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Assigned for All Purposes:  
Judge Lon F. Hurwitz  
Dept. CX103

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

YESSENIA SERNA, an individual,  
  
Plaintiff,

v.

TR ACCOUNTANTS, a California  
corporation; TAX PROCESSING  
SOLUTIONS, LLC, a California limited  
liability company; and DOES 1 through 10,  
inclusive,

Defendants.

Case No. 30-2025-01452089-CU-OE-CXC

**YESSENIA SERNA'S COMPLAINT FOR:**

- (1) Failure to Pay Minimum Wage for All Hours Worked (Lab. Code §§ 1182.12, 1194, 1194.2, 1197 and 1197.1)**
- (2) Failure to Pay Overtime Compensation (Lab. Code §§ 1194 and 1198)**
- (3) Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders)**
- (4) Failure to Provide Rest Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders)**
- (5) Failure to Indemnify Necessary Business Expenses (Lab. Code § 2802)**
- (6) Waiting Time Penalties (Lab. Code §§ 201-203)**
- (7) Failure to Provide Accurate Wage Statements (Lab. Code § 226)**
- (8) Private Attorneys General Act (Lab. Code § 2698, *et seq.*)**

**JURY TRIAL DEMANDED**

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Plaintiff Yessenia Serna, individually, and on behalf of other members of the general public similarly situated, brings this action against Defendant TR Accountants and Tax Processing Solutions, LLC and Does 1 through 10, inclusive, and alleges as follows:

**INTRODUCTION AND PRELIMINARY STATEMENT**

1. Plaintiff brings this action against Defendant TR Accountants and Tax Processing Solutions, LLC, and Does 1 through 10 (collectively, “Defendants”) for violations of the California Labor Code and unfair business practices stemming from Defendants’ failure to pay minimum wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and permit rest periods, failure to maintain accurate records of hours worked and meal periods, failure to timely pay all wages to employees, failure to indemnify necessary business expenses and failure to furnish accurate wage statements.

2. Plaintiff brings the First through Eighth Causes of Action individually and as a class action on behalf of herself and certain current and former employees of Defendants (hereinafter collectively referred to as the “Class” or “Class Members” and defined more fully below). The Class consists of Plaintiffs and all other persons who have been employed by any Defendants in California as an hourly-paid, non-exempt employee during the statute of limitations period applicable to the claims pleaded here.

3. Plaintiff brings the Ninth Cause of Action as a representative action under the Private Attorneys General Act (“PAGA”) to recover civil penalties that are owed to Plaintiff, the State of California, and past and present employees of Defendants employed at any time within the applicable statutory period (hereinafter referred to as the “Aggrieved Employees”).

4. Defendants own and operate an industry, business, and establishment within the State of California, including in Los Angeles County. As such, Defendants are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission (“IWC”), and the California Business and Professions Code.

5. Despite these requirements, throughout the statutory period Defendants maintained a systematic, company-wide policy and practice of:

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- a. Failing to pay employees for all hours worked, including all minimum wages, and overtime wages in compliance with the California Labor Code and IWC Wage Orders;
- b. Failing to provide employees with timely and duty-free meal periods in compliance with the California Labor Code and IWC Wage Orders, failing to maintain accurate records of all meal periods taken or missed, and failing to pay an additional hour's pay for each workday in which a meal period violation occurred;
- c. Failing to authorize and permit employees to take timely and duty-free rest periods in compliance with the California Labor Code and IWC Wage Orders, and failing to pay an additional hour's pay for each workday in which a rest period violation occurred;
- d. Willfully failing to pay employees all minimum wages, meal period premium wages, and rest period premium wages due within the time period specified by California law when employment terminates;
- e. Failing to maintain accurate records of the hours that employees worked;
- f. Failing to provide employees with accurate, itemized wage statements containing all the information required by the California Labor Code and IWC Wage Orders.

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

7. At all relevant times, Defendants were legally responsible for all of the unlawful conduct, policies, practices, acts and omissions as described in each and all of the foregoing paragraphs as the employer of Plaintiff and the Class. Further, Defendants are responsible for each of the unlawful acts or omissions complained of herein under the doctrine of "respondent superior."

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**THE PARTIES**

**A. Plaintiff**

8. Plaintiff Yessenia Serna (“Plaintiff”) is an individual residing in the County of Orange, California and worked as a non-exempt Case Manager and Case Advocate from April 10, 2023 through March 29, 2024.

9. Plaintiff reserves the right to seek leave to amend this complaint to add new plaintiffs, if necessary, in order to establish suitable representative(s) pursuant to *La Sala v. American Savings and Loan Association* (1971) 5 Cal.3d 864, 872, and other applicable law.

**B. Defendants**

10. Plaintiff is informed and believes and on that basis alleges that Defendants TR Accountants (“TR”) is:

a. A California corporation with its principal place of business in the County of Irvine, California.

b. A business entity conducting business in numerous counties throughout the State of California, including in Orange County;

c. The current or former employer of Plaintiff and of the putative Class. Defendants suffered and permitted Plaintiff and the Class to work, and/or controlled their wages, hours, or working conditions; and

d. At all times mentioned herein TR and Defendants were doing business as Tax Relief Advocates.

11. Plaintiff is informed and believes and on that basis alleges that Defendants Tax Processing Solutions, LLC (“TPS”) is:

a. A California corporation with its principal place of business in the County of Irvine, California.

b. A business entity conducting business in numerous counties throughout the State of California, including in Orange County;

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1                   c.       The current or former employer of Plaintiff and of the putative Class.  
2 Defendants suffered and permitted Plaintiff and the Class to work, and/or controlled their wages,  
3 hours, or working conditions; and

4                   d.       At all times mentioned herein TPS and Defendants were doing business as  
5 Tax Relief Advocates.

6           12.       Plaintiff is unaware of the true names and capacities of the defendants sued as Does  
7 1 through 10, inclusive, and therefore sues these defendants by fictitious names. Plaintiff will  
8 amend this complaint to allege their true names and capacities when the same have been  
9 ascertained. Plaintiff is informed and believes that each of the fictitiously named defendants is  
10 responsible in some manner for the occurrences herein alleged and that Plaintiff's damages were  
11 proximately caused by said defendants' conduct.

