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County of San Diego

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Clerk of the Superior Court
By E. Lopez , Deputy Clerk

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

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

Plaintiffs,

vs.

PKL SERVICES, INC.; 4M HR LOGISTICS;
and DOES 1 through 50, inclusive,

Defendants.

Case No. 25CU022118C

**REPRESENTATIVE ACTION
COMPLAINT**

1. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

1 Plaintiff DANNY BALVANEDA, on behalf of all others similarly situated and the State of
2 California under the Private Attorneys General Act (“Plaintiff”) brings this REPRESENTATIVE
3 ACTION COMPLAINT against Defendants PKL SERVICES, INC.; 4M HR LOGISTICS; and DOES
4 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

5 **INTRODUCTION**

6 1. This is a representative action complaint brought under the California Private Attorneys
7 General Act (Labor Code 2968 *et seq.*).

8 2. Defendants failed to pay Plaintiff and the aggrieved employees for all hours suffered
9 or permitted to work in violation of the applicable IWC Wage Order.

10 3. Defendants’ underpayment of wages was facilitated by their unlawful company-wide
11 policy and practices of time-rounding, off-the-clock work, and by failing to include all additional
12 forms of non-discretionary remuneration into the regular rate of pay.

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

16 5. Defendants failed to reimburse Plaintiff and aggrieved employees for necessary
17 expenses incurred in furtherance of the aggrieved employees’ job duties.

18 6. Defendants failed to provide all paid sick leave due to Defendants’ policy and practice.

19 7. Defendants’ employment policies, practices, and payroll administration systems
20 enabled and facilitated these violations on a company-wide basis with respect to the aggrieved
21 employees.

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

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

26 **JURISDICTION & VENUE**

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

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

12. 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.

13. 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 Danny Balvaneda

14. Plaintiff Balvaneda is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about May 2024 to December 2024. Plaintiff worked as a Aircraft Mechanic.

15. 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

16. Defendant PKL Services, Inc. is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

17. Defendant 4M HR Logistics is a Texas corporation that maintains operations and conducts business throughout the State of California, including in this county.

18. 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

1 by such fictitious names under Code of Civil Procedure section 474. Upon information and belief,
2 each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some
3 manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their
4 true names and capacities once ascertained.

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

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

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

17 **GENERAL ALLEGATIONS**

18 22. Plaintiff and aggrieved employees worked for Defendants as non-exempt employees
19 and were compensated on an hourly basis.

20 23. Defendants failed to pay Plaintiff and the aggrieved employees all minimum wages
21 owed. Defendants had an unlawful policy and practice of requiring Plaintiff and the aggrieved
22 employees to round their time worked. Specifically, Plaintiff and the aggrieved employees would
23 clock in when they arrived at work. This would often be earlier than their scheduled shift because of
24 the demands of the job and pressure to timely complete tasks such as unwrapping aircraft parts.
25 However, Defendants mandated Plaintiff and the aggrieved employees to report only 8 hours worked
26 even when Plaintiff and the aggrieved employees were completing work before their shift.
27 Specifically, Defendants required Plaintiff and the aggrieved employees to round up their hours to
28 their scheduled start time when submitting their time worked. Due to this unlawful time-rounding

practice, all hours worked were not directly compensated, resulting in the underpayment of regular and overtime wages to Plaintiff and the aggrieved employees.

24. Defendants engaged in an unlawful policy and practice of requiring Plaintiff and the aggrieved employees to complete work while off-the-clock. Specifically, Defendants required Plaintiff and the aggrieved employees to clean up and put tools away while off-the-clock. Due to the high demands of the job, Plaintiff and the aggrieved employees were unable to complete all required tasks during their scheduled shift. Plaintiff and the aggrieved employees were not provided with additional time to clean up and put all tools away, and as a result, were forced to complete this while off-the-clock resulting in unpaid hours worked.

25. Plaintiff and the aggrieved employees often were not paid for all hours worked due to an error with Defendant's timekeeping system. Specifically, Plaintiff and the aggrieved employees would record their hours worked. However, this time would not be accurately reflected on their paystubs resulting in unpaid hours worked. On these days, Plaintiff and the aggrieved employees notified Defendants of this error. However, Defendants would fail to correct this issue, resulting in unpaid minimum wages.

