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Attorneys for Plaintiff and the Aggrieved Employees

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

LAKEISHA JOHNSON, an individual, on
behalf of herself and the State of California, as a
private attorney general,

Plaintiff,

v.

LAKEWOOD REGIONAL MEDICAL
CENTER, INC., a California Corporation;
LEGACY PERSONNEL, INC., a California
Corporation; TENET HEALTHCARE
CORPORATION, a Nevada Corporation; AMN
HEALTHCARE SERVICES, INC., a Delaware
Corporation; AMN HEALTHCARE INC., a
Nevada Corporation; AMN SERVICES, LLC, a
North Carolina Limited Liability Company;
DECISIONHR I, INC, a Florida Corporation;
and DOES 1 TO 50,

Defendants.

Case Number: 25STCV12135

Representative Action Complaint For:

1. Penalties Pursuant to the Labor Code
Private Attorneys General Act of 2004
("PAGA") for Violations of California
Labor Code Sections 201, 202, 203, 204,
210, 221, 222, 222.5, 223, 224, 225.5, 226,
226.3, 226.7, 246, 510, 512, 1174,
1174.5, 1185, 1194, 1194.2, 1197, 1197.1,
1198, 1198.5, 1199, 2802, 2084 and Other
Provisions of the California Labor Code.

1 Plaintiff Lakeisha Johnson (“Plaintiff”), on behalf of herself and the State of California, as a
2 private attorney general, complains and alleges of defendants Lakewood Regional Medical Center,
3 Inc., Legacy Personnel, Inc., Tenet Healthcare Corporation, AMN Healthcare Services, Inc., AMN
4 Healthcare Inc., AMN Services, LLC, DecisionHR I, Inc., and Does 1 to 50 (collectively,
5 “Defendants”), and each of them, as follows:

6 **I. INTRODUCTION**

7 1. This action is a representative action brought pursuant to the California Labor Code
8 Private Attorneys General Act of 2004 (“PAGA”), codified at California Labor Code sections 2698
9 through 2699.6.

10 2. The “PAGA Period” as used herein, is defined as the period from February 7, 2024, and
11 continuing into the present and ongoing.

12 3. This PAGA action is brought on behalf of Plaintiff, the State of California as private
13 attorney general, and on behalf of the following aggrieved employees: *All individuals who are or were*
14 *employed by Defendants as non-exempt employees in California during the PAGA Period* (the
15 “Aggrieved Employees”).

16 4. Plaintiff is informed and believes and thereon alleges that the California Industrial
17 Welfare Commission (“IWC”) Wage Order applicable to the facts of this case is IWC Wage Order 4-
18 2001 (the “Applicable Wage Order”) and possibly others that may be applicable. (Cal. Code of Regs.,
19 tit. 8, § 11040.) Plaintiff reserves the right to amend or modify the definition of “Applicable Wage
20 Order” with greater specificity or add additional IWC Wage Orders if additional applicable wage orders
21 are discovered in litigation.

22 **II. JURISDICTION & VENUE**

23 5. This Court has subject matter jurisdiction over all causes of action asserted herein
24 pursuant to Article VI, section 10, of the California Constitution and Code of Civil Procedure section
25 410.10 because this is a civil action in which the matter in controversy, exclusive of interest, exceeds
26 \$25,000, and because each cause of action asserted arises under the laws of the State of California or
27 is subject to adjudication in the courts of the State of California.
28

1 6. This Court has personal jurisdiction over Defendants because Defendants have caused
2 injuries in the County of Los Angeles and the State of California through their acts, and by their
3 violation of the California Labor Code and California state common law. Defendants transact millions
4 of dollars of business within the State of California. Defendants own, maintain offices, transact
5 business, have an agent or agents within the County of Los Angeles, and/or otherwise are found within
6 the County of Los Angeles, and Defendants are within the jurisdiction of this Court for purposes of
7 service of process.

8 7. Venue as to Defendants is proper in this judicial district, pursuant to section 395 of the
9 Code of Civil Procedure. Defendants operate within California and do business within Los Angeles
10 County, California. The unlawful acts alleged herein have a direct effect on Plaintiff and all of
11 Defendants' employees identified above within Los Angeles County and surrounding counties where
12 Defendants may remotely operate. (See *Crestwood Behavioral Health, Inc. v. Superior Court of*
13 *Alameda County* (2021) 60 Cal.App.5th 1069, 1075 ["We hold that venue is proper in any county in
14 which an aggrieved employee worked and Labor Code violations allegedly occurred."].)

15 **III. THE PARTIES**

16 **A. PLAINTIFF**

17 8. At all relevant times, Plaintiff, who is over the age of 18, was and currently is a citizen
18 of California residing in the State of California. Defendants employed Plaintiff as a non-exempt hourly
19 employee in the County of Los Angeles.