12           13.       At all times mentioned herein, the Defendants named as Does 1 through 10,  
13 inclusive, and each of them, were residents of, doing business in, availed themselves of the  
14 jurisdiction of, and/or injured Plaintiff and a significant number of the Class in the State of  
15 California.

16           14.       At all times mentioned herein, the Defendants named as Does 1-10, inclusive, and  
17 each of them, were residents of, doing business in, availed themselves of the jurisdiction of, and/or  
18 injured a significant number of the Plaintiffs and the Class in the State of California. Plaintiffs are  
19 informed and believe and thereon alleges that at all relevant times each Defendant, directly or  
20 indirectly, or through agents or other persons, employed Plaintiffs and the other employees  
21 described in the class definitions below, and exercised control over their wages, hours, and  
22 working conditions. Plaintiffs are informed and believe and thereon alleges that, at all relevant  
23 times, each Defendant was the principal, agent, partner, joint venturer, officer, director, controlling  
24 shareholder, subsidiary, affiliate, parent corporation, successor in interest and/or predecessor in  
25 interest of some or all of the other Defendants, and was engaged with some or all of the other  
26 Defendants in a joint enterprise for profit, and bore such other relationships to some or all of the  
27 other Defendants so as to be liable for their conduct with respect to the matters alleged below.  
28 Plaintiffs are informed and believe and thereon alleges that each Defendant acted pursuant to

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

#### 4 **VENUE AND JURISDICTION**

5 15. The wrongful conduct alleged against the Defendants occurred in the County of  
6 Orange, California. At all relevant times, the conduct at issue was part of a continuous and  
7 ongoing pattern of behavior.

8 16. This Court is the proper forum to adjudicate this action because the wrongful acts  
9 that are the subject of this action occurred here and because Defendants now reside in its  
10 jurisdictional area.

#### 11 **ALLEGATIONS COMMON TO ALL CAUSES OF ACTION**

12 17. During the statutory period, Defendants classified Plaintiff as non-exempt from  
13 California's overtime requirements, and paid Plaintiff an hourly wage.

14 18. Throughout the statutory period, Defendants failed to pay Plaintiff for all hours  
15 worked (including minimum wages), failed to provide Plaintiff with uninterrupted meal periods,  
16 failed to authorize and permit Plaintiff to take uninterrupted rest periods, failed to timely pay all  
17 final wages to Plaintiff when Defendants terminated Plaintiff's employment, and failed to furnish  
18 accurate wage statements to Plaintiff. As discussed below, Plaintiff's experience working for  
19 Defendants was typical and illustrative.

20 19. Throughout the statutory period, Defendants maintained a policy and practice of not  
21 paying Plaintiff and the Class for all hours worked. Defendants failed to incorporate all  
22 remuneration when calculating the correct rate of pay and meal and rest break premium rate of  
23 pay, leading to underpayment to Plaintiff and the Class.

24 20. In maintaining a practice of not paying all wages owed, Defendants failed to  
25 maintain accurate records of the hours Plaintiff and the Class worked.

26 21. Throughout the statutory period, Defendants wrongfully failed to provide Plaintiff  
27 and the Class with legally compliant meal periods. Defendants sometimes, but not always,  
28 required Plaintiff and the Class to work in excess of five consecutive hours a day without

1 providing timely 30-minute, continuous and uninterrupted, duty-free meal period for every five  
2 hours of work, or without compensating Plaintiff and the Class for meal periods that were not  
3 provided by the end of the fifth hour of work or tenth hour of work. Defendants also did not  
4 adequately inform Plaintiff and the Class of their right to take a meal period by the end of the fifth  
5 hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work.  
6 Accordingly, Defendants' policy and practice was to not provide meal periods to Plaintiff and the  
7 Class in compliance with California law.

8         22. Throughout the statutory period, Defendants have wrongfully failed to authorize  
9 and permit Plaintiff and the Class to take timely and duty-free rest periods. Defendants sometimes,  
10 but not always, required Plaintiff and the Class to work in excess of four consecutive hours a day  
11 without Defendants authorizing and permitting them to take a 10-minute, continuous and  
12 uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without  
13 compensating Plaintiff and the Class for rest periods that were not authorized or permitted.  
14 Defendants also did not adequately inform Plaintiff and the Class of their right to take a rest  
15 period. Moreover, Defendants did not have adequate policies or practices permitting or  
16 authorizing rest periods for Plaintiff and the Class, nor did Defendants have adequate policies or  
17 practices regarding the timing of rest periods. Defendants also did not have adequate policies or  
18 practices to verify whether Plaintiff and the Class were taking their required rest periods.

19         23. Further, Defendants did not maintain accurate records of employee work periods,  
20 and therefore Defendants cannot demonstrate that Plaintiff and the Class took rest periods during  
21 the middle of each work period. Accordingly, Defendants' policy and practice was to not  
22 authorize and permit Plaintiff and the Class to take rest periods in compliance with California law.

23         24. Throughout the statutory period, Defendants willfully failed and refused to timely  
24 pay Plaintiff and the Class during and at the conclusion of their employment all wages for all  
25 minimum wages, meal period premium wages, and rest period premium wages.

26         25. Throughout the statutory period, Defendants failed to furnish Plaintiff and the Class  
27 with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net  
28 wages earned (including correct hours worked, correct wages earned for 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). As a result of these violations of California Labor Code section 226, subdivision (a), the Plaintiff and the Class suffered injury because, among other things:

a. the violations led them to believe that they were not entitled to be paid minimum wages, overtime wages, meal period premium wages, and rest period premium wages to which they were entitled, even though they were entitled to such wages;

b. the violations led them to believe that they had been paid minimum wages, meal period premium wages, and rest period premium wages, even though they had not been;

c. the violations led them to believe they were not entitled to be paid minimum wages, meal period premium wages, and rest period premium wages at the correct California rate even though they were;

d. the violations led them to believe they had been paid minimum wages, overtime, meal period premium wages, and rest period premium wages at the correct California rate even though they had not been;

e. the violations hindered them from determining the amounts of minimum, meal period premium, and rest period premium owed to them;

f. in connection with their employment before and during this action, and in connection with prosecuting this action, the violations caused them to have to perform mathematical computations to determine the amounts of wages owed to them, computations they would not have to make if the wage statements contained the required accurate information; and

g. by understating the wages truly due them, the violations caused them to lose entitlement and/or accrual of the full amount of Social Security, disability, unemployment, and other governmental benefits;

h. the wage statements inaccurately understated the wages, hours, and wage rates to which Plaintiff and the Class were entitled, and Plaintiff and the Class were paid less than the wages and wage rates to which they were entitled. As a result, Plaintiff and the Class are owed

the amounts provided for in California Labor Code section 226, subdivision (e), including actual damages.