26. Defendants failed to pay Plaintiff and the aggrieved employees overtime wages at the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. As stated above, Defendants engaged in an unlawful policy and practice of requiring Plaintiff and the aggrieved employees to round their time worked and complete work off-the-clock. To the extent that these unlawful practices resulted in unpaid hours worked over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

27. Defendants failed to pay Plaintiff and the aggrieved employees overtime wages for all work in excess of 8 hours in one workday and any work more than 40 hours in any one workweek. Plaintiff's time records show he worked 10 hours on 9/23/24, 9/24/24, and 9/25/24. However, despite working over 8 hours in a day and sometimes 40 hours in a week, Defendant failed to pay Plaintiff overtime. Plaintiff's wage statement for the corresponding pay period shows Defendants only paid Plaintiff and aggrieved employees 40 hours in a week and did not account for overtime when Plaintiff and aggrieved employees worked more than 8 hours in a day.

1 28. Additionally, Defendants failed to pay Plaintiff and the aggrieved employees overtime
2 wages at the regular rate of pay. Plaintiff and the aggrieved employees earned commissions, shift
3 differentials, and other forms of non-excludable remuneration which they failed to include in the
4 overtime rate. An illustrative example of Defendant's regular rate of pay violation is found on
5 Plaintiff's wage statement for the pay period from 3/02/24 to 3/15/24 as it pertains to overtime. During
6 this pay period, Plaintiff earned \$507 in additional remuneration titled "H/W 6.50." However,
7 Defendants failed to properly include the additional pay in Plaintiff's overtime rate, as the 12 overtime
8 hours were paid at 1.5x Plaintiff's base rate of \$36.81, rather than 1.5x his regular rate of pay.
9 Additionally, the 8 double time hours were paid at 2x Plaintiff's base rate of \$36.81, rather than 2x his
10 regular rate of pay. Defendants committed the same "regular rate of pay" violation against Plaintiff
11 and other aggrieved employees as a matter of common policy in a manner susceptible to common
12 proof. This resulted in the underpayment of overtime wages to employees.

13 29. Defendants failed to comply with California's paid sick leave laws with respect to the
14 aggrieved employees. Upon information and belief, Defendants failed to pay sick leave at the correct
15 rate because they failed to factor in bonuses, commissions, and/or other forms of remuneration, as
16 required by section 246. Instead, Defendants paid sick leave to Plaintiff and the aggrieved employees
17 at their base hourly rate, resulting in inaccurate sick leave accrual. The failure to calculate and pay
18 sick leave at one of the lawful rates set forth in Labor Code § 246(1)(1)-(3) and 247 *et seq.* was applied
19 as a matter of common policy and practice to aggrieved employees in those periods where they earned
20 additional payments, or other forms of non-excludable remuneration, such as the "H/W 6.50"
21 remuneration and also received paid sick leave.

22 30. Plaintiff and other aggrieved employees routinely experienced missed, late, short, and
23 interrupted meal periods in order to keep up with the high demands of the job. For example, Plaintiff
24 and the aggrieved employees often experienced interrupted meal periods. Defendants often asked
25 Plaintiff and the aggrieved employees questions during their meal periods. Specifically, Plaintiff's
26 work leader often asked Plaintiff questions about specific jobs he was working on. This resulted in
27 Plaintiff and the aggrieved employees often experiencing interrupted or otherwise non-complaint meal
28 periods.

1 31. Defendants also would automatically include compliant meal periods on Plaintiff and
2 the aggrieved employees' time records when in reality, they did not take a compliant meal period.
3 Specifically, the time records for Plaintiff and, on information and belief, the aggrieved employees
4 reflect automatic deductions of 0.5 hours (or 30 minutes) each workday, regardless of whether a
5 compliant meal period was taken. Thus, Defendants failed to pay Plaintiff and the aggrieved
6 employees' meal period premiums each time a non-compliant meal period was automatically
7 deducted.

8 32. To the extent Defendants ever paid a meal period premium, Defendants failed to pay
9 premiums at the regular rate of compensation because the premium did not factor in non-discretionary
10 bonuses or other forms of remuneration, including the "H/W 6.50" remuneration, instead electing to
11 pay aggrieved employees at their base hourly rate or an otherwise deficient rate, in violation of
12 California law.

