meal periods were frequently missed, short, late, or interrupted. When Defendants did not provide compliant meal periods, Defendants failed to pay Plaintiff

and other aggrieved employees a meal period premium in violation of Labor Code section 226.7 for all violations.

Additionally, as discussed above, Defendants engaged in the unlawful policy and practice of requiring Plaintiff and the aggrieved employees to insert false meal periods into their time records. Employees were required to alter their time records to make it appear as though they had taken a 30-minute meal period when in reality they had missed a meal period or experienced a short or interrupted meal period.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unpaid Rest Period Premium Wages
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants violated Labor Code sections 226.7, 516, and 1198, and the related sections of the IWC Wage Orders with respect to Plaintiff and the aggrieved employees.

Labor Code sections 226.7 and 516 and the IWC Wage Orders require that employers authorize and permit an uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a rest period is non-compliant, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) worked and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

Defendants had a policy and practice of not paying rest period premiums to employees who were unable to take rest periods. Plaintiff and the aggrieved employees often experienced missed, short, late, and interrupted rest periods for the same reasons stated in the "Unpaid Meal Period Premium Wages" section. Due to the high demands of the job, Plaintiff and the aggrieved employees were not always authorized or permitted to take all their rest periods. Plaintiff's rest periods were not duty-free. Plaintiff was required to work through rest breaks to keep up with the workload, he was regularly required to unpack medical equipment as it came in even though the work interfered with a compliant rest period.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages During Employment
Violation of Labor Code §§ 204, 204b, 210

Defendants violated Labor Code sections 204 and/or 204b and 210, as applicable, with respect to Plaintiff and the aggrieved employees.

Labor Code section 204(a) requires payment of “all wages” for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid “not more than seven calendar days following the close of the payroll period.” Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides “every person who fails to pay the wages of an employee as provided in Section ... 204 ... shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

Because Defendants failed to pay all wages and premiums in each pay period in which such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within seven calendar days of the close of the payroll period, as a result of the policies and practices set forth in this notice. Indeed, Defendants failed to pay all premiums, overtime, regular, sick leave, and other earnings on time each payday.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Untimely Payment of Wages Upon Separation of Employment
Violation of Labor Code §§ 201, 202, 203, 256

Defendants violated Labor Code sections 201, 202, and 203 with respect to the aggrieved employees by failing to pay all wages and premiums owed upon termination of employment.

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours’ notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours’ notice, the final wages are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days additional compensation.

Defendants failed to pay all wages and premiums owed to aggrieved employees during their employment as set forth in this notice and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

Plaintiff's final date of employment was September 27, 2024, however, to date, Plaintiff has not received a final paycheck.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Non-Compliant Wage Statements **Violation of Labor Code §§ 226, 226.3**

Defendants violated Labor Code sections 226(a) and 226.3 with respect to the aggrieved employees by failing to furnish itemized wage statements each pay period that accurately list all information required by Labor Code section 226(a)(1) through (9).

Labor Code section 226(a) requires an employer to furnish wage statements to employees semimonthly or at the time of each payment of wages, "an accurate itemized statement in writing showing:" (1) gross wages earned, (2) total hours worked, (3) the number of piece rate units earned and applicable piece-rate in effect, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the pay period, (7) the name of the employee and last four digits of SSN or an EIN, (8) the name and address of the legal name of the employer, and (9) all applicable hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct "gross wages earned" or "net wages earned," as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of "gross wages earned" on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow

confusion among Plaintiff and other aggrieved employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Unreimbursed Employee Expenses **Violation of Labor Code §§ 2802, 2804**

Defendants violated Labor Code section 2802 with respect to the aggrieved employees by failing to reimburse the aggrieved employees for all necessary expenditures or losses incurred as part of their job duties.

Labor Code section 2802 requires an employer to “indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer, even though unlawful, unless the employee, at the time of obeying the directions, believed them to be unlawful.” *See, e.g., Espinoza v. West Coast Tomato Growers, LLC*, 2016 WL 4468175 at *4, n.2 (S.D. Cal. Aug. 24, 2016, No. 14-CV-2984 W (KSC)).

Labor Code section 2804 affirms that “[a]ny contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled under the laws of this State.”

Defendants required Plaintiff and the aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. Plaintiff and the aggrieved employees were required to use their personal cell phones for various work-related purposes. Specifically, Plaintiff was required to download the app called “Field Glass” to keep track of time and edit when they took breaks. Defendants failed to reimburse Plaintiffs and the aggrieved employees for personal cell phone use.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Failure to Provide Employee Records
Violation of Labor Code §§ 226, 432, 1174, 1198.5; IWC Wage Orders

Defendants violated Labor Code sections 226, 432, 1198.5, and 1174 with respect to the aggrieved employees.

Labor Code section 226(b) requires employers to “afford current and former employees the right to inspect or receive a copy of records pertaining to their employment, upon reasonable request to the employer.” Labor Code section 432 states that “[i]f an employee ... signs any instrument relating to the obtaining or holding of employment, he shall be given a copy of the instrument upon request.” Labor Code section 1198.5 grants “[e]very current and former employee, or his or her representative, ... the right to inspect and receive a copy of the personnel files that the employer maintains relating to the employee’s performance or to any grievance concerning the employee.” Section 7(A) (Records) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates that employers maintain and make available “time records showing when the employee begins and ends each work period” as well as time records showing “[m]eal periods, split shift intervals, and daily hours worked[.]” Labor Code section 1174(d) requires these and other records be maintained for at least three years.

Defendants failed to provide all records upon Plaintiff’s request. On September 30, 2024, Plaintiff, through his attorneys of record, requested from Defendant a copy of his personnel and payroll files. However, to date, Defendant had only produced a copy of Plaintiff’s payroll history and refused to produce any further documents in violation on Labor Code 226. Defendant’s failure to provide, upon request, Plaintiff’s time records violates Section 7(c) of the applicable IWC Wage Order.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Failure to Maintain Accurate Records
Violation of Labor Code § 1174; IWC Wage Orders

Defendants violated Labor Code sections 1174 and the IWC Wage Orders by failing to maintain accurate employee payroll records with respect to Plaintiff and other aggrieved employees.

Labor Code section 1174 requires that employers maintain accurate “payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments.” Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

Because of the policies and practices set forth in this notice, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

As a result, Plaintiff may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, up to the maximum amount allowed as set forth under the Labor Code.

Attorneys' Fees and Costs
Labor Code § 2699(k)(1)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other aggrieved employees and the State of California. Plaintiff continues to incur attorneys' fees and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the aggrieved employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronically data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold must be suspended immediately.

- CONCLUSION -

If the LWDA does not pursue enforcement, Plaintiff intends to bring representative claims on behalf of the State of California and the aggrieved employees seeking civil penalties for violations of the Labor Code and the IWC Wage Orders, along with attorneys' fees, costs, interest, and other appropriate relief.

Please advise if the LWDA intends to investigate any of the factual or legal allegations set forth in this notice. Defendants may contact Plaintiff's counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,

A handwritten signature in black ink, appearing to read "Mariela R. Romo". The signature is fluid and cursive, with a large initial "M" and a distinct "R" at the end.

Mariela R. Romo

Cc Plaintiff Ivan Naranjo

Naman Kumar - naman@globalpharmatek.com