### **CLASS ACTION ALLEGATIONS**

26. Plaintiff brings certain claims individually, as well as on behalf of each and all other persons similarly situated, and thus, seek class certification under California Code of Civil Procedure section 382.

27. All claims alleged herein arise under California law for which Plaintiff seek relief authorized by California law. The proposed Class consists of and is defined as:

All persons who worked for any Defendant in California as a non-exempt employee at any time during the period beginning four years before the filing of the initial complaint in this action and ending when notice to the Class is sent.

28. Plaintiff is a member of the Class.

29. Plaintiff undertakes this concerted activity to improve the wages and working conditions of all Class Members.

30. There is a well-defined community of interest in the litigation and the Class is readily ascertainable:

a. Numerosity: The members of the Class (and each subclass, if any) are so that joinder of all members would be unfeasible and impractical. The membership of the entire Class is unknown to Plaintiff at this time, however, the Class is estimated to be greater than 100 individuals and the identity of such membership is readily ascertainable by inspection of Defendants' records.

b. Typicality: Plaintiff is qualified to, and will, fairly and adequately protect the interests of each Class Member with whom there is a shared, well-defined community of interest, and Plaintiff's claims (or defenses, if any) are typical of all Class Members' claims as demonstrated herein.

c. Adequacy: Plaintiff is qualified to, and will, fairly and adequately protect the interests of each Class Member with whom there is a shared, well-defined community of

1 interest and typicality of claims, as demonstrated herein. Plaintiff has no conflicts with or interests  
2 antagonistic to any Class Member. Plaintiff's attorneys, the proposed class counsel, are versed in  
3 the rules governing class action discovery, certification, and settlement. Plaintiff has incurred, and  
4 throughout the duration of this action, will continue to incur costs and attorneys' fees that have  
5 been, are, and will be necessarily expended for the prosecution of this action for the substantial  
6 benefit of each class member.

7 d. Superiority: A Class Action is superior to other available methods for the  
8 fair and efficient adjudication of the controversy, including consideration of:

- 9 1. The interests of the members of the Class in individually controlling  
10 the prosecution or defense of separate actions;
- 11 2. The extent and nature of any litigation concerning the controversy  
12 already commenced by or against members of the Class;
- 13 3. The desirability or undesirability of concentrating the litigation of  
14 the claims in the particular forum; and
- 15 4. The difficulties likely to be encountered in the management of a  
16 class action.

17 e. Public Policy Considerations: The public policy of the State of California is  
18 to resolve the California Labor Code claims of many employees through a class action. Indeed,  
19 current employees are often afraid to assert their rights out of fear of direct or indirect retaliation.  
20 Former employees are also fearful of bringing actions because they believe their former employers  
21 might damage their future endeavors through negative references and/or other means. Class  
22 actions provide the class members who are not named in the complaint with a type of anonymity  
23 that allows for the vindication of their rights at the same time as their privacy is protected.

24 31. There are common questions of law and fact as to the Class (and each subclass, if  
25 any) that predominate over questions affecting only individual members, including without  
26 limitation, whether, as alleged herein, Defendants have:

27 a. Failed to pay Class Members for all hours worked, including minimum  
28 wages, and overtime wages;

- 1                   b.       Failed to provide meal periods and pay meal period premium wages to Class  
2 Members;
- 3                   c.       Failed to authorize and permit rest periods and pay rest period premium  
4 wages to Class Members;
- 5                   d.       Failed to promptly pay all wages due to Class Members upon their discharge  
6 or resignation;
- 7                   e.       Failed to maintain accurate records of all hours Class Members worked, and  
8 all meal periods Class Members took or missed;
- 9                   f.       Failed to reimburse Class Members for all necessary business expenses; and
- 10                  g.       Violated California Business & Professions Code §§ 17200 et. seq. as a  
11 result of their illegal conduct as described above.

12           32.       This Court should permit this action to be maintained as a class action pursuant to  
13 California Code of Civil Procedure section 382 because:

- 14                  a.       The questions of law and fact common to the Class predominate over any  
15 question affecting only individual members;
- 16                  b.       A class action is superior to any other available method for the fair and  
17 efficient adjudication of the claims of the members of the Class;
- 18                  c.       The members of the Class are so numerous that it is impractical to bring all  
19 members of the class before the Court;
- 20                  d.       Plaintiff, and the other members of the Class, will not be able to obtain  
21 effective and economic legal redress unless the action is maintained as a class action;
- 22                  e.       There is a community of interest in obtaining appropriate legal and equitable  
23 relief for the statutory violations, and in obtaining adequate compensation for the damages and  
24 injuries for which Defendants are responsible in an amount sufficient to adequately compensate the  
25 members of the Class for the injuries sustained;
- 26                  f.       Without class certification, the prosecution of separate actions by individual  
27 members of the class would create a risk of:  
28

1. Inconsistent or varying adjudications with respect to individual members of the Class which would establish incompatible standards of conduct for Defendants; and/or

2. Adjudications with respect to the individual members which would, as a practical matter, be dispositive of the interests of other members not parties to the adjudications, or would substantially impair or impede their ability to protect their interests, including but not limited to the potential for exhausting the funds available from those parties who are, or may be, responsible Defendants; and

g. Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making final injunctive relief appropriate with respect to the class as a whole.

33. Plaintiff contemplates the eventual issuance of notice to the proposed members of the Class that would set forth the subject and nature of the instant action. Defendants' own business records may be utilized for assistance in the preparation and issuance of the contemplated notices. To the extent that any further notices may be required, Plaintiff would contemplate the use of additional techniques and forms commonly used in class actions, such as published notice, e-mail notice, website notice, first-class mail, or combinations thereof, or by other methods suitable to the Class and deemed necessary and/or appropriate by the Court.