13 33. Defendant failed to provide all rest periods to Plaintiff and the aggrieved employees.
14 Due to the demands of the job, Plaintiff and other aggrieved employees were not permitted to take rest
15 periods. Specifically, Plaintiff and the aggrieved employees were often asked questions about specific
16 jobs they were working on at all times of the day and were required to timely respond. This prevented
17 Plaintiff and the aggrieved employees from taking a compliant rest period. As a result, Plaintiff and
18 the aggrieved employees would not receive their lawful 10-minute paid rest period. Each time Plaintiff
19 and the aggrieved employees experienced a noncompliant rest period, they were owed a rest period
20 premium at the lawful rate. However, as a matter of policy and practice, Defendants failed to pay
21 Plaintiff and other aggrieved employees a rest period premium at the lawful rate of pay.

22 34. To the extent Defendants ever paid a rest period premium, Defendants violated Labor
23 Code section 226.7 because such premiums were not paid at the regular rate of compensation to
24 aggrieved employees, which would have factored in all additional non-excludable remuneration
25 including the "H/W 6.50" remuneration into the premium rate.

26 35. Defendants required Plaintiff and the aggrieved employees to incur costs for work-
27 related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and
28

the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice.

36. Defendants required Plaintiff and the aggrieved employees to use their personal cell phones for work related purposes. For example, Plaintiff and the aggrieved employees were not provided with work phones to use on flights. Therefore, Defendants called Plaintiff and the aggrieved employees on their personal cell phones to notify them of any updates. Further, Plaintiff and the aggrieved employees were required to log all their hours worked through an application on their personal cell phones. Defendants did not reimburse Plaintiff and the aggrieved employees for using their personal cell phones for work-related purposes.

37. Moreover, Plaintiff and the aggrieved employees were not provided all necessary tools to complete their job duties. For example, Plaintiff was required to supply and use his own tools for work-related purposes. Specifically, Plaintiff paid approximately \$1,500 for all necessary tools. However, Defendants failed to provide Plaintiff and the aggrieved employees with all necessary tools to complete work-related duties.

38. Plaintiff's and the aggrieved employees' personal cell phones and tools were necessary to complete the required job duties because Defendants did not provide employees with work cell phones or all necessary tools. Thus, in direct consequence of their job duties, Plaintiff and the aggrieved employees were required to provide and use their own personal cell phones and tools for work-related purposes. Defendants did not adequately reimburse Plaintiff and other aggrieved employees for expenses incurred that were necessary for the job.

39. 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.

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

5 41. Defendants failed to provide accurate itemized wage statements to the aggrieved
6 employees each pay period as a result of the policies and practices set forth in this notice. Defendants
7 violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net
8 wages earned,” as the employees earned wages and premiums that were not paid, resulting in an
9 inaccurate reflection, and recording of “gross wages earned” on those wage statements.

10 42. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on
11 employee wage statements each pay period the applicable rates in effect and the number of hours
12 worked at that rate, as Defendants failed to list Plaintiff’s and the aggrieved employees’ rate and all
13 hours worked due to Defendants’ policy and practice of requiring Plaintiff and the aggrieved
14 employees to round their time worked and complete work off-the-clock. Further, Defendants failed to
15 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 43. Further, Defendants failed to accurately list Plaintiff’s and the aggrieved employees’
18 applicable hourly rates in effect and number of hours worked. Defendants failed to list Plaintiff’s and
19 the aggrieved employees’ hourly rate for the corresponding wages earned. Plaintiff earned an hourly
20 rate of \$36.81, but the wage statements do not list this rate for the pay period from 03/02/24 to
21 03/15/24. Defendants also failed to include the applicable hourly rate and total hours worked for the
22 “H/W 6.50” remuneration. Plaintiff and other aggrieved employees cannot promptly and easily
23 determine from the wage statement alone the rate and hours worked without reference to other
24 documents or information.

25 44. Indeed, these wage statement violations are significant because they sow confusion
26 among Plaintiff and other aggrieved employees with respect to what amounts were owed and paid, at
27 what rates, the number of hours worked, and how those amounts were or should be calculated. The
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1 wage statements reflect a false statement of earnings and concealed the underlying problems and
2 underpayments of employee wages.

3 45. Because of these policies and practices set forth above, Defendants failed to accurately
4 maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

5 **FIRST CAUSE OF ACTION**

6 **CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT**

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

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

9 46. All outside paragraphs of this Complaint are incorporated into this section.

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

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

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

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

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

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

4 52. Labor Code section 2699.3 sets forth the procedure for commencing an action for civil
5 penalties under the PAGA.