### FIRST CAUSE OF ACTION

### Failure to Pay Minimum Wage for All Hours Worked

**(Lab. Code §§ 1182.12, 1194, 1194.2, 1197 and 1197.1)**

(Against All Defendants)

34. Plaintiff incorporates all preceding paragraphs of this Complaint as though set forth fully herein.

35. “Hours worked” is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

1           36.     At all relevant times herein mentioned, Defendants knowingly failed to pay to  
2 Plaintiff and the Class compensation for all hours they worked. By their failure to pay  
3 compensation for each hour worked as alleged above, Defendants willfully violated the provisions  
4 of Section 1194 of the California Labor Code, and any additional applicable Wage Orders, which  
5 require such compensation to non-exempt employees.

6           37.     Accordingly, Plaintiff and the Class are entitled to recover minimum wages for all  
7 non-overtime hours worked for Defendants.

8           38.     By and through the conduct described above, Plaintiff and the Class have been  
9 deprived of their rights to be paid wages earned by virtue of their employment with Defendants.

10          39.     By virtue of the Defendants' unlawful failure to pay additional compensation to  
11 Plaintiff and the Class for their non-overtime hours worked without pay, Plaintiff and the Class  
12 suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff  
13 and the Class, but which exceed the jurisdictional minimum of this Court, and which will be  
14 ascertained according to proof at trial.

15          40.     By failing to keep adequate time records required by California Labor Code section  
16 1174, subdivision (d), Defendants have made it difficult to calculate the full extent of minimum  
17 wage compensation due Plaintiff and the Class.

18          41.     Pursuant to California Labor Code section 1194.2, Plaintiff and the Class are  
19 entitled to recover liquidated damages (double damages) for Defendants' failure to pay minimum  
20 wages.

21          42.     California Labor Code section 204 requires employers to provide employees with  
22 all wages due and payable twice a month. Throughout the statute of limitations period applicable  
23 to this cause of action, Plaintiff and the Class were entitled to be paid twice a month at rates  
24 required by law, including minimum wages. However, during all such times, Defendants  
25 systematically failed and refused to pay Plaintiff and the Class all such wages due and failed to pay  
26 those wages twice a month.

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43. Plaintiff and the Class are also entitled to seek recovery of all unpaid minimum wages, interest, and reasonable attorneys' fees and costs pursuant to California Labor Code sections 218.5, 218.6, and 1194, subdivision (a).

## **SECOND CAUSE OF ACTION**

### **Failure to Provide Overtime Compensation (Lab. Code §§ 510, 1194, 1198)**

(Against All Defendants)

44. Plaintiff incorporates all preceding paragraphs of this Complaint as though set forth fully herein.

45. California Labor Code section 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

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

47. At all times relevant hereto, Plaintiff and the Class have worked more than eight hours in a workday, as employees of Defendants.

48. At all times relevant hereto, Defendants failed to pay Plaintiff and the Class overtime compensation for the hours they have worked in excess of the maximum hours permissible by law as required by California Labor Code sections 510 and 1198. Plaintiff and the Class are regularly required to work overtime hours.

49. By virtue of Defendants' unlawful failure to pay additional premium rate compensation to the Plaintiff and the Class for their overtime hours worked, Plaintiff and the Class have suffered, and will continue to suffer, damages in amounts which are presently unknown to them but which exceed the jurisdictional minimum of this Court and which will be ascertained according to proof at trial.

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50. By failing to keep adequate time records required by California Labor Code section 1174, subdivision (d), Defendants have made it difficult to calculate the full extent of overtime compensation due to Plaintiff and the Class.

51. Plaintiff and the Class also request recovery of overtime compensation according to proof, interest, attorneys' fees and costs pursuant to California Labor Code section 1194, subdivision (a), as well as the assessment of any statutory penalties against Defendants, in a sum as provided by the California Labor Code and/or other statutes.

52. California Labor Code section 204 requires employers to provide employees with all wages due and payable twice a month. IWC Wage Orders also provide that every employer shall pay to each employee, on the established payday for the period involved, overtime wages for all overtime hours worked in the payroll period. Defendants failed to provide Plaintiff and the Class with all compensation due, in violation of California Labor Code section 204.

### THIRD CAUSE OF ACTION

### Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders)

(Against All Defendants)

53. Plaintiff incorporates all preceding paragraphs of this Complaint as though set forth fully herein.

54. At all relevant times, Defendants were aware of and were under a duty to comply with California Labor Code sections 226.7 and 512 and applicable sections of IWC Wage Orders.

55. California Labor Code section 512 prohibits an employer from employing an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, or for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.

56. Section 11 of Wage Order No. 4 provides, and at all times relevant hereto provided, in relevant part that:

No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will

complete the day's work the meal period may be waived by mutual consent of the employer and employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. An "on duty" meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time. If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each work day that the meal period is not provided.

57. Labor Code section 226.7 prohibits any employer from requiring any employee to work during any meal or rest period mandated by an applicable IWC wage order, and provides that an employer that fails to provide an employee with a required rest break or meal period shall pay that employee one additional hour of pay at the employee's regular rate of compensation for each work day that the employer does not provide a compliant meal or rest period.

58. Defendants knowingly failed to provide Plaintiff and the Class with meal periods as required by law. Defendants also failed to provide Plaintiff and the Class with any payment of meal premiums. Plaintiff and the Class are entitled to be paid one hour of premium wages rate for each workday he or she was not provided with all required meal break(s), plus interest thereon.

59. Plaintiff and the Class have therefore been damaged and are entitled to payment of the meal period premiums as provided by law.

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1 **FOURTH CAUSE OF ACTION**

2 **Failure to Provide Rest Periods (Lab. Code §§ 226.7, 512, and IWC Wage Orders)**

3 (Against All Defendants)

4 60. Plaintiff incorporates all preceding paragraphs of this Complaint as though set forth  
5 fully herein.

6 61. Section 12 of Wage Order No. 4 provides, and at all times relevant hereto provided,  
7 in relevant part that:

8 Every employer shall authorize and permit all employees to take rest  
9 periods, which insofar as practicable shall be in the middle of each  
10 work period. The authorized rest period time shall be based on the  
11 total hours worked daily at the rate of ten (10) minutes net rest time  
12 per four (4) hours or major fraction thereof. However, a rest period  
13 need not be authorized for employees whose total daily work time is  
14 less than three and one-half (3 ½) hours. Authorized rest period time  
15 shall be counted, as hours worked, for which there shall be no  
16 deduction from wages. If an employer fails to provide an employee  
17 a rest period in accordance with the applicable provisions of this  
18 Order, the employer shall pay the employee one (1) hour of pay at  
19 the employee's regular rate of compensation for each work day that  
20 the rest period is not provided.

21 62. California Labor Code section 226.7 prohibits any employer from requiring any  
22 employee to work during any meal or rest period mandated by an applicable IWC wage order, and  
23 provides that an employer that fails to provide an employee with a required rest break or meal  
24 period shall pay that employee one additional hour of pay at the employee's regular rate of  
25 compensation for each work day that the employer does not provide a compliant meal or rest  
26 period.

27 63. Defendants knowingly failed to provide Plaintiff and the Class with rest periods as  
28 required by law, and knowingly failed to authorize and permit Plaintiff to take rest periods as

1 required by law. Defendants also failed to provide Plaintiff and the Class with any payment of rest  
2 premiums. Plaintiff and the Class are entitled to be paid one hour of premium wages rate for each  
3 workday he or she was not provided with all required rest break(s), plus interest thereon.

4 64. Plaintiff and the Class have therefore been damaged and are entitled to payment of  
5 the meal and rest period premiums as provided by law.

#### 6 **FIFTH CAUSE OF ACTION**

##### 7 **Failure to Indemnify Necessary Business Expenses (Lab. Code § 2802)**

8 (Against All Defendants)

9 65. Plaintiff incorporates all preceding paragraphs of this Complaint as though set forth  
10 fully herein.

11 66. Defendants violated California Labor Code section 2802 and the IWC Wage  
12 Orders, by failing to pay and indemnify the Plaintiff and the Class for their necessary expenditures  
13 and losses incurred in direct consequence of the discharge of their duties or of their obedience to  
14 directions of Defendants.

15 67. As a result, Plaintiff and the Class were damaged at least in the amounts of the  
16 expenses they paid, or which were deducted by Defendants from their wages.

17 68. Plaintiff and the Class they represent are entitled to attorney's fees, expenses, and  
18 costs of suit pursuant to California Labor Code section 2802, subdivision (c) and interest pursuant  
19 to California Labor Code section 2802, subdivision (b).

#### 20 **SIXTH CAUSE OF ACTION**

##### 21 **Waiting Time Penalties (Lab. Code §§ 201-203)**

22 (Against All Defendants)

23 69. Plaintiff incorporates all preceding paragraphs of this Complaint as though set forth  
24 fully herein.

25 70. California Labor Code sections 201 and 202 require an employer to pay its  
26 employees all wages due immediately upon discharge or within 72 hours of resignation. This  
27 requirement applies to unpaid overtime wages. California Labor Code section 203 provides that if  
28 an employer willfully fails to pay such wages, the employer must continue to pay the subject

1 employee's wages until the back wages are paid in full or an action is commenced, up to a  
2 maximum of thirty days of wages.

3 71. Defendants willfully failed to pay Plaintiff and the Class their earned and unpaid  
4 wages for 30 days from the time such wages should have been paid under the Labor Code.

5 72. As a result of Defendants' willful failure to pay owed wages upon separation from  
6 employment, Plaintiff and the Class have been harmed and Defendants are liable for statutory  
7 waiting time penalties pursuant to California Labor Code section 203.

8 **SEVENTH CAUSE OF ACTION**

9 **Failure to Provide Accurate Wage Statements (Lab. Code § 226)**

10 (Against All Defendants)

11 73. Plaintiff incorporates all preceding paragraphs of this Complaint as though set forth  
12 fully herein.

13 74. California Labor Code section 226, subdivision (a) requires employers to provide  
14 employees, semi-monthly or at the time of each payment of wages, with a statement that accurately  
15 reflects certain itemized information including total number of hours worked.

16 75. Defendants knowingly and intentionally failed to furnish Plaintiff and the Class  
17 with timely and accurate wage statements that accurately reflected the total number of hours  
18 worked and wages earned, as required by California Labor Code section 226.

19 76. As a result of Defendants' failure to provide accurate itemized wage statements,  
20 Plaintiff and the Class suffered actual damages and harm by being unable to determine the amount  
21 of overtime worked each pay period in a timely manner, which prevented them from asserting their  
22 rights under California law.

23 77. Calculation of the true wage entitlement for Plaintiff and the Class is difficult and  
24 time consuming. As a result of this unlawful burden, Plaintiff and the Class were also injured as a  
25 result of having to bring this action to attempt to obtain correct wage information following  
26 Defendants' refusal to comply with many of the mandates of the California Labor Code and related  
27 laws and regulations.

28 //

78. Plaintiff and the Class are entitled to recover from Defendants their actual damages caused by Defendants' failure to comply with California Labor Code section 226, subdivision (a).

79. Plaintiff and the Class are also entitled to injunctive relief, as well as an award of attorney's fees and costs to ensure compliance with this section, pursuant to California Labor Code section 226, subdivision (h).

## EIGHT CAUSE OF ACTION

## Private Attorneys General Act (Lab. Code § 2698, *et seq.*)

(Against All Defendants)

80. Plaintiff incorporates all preceding paragraphs of this Complaint as though set forth fully herein.

81. At all times herein mentioned, Defendants were subject to the California Labor Code of the State of California and the applicable Industrial Welfare Commission Orders.

82. California Labor Code section 2699, subdivision (a) specifically provides for a private right of action to recover penalties for violations of the Labor Code: “notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of herself and other current or former employees pursuant to the procedures specified in Section 2699.3.”