6 53. On or about **February 7, 2025**, Plaintiff paid the requisite PAGA filing fee and
7 provided written notice (by online electronic filing with the LWDA and by certified mail to
8 Defendants) of Defendants’ alleged Labor Code violations, including the facts and theories to support
9 the alleged violations.

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

13 55. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
14 written PAGA notice from the LWDA.

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

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

22 58. As set forth in the PAGA notice attached as Exhibit 1 and incorporated into this
23 Complaint, Defendants committed the following violations and are liable for all corresponding civil
24 penalties:

25 a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194,
26 1197, 1198; IWC Wage Orders.

27 b. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage
28 Orders.

- 1 c. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- 2 d. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512,
- 3 1198; IWC Wage Orders.
- 4 e. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516,
- 5 1198; IWC Wage Orders.
- 6 f. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code
- 7 §§ 204, 204b, 210.
- 8 g. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of
- 9 Labor Code §§ 201, 202, 203, 256.
- 10 h. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- 11 i. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.
- 12 j. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC
- 13 Wage Orders.

14 59. Plaintiff seeks to collect all recoverable civil penalties for the Labor Code violations

15 alleged in this Complaint and the PAGA notice (including amendments thereto) against Defendants

16 pursuant to Labor Code section 2699(a) and (f), in addition to attorneys' fees, costs, and interest to the

17 extent permitted by law, including under Labor Code section 2699(k).

18 **PRAYER**

19 Plaintiff prays for judgment as follows:

- 20 a. For recovery of damages in amount according to proof;
- 21 b. For all recoverable pre- and post-judgment interest;
- 22 c. For this action to be maintained as a representative action under the PAGA;
- 23 d. For Plaintiff and counsel of record to be provided with all enforcement capability as if
- 24 the action were brought by the State of California or the California Division of Labor
- 25 Enforcement;
- 26 e. For recovery of all civil penalties and other recoverable amounts under the PAGA;

27 ///

28 ///

- 1 f. 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 g. For such other relief the Court deems just and proper.

5
6 Dated: April 28, 2025

Ferraro Vega Employment Lawyers, Inc.

7 
8 _____
Nicholas J. Ferraro
9 *Attorneys for Plaintiff Danny Balvaneda*

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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February 7, 2025

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

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

PKL Services, Inc.
14265 Danielson Street, #C-1
Poway, CA 92064

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

4M HR Logistics
1218 Arion Pkwy, Suite 122
San Antonio, TX 78216

Dear LWDA Officer and Company Representatives:

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

PKL SERVICES, INC.;
4M HR LOGISTICS

Defendants 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 is 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 Aircraft Mechanic from about May 2024 to December 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.

First, Defendants had an unlawful policy and practice of requiring Plaintiff and the aggrieved employees to round their time worked. Specifically, Plaintiff and the aggrieved employees would clock in when they arrived at work. This would often be earlier than their scheduled shift because of the demands of the job and pressure to timely complete tasks such as unwrapping aircraft parts. However, Defendants mandated Plaintiff and the aggrieved employees to report only 8 hours worked even when Plaintiff and the aggrieved employees were completing work before their shift. Specifically, Defendants required Plaintiff and the aggrieved employees to round up their hours to their scheduled start time when submitting their time worked. Due to this unlawful time-rounding practice, all hours worked were not directly compensated, resulting in the underpayment of regular and overtime wages to Plaintiff and the aggrieved employees.

Second, Defendants engaged in an unlawful policy and practice of requiring Plaintiff and the aggrieved employees to complete work while off-the-clock, resulting in unpaid minimum wages. Specifically, Defendants required Plaintiff and the aggrieved employees to clean up and put tools away while off-the-clock. Due to the high demands of the job, Plaintiff and the aggrieved employees were unable to complete all required tasks during their scheduled shift. Plaintiff and the aggrieved employees were not provided with additional time to clean up and put all tools away, and as a result, were forced to complete this while off-the-clock resulting in unpaid hours worked.