83. Plaintiff has exhausted their administrative remedies pursuant to California Labor Code section 2699.3. On January 6, 2025, Plaintiff gave written notice by online filing to the Labor and Workforce Development Agency (“LWDA”) and by certified mail to Defendants the specific provisions of the California Labor Code that Defendants violated against Plaintiff and current and former aggrieved employees, including the facts and theories to support the violations. A true and correct copy of Plaintiff’s notice to LWDA and Defendants is attached as **Exhibit A**. Plaintiff’s LWDA case number is LWDA-CM-1071023-25.

1           84.     At the time of this filing, LWDA has not indicated that it intends to investigate  
2 Defendants' Labor Code violations discussed in the notice. If it does so, Plaintiff will amend her  
3 complaint. Otherwise, Plaintiff will proceed with this civil action to recover penalties under  
4 California Labor Code section 2699 pursuant to section 2699.3 for the violations of the Labor  
5 Code alleged herein. These penalties include, but are not limited to, penalties under California  
6 Labor Code sections 210, 226.3, 558, 1197.1, and 2699, subdivision (f)(2).

7           85.     In addition, Plaintiff seeks penalties for Defendants' violation of California Labor  
8 Code section 1174, subdivision (d). Pursuant to California Labor Code section 1174.5, any person,  
9 including any entity, employing labor who willfully fails to maintain accurate and complete  
10 records required by California Labor Code section 1174 is subject to a penalty under section  
11 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records  
12 showing when the employee begins and ends each work period. Meal periods, and total hours  
13 worked daily shall also be recorded.

14           86.     Additionally, pursuant to the applicable IWC Order § 7(A)(5), every employer shall  
15 keep total hours worked in the payroll period and applicable rates of pay.

16           87.     During the time period of employment for Plaintiff and the Aggrieved Employees,  
17 Defendants failed to maintain records pursuant to the California Labor Code and IWC Orders by  
18 failing to maintain accurate records showing meal periods, and accurate records showing when  
19 employees begin and end each work period. Defendants' failure to provide and maintain records  
20 required by the California Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved  
21 Employees the ability to know, understand and question the accuracy and frequency of meal  
22 periods, and the accuracy of their hours worked, as stated in Defendants' records. Therefore,  
23 Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all  
24 of which resulted in an unjustified economic enrichment to Defendants.

25           88.     As a direct result, Plaintiff and the Aggrieved Employees have suffered and  
26 continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest  
27 on such wages and expenses and attorney's fees in seeking to compel Defendants to fully perform  
28 its obligation under state law, all to their respective damage in amounts according to proof at trial.

1 Because of Defendants' knowing failure to comply with the California Labor Code and applicable  
2 IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they  
3 were prevented from knowing, understanding, and disputing the wage payments paid to them.

4 89. Based on the conduct described in this complaint, Plaintiff is entitled to an award of  
5 civil penalties on behalf of themselves, the State of California, and similarly Aggrieved Employees  
6 of Defendants. The exact amount of the applicable penalties, in all, is in an amount to be shown  
7 according to proof at trial. These penalties are in addition to all other remedies permitted by law.

8 90. In addition, Plaintiff seeks an award of reasonable attorney's fees and costs  
9 pursuant to California Labor Code section 2699, subdivision (g)(1), which states, "[a]ny employee  
10 who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs."

### 11 **NINTH CAUSE OF ACTION**

#### 12 **Private Attorneys General Act (Lab. Code § 2698, et seq.)**

#### 13 **(Against All Defendants)**

14 91. Plaintiffs incorporate all preceding paragraphs of this Complaint as though set forth  
15 here in.

16 92. At all times herein mentioned, Defendants were subject to the Labor Code of the  
17 State of California and the applicable Industrial Welfare Commission Orders.

18 93. Labor Code section 2699, subdivision (a) specifically provides for a private right of  
19 action to recover penalties for violations of the Labor Code: "Notwithstanding any other provision  
20 of law, any provision of this code that provides for a civil penalty to be assessed and collected by  
21 the Labor and Workforce Development Agency or any of its departments, divisions, commissions,  
22 boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered  
23 through a civil action brought by an aggrieved employee on behalf of herself and other current or  
24 former employees pursuant to the procedures specified in Section 2699.3."

25 94. Plaintiffs have exhausted their administrative remedies pursuant to California Labor  
26 Code section 2699.3. On October 18, 2024, Plaintiffs gave written notice by online filing to the  
27 Labor and Workforce Development Agency and by certified mail to Defendants of the specific  
28 provisions of the Labor Code that Defendants have violated against Plaintiffs and current and

former aggrieved employees, including the facts and theories to support the violations. (Attached as Exhibit A). Plaintiffs' PAGA case number is LWDA-CM-1071023-25.

95. At the time of this filing, the Labor and Workforce Development Agency has not indicated that it intends to investigate Defendants' Labor Code violations discussed in the notice. If it does so, Plaintiffs will amend their complaint. Otherwise, Plaintiffs may commence a civil action to recover penalties under Labor Code section 2699 pursuant to section 2699.3 for the violations of the Labor Code described in this Complaint. These penalties include, but are not limited to, penalties under California Labor Code sections 210, 226.3, 558, 1197.1, and 2699, subdivision (f)(2).

96. In addition, Plaintiffs seek penalties for Defendants' violation of California Labor Code section 1174, subdivision (d). Pursuant to California Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code section 1174 is subject to a penalty under section 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.

97. Additionally, pursuant to the applicable IWC Order § 7(A)(5), every employer shall keep total hours worked in the payroll period and applicable rates of pay. During the time period of employment for Plaintiffs and the Aggrieved Employees, Defendants failed to maintain records pursuant to the Labor Code and IWC Orders by failing to maintain accurate records showing meal periods, and accurate records showing when employees begin and end each work period. Defendants' failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiffs 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, Plaintiffs 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, Plaintiffs and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages,

1 lost interest on such wages and expenses and attorney's fees in seeking to compel Defendants to  
2 fully perform its obligation under state law, all to their respective damage in amounts according to  
3 proof at trial. Because of Defendants' knowing failure to comply with the Labor Code and  
4 applicable IWC Wage Orders, Plaintiffs and the Aggrieved Employees have also suffered an injury  
5 in that they were prevented from knowing, understanding, and disputing the wage payments paid  
6 to them.