Third, Plaintiff and the aggrieved employees often were not paid for all hours worked due to an error with the timekeeping system. Specifically, Plaintiff and the aggrieved employees would record their hours worked. However, this time would not be accurately reflected on their paystubs resulting in unpaid hours worked. On these days, Plaintiff and the aggrieved employees notified Defendants of this error. However, Defendants would fail to correct this issue, resulting in unpaid minimum wages. An illustrative example of this is shown below:

Line No	Project Pay Type Account	Labor Organization GLC	Charge Description	Sat 11/09	Sun 11/10	Mon 11/11	Tue 11/12	Wed 11/13	Thu 11/14	Fri 11/15	Sat 11/16	Sun 11/17	Mon 11/18	Tue 11/19	Wed 11/20	Thu 11/21	Fri 11/22	Line
1	10084.7011.0000.0000 R 5000-10	MVMU 1.1.400.ARO.AM 23023	CTF MV-22MiramarLaborO				8.00	8.00	8.00	8.00			8.00	8.00	8.00	7.50	6.00	69.50
2	LEAVE.00.0000.NSCA.018 PTO 2300-20	MVMU 1.1.400.ARO.AM 23023	18 - PTO Accrd BWS													0.50	2.00	2.50
3	LEAVE.00.0000.HOL0.018 HOL 6000-50	MVMU 1.1.400.ARO.AM 23023	18 - Holiday			8.00												8.00
4																		
5																		
6																		
7																		
8																		
9																		
			Total Regular Hours:			8.00	8.00	8.00	8.00	8.00			8.00	8.00	8.00	8.00	8.00	80.00
			Total Overtime Hours:															
			Total Hours:			8.00	8.00	8.00	8.00	8.00			8.00	8.00	8.00	8.00	8.00	80.00

Control Number	Pay Period Start Date	Pay Period End Date	Rate Type	FLSA	Pay Frequency		
12551	11/09/24	11/22/24	Salaried	Non-Exempt	Bi-Weekly		
Earnings	Hours	Amount	Year-to-Date		Deduction	Amount	Year-to-Date
Double T	0.00	0.00	588.96		401K First Hill - 10084	87.32	5,791.50
H/W 6.50	0.00	0.00	4,765.93		401K U Loan 1 Princ - Multi	0.00	209.10
Holiday	8.00	363.84	3,968.33		Arrears Basic Life Post Tax	0.00	1.77
OT	0.00	0.00	773.01		Basic Life Arrears	0.00	3.35
Personal	0.00	0.00	5,358.61		Basic Life Insurance	0.00	31.82
REG	16.00	727.68	61,577.82		Basic Life Post Tax	1.81	43.05
Sick Lea	0.00	0.00	1,819.20		Dental	0.00	160.58

Extract from Plaintiff's time records and wage statement for pay period 11/09/24 to 11/22/24

Here, Plaintiff's time records show he worked 80 hours during the pay period 11/09/24-11/22/24. However, Plaintiff's wage statement for the corresponding pay period shows Plaintiff was only paid for 24 hours worked. Plaintiff notified his supervisor of this error. However, Plaintiff's records show Defendants failed to correct this. As a result, Defendants failed to pay Plaintiff, and, on information and belief, the other aggrieved employees for all hours worked.

Fourth, Plaintiff and the aggrieved employees routinely experienced interrupted meal and rest periods, without compensation. However, Defendants would automatically include compliant meal periods on their time records when in reality, they did not take a compliant meal period. This unlawful practice resulted in off-the-clock work without compensation.

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.

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.

First, as stated in the “Unpaid Hours Worked” section above, Defendants engaged in an unlawful policy and practice of requiring Plaintiff and the aggrieved employees to round their time worked and complete work off-the-clock. To the extent that these unlawful practices resulted in unpaid hours worked over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

Second, Defendants failed to pay Plaintiff and the aggrieved employees overtime wages for all work in excess of 8 hours in one workday and any work more than 40 hours in any one workweek. An illustrative example of this is shown below:

PKL SERVICES, INC.
Employee Timesheet

Employee: Balvaneda, Danny
Employee Id: 12551
Class: Union 3rd MAW MV-22
Printed: 12/19/24 10:23 AM

Revision: 8
Schedule: Bi-Weekly
Period Ending: 09/27/24
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Line No	Project	Labor	Charge Description	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Line
	Pay Type	Organization		09/14	09/15	09/16	09/17	09/18	09/19	09/20	09/21	09/22	09/23	09/24	09/25	09/26	09/27	Total
	Account	GLC																
1	10084.7011.0000.0000	MVMU	CTT MV-22MiramarLaborO			4.30	8.00	8.00	8.00	8.00			10.00	10.00	10.00			66.30
	R	1.1.400.ARO.AM																
	5000-10	23023																
	LEAVE.00.0000.NSCA.018	MVMU	18 - PTO Accrd BWS			3.30										8.00		11.30

PKL SERVICES, INC.