7 98. Based on the conduct described in this Complaint, Plaintiffs are entitled to an award  
8 of civil penalties on behalf of themselves, the State of California, and similarly Aggrieved  
9 Employees of Defendants. The exact amount of the applicable penalties, in all, is in an amount to  
10 be shown according to proof at trial. These penalties are in addition to all other remedies permitted  
11 by law.

12 99. In addition, Plaintiffs seeks an award of reasonable attorney's fees and costs  
13 pursuant to California Labor Code section 2699, subdivision (g)(1), which states, "Any employee  
14 who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs."

### 15 **PRAYER FOR RELIEF**

16 Plaintiff, individually, and on behalf of all others similarly situated only with respect to the  
17 class claims, prays for relief and judgment against Defendants, jointly and severally, as follows:

#### 18 **Class Certification**

- 19 1. That this action be certified as a class action under California Code of Civil  
20 Procedure section 382;
- 21 2. That Plaintiff be appointed as the representatives of the Class; and
- 22 3. That counsel for Plaintiff be appointed as Class Counsel.

#### 23 **As to the First Cause of Action**

- 24 4. That the Court declare, adjudge and decree that Defendants violated California  
25 Labor Code sections 204 and 1194 and applicable IWC Wage Orders by willfully  
26 failing to pay all minimum wages due;
- 27 5. For general unpaid wages as may be appropriate;

6. For pre-judgment interest on any unpaid compensation commencing from the date such amounts were due;
7. For liquidated damages;
8. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to California Labor Code section 1194, subdivision (a); and,
9. For such other and further relief as the Court may deem equitable and appropriate.

As to the Second Cause of Action

10. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all overtime wages due;
11. For general unpaid wages at overtime wage rates as may be appropriate;
12. For pre-judgment interest on any unpaid overtime compensation commencing from the date such amounts were due;
13. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to California Labor Code section 1194, subdivision (a); and,
14. For such other and further relief as the Court may deem equitable and appropriate.

As to the Third Cause of Action

15. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 226.7 and 512, and the IWC Wage Orders;
16. For unpaid meal period premium wages as may be appropriate;
17. For pre-judgment interest on any unpaid compensation commencing from the date such amounts were due;
18. For reasonable attorneys' fees under California Code of Civil Procedure section 1021.5, and for costs of suit incurred herein; and
19. For such other and further relief as the Court may deem equitable and appropriate.

As to the Fourth Cause of Action

20. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 226.7 and 512, and the IWC Wage Orders;

- 1 21. For unpaid rest period premium wages as may be appropriate;
- 2 22. For pre-judgment interest on any unpaid compensation commencing from the date
- 3 such amounts were due;
- 4 23. For reasonable attorneys' fees under California Code of Civil Procedure section
- 5 1021.5, and for costs of suit incurred herein; and
- 6 24. For such other and further relief as the Court may deem equitable and appropriate.

7 As to the Fifth Cause of Action

- 8 25. That the Court declare, adjudge and decree that Defendants violated California
- 9 Labor Code section 2802 the IWC Wage Orders;
- 10 26. For general unpaid wages and reimbursement of business expenses as may be
- 11 appropriate;
- 12 27. For pre-judgment interest on any unpaid compensation commencing from the date
- 13 such amounts were due;
- 14 28. For reasonable attorneys' fees and for costs of suit incurred herein; and
- 15 29. For such other and further relief as the Court may deem equitable and appropriate.

16 As to the Sixth Cause of Action

- 17 30. That the Court declare, adjudge and decree that Defendants violated California
- 18 Labor Code sections 201, 202, and 203 by willfully failing to pay all compensation
- 19 owed at the time of termination of the employment;
- 20 31. For statutory wage penalties pursuant to California Labor Code section 203 for
- 21 former employees who have left Defendants' employ;
- 22 32. For pre-judgment interest on any unpaid wages from the date such amounts were
- 23 due;
- 24 33. For reasonable attorneys' fees and for costs of suit incurred herein; and
- 25 34. For such other and further relief as the Court may deem equitable and appropriate.

26 As to the Seventh Cause of Action

- 27 35. That the Court declare, adjudge and decree that Defendants violated the record
- 28 keeping provisions of California Labor Code section 226, subdivision (a) and

1 applicable IWC Wage Orders, and willfully failed to provide accurate itemized  
2 wage statements thereto;

3 36. For penalties and actual damages pursuant to California Labor Code section 226,  
4 subdivision (e);

5 37. For injunctive relief to ensure compliance with this section, pursuant to California  
6 Labor Code section 226, subdivision (h);

7 38. For reasonable attorneys' fees and for costs of suit incurred herein; and

8 39. For such other and further relief as the Court may deem equitable and appropriate.

9 As to the Eight Cause of Action

10 40. That the Court declare, adjudge and decree that Defendants violated the Labor Code  
11 by failing to pay minimum wages, failing to provide meal periods, failing to  
12 authorize and permit rest periods, failing to maintain accurate records of hours  
13 worked and meal periods, failing to timely pay all wages to terminated employees,  
14 and failing to furnish accurate wage statements;

15 41. For all civil penalties pursuant to California Labor Code section 2699, *et seq.*, and  
16 all other applicable Labor Code provisions;

17 42. For reasonable attorneys' fees and costs of suit incurred herein pursuant to Labor  
18 Code section 2699; and

19 43. For such other and further relief as the Court may deem equitable and appropriate.

20 As to the Ninth Cause of Action

21 44. That the Court declare, adjudge and decree that Defendants violated the Labor Code  
22 by failing to pay minimum wages, failing to provide meal periods, failing to  
23 authorize and permit rest periods, failing to maintain accurate records of hours  
24 worked and meal periods, failing to timely pay all wages to terminated employees,  
25 and failing to furnish accurate wage statements;

26 45. For all civil penalties pursuant to California Labor Code section 2699, *et seq.*, and  
27 all other applicable Labor Code provisions;

1           46.     For reasonable attorneys' fees and costs of suit incurred herein pursuant to Labor  
2                   Code section 2699; and

3           47.     For such other and further relief as the Court may deem equitable and appropriate.