STATEMENT OF EARNINGS AND DEDUCTIONS FOR THE PERIOD 09/14/24 TO 09/27/24

CONTROL NUMBER		EMPLOYEE ID		NAME		PAY PERIOD		DEPOSIT NUMBER	
		12551		Balvaneda, Danny		09/27/24		62551	
EARNINGS		HOURS	AMOUNT	DEDUCTION	AMOUNT	Y-T-D	DEDUCTION	AMOUNT	Y-T-D
Personal	11.30	513.92	1XBARR	0.00	1.77		MVBayBr	30.97	619.40
REG	66.30	3015.32	401K2LN	0.00	209.10		MVUnMch	282.34	4983.78
			Dental	0.00	160.58		UnDuMV22	45.60	912.00
			DntlArRs	0.00	15.23		Vision	0.00	23.58
			Health	0.00	3608.79		VsnArRs	0.00	2.70
			HlthArRs	0.00	436.82				
			HSallow	88.46	1680.74				
			Life	1.81	35.81				
			LifeArRs	0.00	3.35				
			Life	0.00	31.82				
GROSS		FED. TAX	SOC SEC	MEDICARE	STATE TAX	OTHER TAX	DEDUCTIONS	NET PAY	
CURRENT		3,529.24	381.05	213.33	49.89	152.53	37.85	449.18	2,245.41
Y-T-D		68,755.30	6,594.76	3,893.12	910.45	2,615.21	690.71	12,725.47	41,325.58

Extract from Plaintiff's time records and wage statement for pay period 09/14/24 to 09/27/24

Here, Plaintiff's records show he worked 10 hours on 09/23/24, 09/24/24, and 09/25/24. However, despite working over 8 hours in a day and sometimes 40 hours in a week, Defendants failed to pay Plaintiff overtime. Plaintiff's wage statement for the corresponding pay period shows Defendants only paid Plaintiff and the aggrieved employees 40 hours in a week and did not account for overtime when Plaintiff and the aggrieved employees worked more than 8 hours in a day.

Third, Defendants failed to pay overtime at the regular rate of pay. Plaintiff and the aggrieved employees earned commissions, shift differentials, and other forms of non-excludable remuneration which they failed to include in the overtime rate. An illustrative example of Defendants' regular rate of pay violation is found on Plaintiff's wage statement for the pay period from 03/02/24 to 03/15/24 as it pertains to overtime is shown below:

PKL SERVICES, INC.

STATEMENT OF EARNINGS AND DEDUCTIONS FOR THE PERIOD 03/02/24 TO 03/15/24

CONTROL NUMBER		EMPLOYEE ID		NAME		PAY PERIOD		DEPOSIT NUMBER				
		12551		Balvaneda, Danny		03/15/24		42388				
EARNINGS		HOURS	AMOUNT	DEDUCTION		AMOUNT	Y-T-D	DEDUCTION		AMOUNT	Y-T-D	
Double T	8.00	588.96	1XBARR			0.00	1.77	MVBayBr			30.97	185.82
H/W 6.50	0.00	507.00	401K2LN			34.85	69.70	MVUnMch			370.38	1667.15
Holiday	8.00	294.48	Dental			16.62	99.72	UnDumV22			45.60	273.60
OT	12.00	662.58	DntlArRs			0.00	15.23	Vision			2.62	15.72
Personal	6.00	220.86	Health			400.72	2404.32	VsnArRs			0.00	2.70
REG	64.00	2355.84	HlthArRs			0.00	436.82					
			HSallow			88.46	530.76					
			Life			1.78	10.68					
			LifeArRs			0.00	3.35					
			Life			3.35	20.10					
GROSS		FED. TAX	SOC SEC	MEDICARE	STATE TAX	OTHER TAX	DEDUCTIONS	NET PAY				
CURRENT	4,629.72	510.66	255.31	59.71	212.80	45.30	995.35	2,550.59				
Y-T-D	20,839.34	1,604.52	1,073.26	251.00	624.50	190.42	5,737.44	11,358.20				

Extract from Plaintiff's wage statement for pay period 03/02/24 to 03/15/24

During this pay period, Plaintiff earned \$507 in additional remuneration titled “H/W 6.50.” However, Defendants failed to properly include the additional pay in Plaintiff’s overtime rate, as the 12 overtime hours were paid at 1.5x Plaintiff’s base rate of \$36.81, rather than 1.5x his regular rate of pay. Additionally, the 8 double time hours were paid at 2x Plaintiff’s base rate of \$36.81, rather than 2x his regular rate of pay. Defendants committed the same “regular rate of pay” violation against Plaintiff and other aggrieved employees as a matter of common payroll administration and company policy in a manner susceptible to common proof. This resulted in the underpayment of overtime wages to employees.