4                               As to All Causes of Action

5           48.     For any additional relief that the Court deems just and proper.

6  
7     Dated: January 6, 2025

MILLS SADAT DOWLAT LLP

8  
9     By: \_\_\_\_\_

  
\_\_\_\_\_ Arash Sadat \_\_\_\_\_

10  
11           Attorneys for Plaintiff Yessenia Serna  
12           and the Putative Class  
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# **EXHIBIT A**

January 6, 2025

**VIA ELECTRONIC SUBMISSION;  
VIA CERTIFIED MAIL TO EMPLOYER**

California Labor and Workforce Development Agency  
Attn: PAGA Administrator  
455 Golden Gate Avenue, 9th Floor  
San Francisco, CA 94102

Tax Processing Solutions, LLC  
16808 Armstrong Ave, # 215  
Irvine, CA 92606

TR Accounting  
135 S State College Blvd, Suite 200  
Brea, CA 92821

**Re: Notice of Claim Under Private Attorneys General Act ("PAGA")**

Dear LWDA:

My firm represents Yessenia Serna ("Plaintiff") and all other aggrieved employees who intend to file an action against TR Accountants ("Defendant" or "TR Accountants") and Tax Processing Solutions, LLC ("Defendant" or "Tax Processing Solutions") in connection with Defendants' violations of the California Labor Code. This letter shall serve as notice, and a request, pursuant to Labor Code section 2699.3, *et seq.* ("PAGA"), that the Labor and Workforce Development Agency ("LWDA") investigate the violations by Defendants described herein against Plaintiff and other current and/or former employees. If LWDA does not intend to investigate the violations described herein, we respectfully request that the agency specifically notify our office of the same at your earliest possible opportunity.

**Statement of Specific Provisions of the Labor Code Violated**

Plaintiffs intend to prosecute a civil action against Defendants for violations of Labor Code sections 201-204, 226, subdivision (a), 226.7, 510, 512, 558, 1182.12, 1194, 1198, and 2802.

**Facts and Theories in Support of Violations**

Defendants provide accounting services and are registered to do business in the State of California. Defendants employed Plaintiff from on or about April 10, 2023, through March 29, 2024, Plaintiff worked as a Case Manager and Case Advocate.

Plaintiff was also not reimbursed for reasonable expenses necessarily incurred in the performance of her job duties. Defendants willfully ignored California meal and rest break laws and instituted a policy where Plaintiff was not allowed rest breaks and frequently missed meal breaks, or had meal breaks interrupted. Plaintiff was issued inaccurate wage statements, which failed to list premium pay. Plaintiff is informed and believes, and on that basis alleges, that Defendants failed to notify other employees of their premium pay for each payroll period.

### **Failure to Provide Accurate Wage Statements**

Pursuant to Labor Code section 226 (“Section 226”), subdivision (a), an employer is required to provide itemized wage statements. Plaintiff was issued inaccurate wage statements, which failed to list premium pay and all hours worked. Plaintiff is informed and believes, and on that basis alleges, that Defendants failed to notify other employees of their premium pay for each payroll period and their accurate total of hours worked.

### **Failure to Reimburse Necessary Business Expenses**

Pursuant to Labor Code section 2802, an employee is entitled to be reimbursed by an employer for “all necessary expenditures or losses incurred by the employee in direct consequence of discharge of his or her duties.” Defendants failed to reimburse Plaintiff for necessary business expenses.

As a result of these Labor Code violations, Defendants is liable for civil penalties. (Lab. Code § 2698, *et seq.*)

### **Penalties for Unpaid Wages**

Pursuant to Labor Code section 558, subdivision (a), and employer who violates “any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty.” (Lab. Code § 558, subd. (a).)

An employer’s initial violation is subject to a “fifty dollar penalty (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.” (*Ibid.*) Thereafter, each subsequent violation is subject to a penalty of “one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages.” (*Ibid.*)

Here, Defendants’ personnel were often required to work more than 8 hours per day to complete work within the timeframes dictated by Defendants. Because Defendants misclassified them, they were not paid their earned overtime. Defendants is therefore liable for civil penalties under section 558, subdivision (a).

//

### **Unlawful Failure to Provide Uninterrupted Off-Duty Meal and Rest Periods**

Plaintiff and similarly situated employees regularly worked in excess of five hours per day without being provided at least one half-hour meal period in which they were relieved of all duties. (Lab. Code §§ 226.7, 512; *see also* Industrial Welfare Commission Order No. 4-2001.) Plaintiff and similarly situated employees also regularly worked in excess of four hours without being provided at least a ten-minute rest period in which they were relieved of all their duties. (Lab. Code §§ 226.7, 512; *see also* Industrial Welfare Commission Order No. 4-2001.)

Throughout Plaintiff's employment, she was not able to take uninterrupted off-duty meal and rest periods in accordance with Labor Code. Defendants did not maintain a policy that ensured Plaintiff received requisite meal and rest periods. Furthermore, Defendants caused Plaintiff to miss meal and rest periods and failed to pay her the premium compensation mandated by Labor Code section 226.7, subdivisions (b)-(c). As a result of these Labor Code violations, Defendants is liable for civil penalties. (Lab. Code § 2698, *et seq.*)

### **Conclusion**

As described above, Defendants has violated numerous wage and hour provisions of the Labor Code. As a result, Defendants is liable to Plaintiff and other current and former employees for civil penalties, attorney's fees, and costs, pursuant to Labor Code sections 210, 201-204, 226, subdivision (a), 226.7, 510, 512, 558, 1182.12, 1194, 1198, and 2802.

This letter shall serve as Plaintiff's notice pursuant to Labor Code section 2699.3 and we ask that LWDA conduct an investigation concerning the violations described herein. Alternatively, if LWDA does not intend to investigate these violations, we ask that it issue a notification letter to our office confirming the same so that we may proceed with our civil action asserting the PAGA claims described herein.

Please feel free to contact me if you have any questions or if you would like to discuss this matter further. Nothing in this letter is intended to be, or should be construed as, an admission against the interests of Plaintiff or other current or former employees of Defendants and shall not be construed as a waiver of their rights, remedies, claims, or defenses, all of which are expressly reserved.

Sincerely,



Arash Sadat