For each overtime hour worked during the period in which Plaintiff and the aggrieved employees earned the additional forms of remuneration, Defendants 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. Upon information and belief, Defendants 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, Defendants paid sick leave to Plaintiff and the aggrieved employees at their base hourly rate, resulting in inaccurate sick leave accrual.

The failure to calculate and pay sick leave at one of the lawful rates set forth in Labor Code § 246(l)(1)-(3) and 247 *et seq.* was applied as a matter of common policy and practice to aggrieved employees in those periods where they earned additional payments, or other forms of non-excludable remuneration, such as the “H/W 6.50” remuneration and also received paid sick leave.

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. Additionally, as a matter of policy and practice, Defendants failed to pay Plaintiff and the other aggrieved employees meal period premiums.

First, Plaintiff and other aggrieved employees routinely experienced missed, late, short, and interrupted meal periods in order to keep up with the high demands of the job. For example, Plaintiff and the aggrieved employees often experienced interrupted meal periods. Defendants often asked Plaintiff and the aggrieved employees questions during their meal periods. Specifically, Plaintiff’s work leader often asked Plaintiff questions about specific jobs he was working on. This resulted in Plaintiff and the aggrieved employees often experiencing interrupted or otherwise non-complaint meal periods.

Second, as mentioned above, despite Defendants’ failure to provide compliant meal periods, Defendants willfully engaged in this auto-deduct policy for meal periods. Specifically, the time records for Plaintiff and, on information and belief, the aggrieved employees reflect automatic deductions of 0.5 hours (or 30 minutes) each workday, regardless of whether a compliant meal period was taken. Thus, Defendants failed to pay Plaintiff and the aggrieved employees’ meal period premiums each time a non-compliant meal period was automatically deducted.

Each time Plaintiff and the aggrieved employees experienced a non-compliant meal period, Plaintiff and the aggrieved employees were owed a meal period premium. As a matter of common practice, Defendants failed to pay all owed meal period premiums to Plaintiff and the aggrieved employees.

Third, to the extent Defendants ever paid a meal period premium, Defendants failed to pay premiums at the regular rate of compensation because the premium did not factor in non-discretionary bonuses or other forms of remuneration, including the “H/W 6.50” remuneration, instead electing to pay aggrieved employees at their base hourly rate or an otherwise deficient rate, in violation of California law.

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 failed to provide all rest periods to which Plaintiff and the aggrieved employees were entitled and failed to pay rest period premiums to Plaintiff and other aggrieved employees.

First, as stated in the above sections, due to the demands of the job, Plaintiff and other aggrieved employees were not permitted to take rest periods. Specifically, Plaintiff and the aggrieved employees were often asked questions about specific jobs they were working on at all times of the day and were required to timely respond. This prevented Plaintiff and the aggrieved employees from taking a compliant rest period. As a result, Plaintiff and the aggrieved employees would not receive their lawful 10-minute paid rest period in violation of Labor Codes 226.7 and 516.

Each time Plaintiff and the aggrieved employees experienced a noncompliant rest period, they were owed a rest period premium at the lawful rate. However, as a matter of policy and practice, Defendants failed to pay Plaintiff and other aggrieved employees a rest period premium at the lawful rate of pay.

Second, to the extent Defendants ever paid a rest period premium, Defendants violated Labor Code section 226.7 because such premiums were not paid at the regular rate of compensation to aggrieved employees, which would have factored in all additional non-excludable remuneration including the "H/W 6.50" remuneration into the premium 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.

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.

For example, Plaintiff was terminated on December 10, 2024, yet he did not receive his final wages until December 13, 2024 in violation of Labor Code section 201.

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 rates in effect and the number of hours worked at that rate, as Defendants failed to list Plaintiff’s and the aggrieved employee’s rate and all hours worked due to Defendants’ policy and practice of requiring Plaintiff and the aggrieved employees to round their time worked and complete work off-the-clock. Further, 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.

Further, Defendants failed to accurately list Plaintiff's and the aggrieved employees' applicable hourly rates in effect and number of hours worked. Specifically, Defendants failed to list Plaintiff's and the aggrieved employees' hourly rate. Additionally, Defendants failed to include the applicable hourly rate and total hours worked for the "H/W 6.50" remuneration. An illustrative example of this is shown below:

PKL SERVICES, INC.									
STATEMENT OF EARNINGS AND DEDUCTIONS FOR THE PERIOD 03/02/24 TO 03/15/24									
CONTROL NUMBER	EMPLOYEE ID		NAME			PAY PERIOD		DEPOSIT NUMBER	
	12551		Balvaneda, Danny			03/15/24		42388	
EARNINGS	HOURS	AMOUNT	DEDUCTION	AMOUNT	Y-T-D	DEDUCTION	AMOUNT	Y-T-D	
Double T	8.00	588.96	1XBARR	0.00	1.77	MVBayBr	30.97	185.82	
H/W 6.50	0.00	507.00	401K2LN	34.85	69.70	MVUnMch	370.38	1667.15	
Holiday	8.00	294.48	Dental	16.62	99.72	UnDuMV22	45.60	273.60	
OT	12.00	662.58	DntlArRs	0.00	15.23	Vision	2.62	15.72	
Personal	6.00	220.86	Health	400.72	2404.32	VsnArRs	0.00	2.70	
REG	64.00	2355.84	HlthArRs	0.00	436.82				
			HSallow	88.46	530.76				
			Life	1.78	10.68				
			LifeArRs	0.00	3.35				
			Life	3.35	20.10				
GROSS		FED. TAX	SOC SEC	MEDICARE	STATE TAX	OTHER TAX	DEDUCTIONS	NET PAY	
CURRENT		4,629.72	510.66	255.31	59.71	212.80	45.30	995.35	2,550.59
Y-T-D		20,839.34	1,604.52	1,073.26	251.00	624.50	190.42	5,737.44	11,358.20

Extract from Plaintiff's paystub for the pay period from 03/02/2024 to 03/15/2024

Here, Plaintiff's records show Defendants failed to include the applicable hourly rate in effect for any of the earnings listed on Plaintiff's paystub. Specifically, Plaintiff earned an hourly rate of \$36.81. However, this is not listed on any of the corresponding earnings on Plaintiff's paystubs.

Further, Plaintiff's records show Defendants failed to include the applicable hourly rate and total hours worked for the "H/W 6.50" remuneration. Defendants lists the hours worked for regular, overtime, double time, personal, and holiday pay without corresponding information in the rate and hours column for the "H/W 6.50" remuneration.

Plaintiff's rate and hours are inaccurate because there is no amount listed in violation of Labor Code section 226. Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the rate and hours worked without reference to other documents or information.

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.

First, Defendants required Plaintiff and the aggrieved employees to use their personal cell phones for work related purposes. For example, Plaintiff and the aggrieved employees were not provided with work phones to use on flights. Therefore, Defendants called Plaintiff and the aggrieved employees on their personal cell phones to notify them of any updates. Further, Plaintiff and the aggrieved employees were required to log all their hours worked through an application on their personal cell phones. Defendants did not reimburse Plaintiff and the aggrieved employees for using their personal cell phones for work-related purposes.

Second, Plaintiff and the aggrieved employees were not provided all necessary tools to complete their job duties. For example, Plaintiff was required to supply and use his own tools for work-related purposes. Specifically, Plaintiff paid approximately \$1,500 for all necessary tools. However, Defendants failed to provide Plaintiff and the aggrieved employees with all necessary tools to complete work-related duties.

Plaintiff's and the aggrieved employees' personal cell phones and tools were necessary to complete the required job duties because Defendants did not provide employees with work

cell phones or all necessary tools. Thus, in direct consequence of their job duties, Plaintiff and the aggrieved employees were required to provide and use their own personal cell phones and tools for work-related purposes. Defendants did not adequately reimburse Plaintiff and other aggrieved employees for expenses incurred that were necessary for the job.

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".

Mariela R. Romo

Cc Plaintiff Danny Balvaneda

Human Resources for PKL Services, Inc.

Catherine Parker

Catherine.parker@pklservices.com

jkl