20 9. Plaintiff brings this action on behalf of herself and the State of California, as a private
21 attorney general, and on behalf of the following group of aggrieved employees: *All individuals who*
22 *are or were employed by Defendants as non-exempt employees in California during the PAGA Period*
23 (the "Aggrieved Employees").

24 10. The Aggrieved Employees, at all times pertinent hereto, are or were employees of
25 Defendants during the relevant statutory period.

26 **B. DEFENDANTS**

27 11. Plaintiff is informed and believes and thereon alleges that Defendants were authorized
28 to and doing business in Los Angeles County and is and/or was the legal employer of Plaintiff and the

1 other Aggrieved Employees during the applicable statutory periods. Plaintiff and the other Aggrieved
2 Employees were, and are, subject to Defendants' policies and/or practices complained of herein and
3 have been deprived of the rights guaranteed to them by: California Labor Code sections 201, 202, 203,
4 204, 210, 221, 222, 222.5, 223, 224, 225.5, 226, 226.3, 226.7, 246, 510, 512, 1174, 1174.5, 1185, 1194,
5 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2084, and others that may be applicable; California
6 Business and Professions Code sections 17200 through 17210 ("UCL"); and the Applicable Wage
7 Order (Cal. Code of Regs., tit. 8, § 11040).

8 12. Plaintiff is informed and believes, and based thereon alleges, that during the PAGA
9 Period, Defendants did (and continue to do) business in the State of California, County of Los Angeles.

10 13. Plaintiff does not know the true names or capacities, whether individual, partner, or
11 corporate, of the defendants sued herein as Does 1 to 50, inclusive, and for that reason, said defendants
12 are sued under such fictitious names, and Plaintiff will seek leave from this Court to amend this
13 complaint when such true names and capacities are discovered. Plaintiff is informed, and believes, and
14 thereon alleges, that each of said fictitious defendants, whether individual, partners, or corporate, were
15 responsible in some manner for the acts and omissions alleged herein, and proximately caused Plaintiff
16 and the other Aggrieved Employees to be subject to the unlawful employment practices, wrongs,
17 injuries, and damages complained of herein.

18 14. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
19 herein, Defendants were and/or are the employers of Plaintiff and the other Aggrieved Employees. At
20 all times herein mentioned, each of said Defendants participated in the doing of the acts hereinafter
21 alleged to have been done by the named Defendants. Furthermore, the Defendants, and each of them,
22 were the agents, representatives, and employees of each and every one of the other Defendants, and at
23 all times herein mentioned were acting within the course and scope of said agency, representation, and
24 employment. Defendants, and each of them, approved of, condoned, or otherwise ratified every one of
25 the acts or omissions complained of herein.

26 15. Plaintiff is further informed, and believes, and thereon alleges, that at all times
27 mentioned herein, that Defendants, and each of them, are the alter egos of one another and that there
28 existed and now exists a unity of interest and ownership between them such that the individuality and

1 separateness of each of them has ceased. Plaintiff is further informed, and believes, and thereon alleges,
2 that at all times mentioned herein, that Defendants, and each of them, have been and now are mere
3 shells and naked frameworks that their principal uses for the conduct of that Defendant's own business,
4 property, and affairs, for which Defendants, and each of them, have concealed and misrepresented their
5 identities as the entities responsible for their ownership, management, and financial interests.

6 16. Plaintiff is further informed, and believes, and thereon alleges, that at all times
7 mentioned herein, Defendants, and each of them, were members of and engaged in a joint venture,
8 partnership, and common enterprise, and acting within the course and scope of and in pursuance of said
9 joint venture, partnership, and common enterprise. Further, Plaintiff is informed, and believes, and
10 thereon alleges, that all Defendants were joint employers for all purposes of Plaintiff and the other
11 Aggrieved Employees.

12 **IV. COMMON FACTS & ALLEGATIONS**

13 17. Plaintiff and the other Aggrieved Employees (collectively, the "Aggrieved Employees")
14 are, and were at all relevant times, employed by the Defendants within the State of California.

15 18. The Aggrieved Employees are, and were, at all relevant times, non-exempt employees
16 for the purposes of minimum wages, split shift premiums, overtime, rest breaks, meal periods, and the
17 other claims alleged in this complaint.

18 19. Specifically, Plaintiff was employed by Defendants within the statutory PAGA Period,
19 working as an hourly, non-exempt scrub technician for Defendants. Plaintiff's duties included prepare
20 OR for surgery, assist medical provider with procedures, stock supplies and provide breaks to other
21 scrub technicians.

22 **A. MINIMUM WAGE VIOLATIONS**

23 20. Labor Code section 1197 requires employees to be paid at least the minimum wage fixed
24 by the IWC, and any payment of less than the minimum wage is unlawful. Likewise, the Applicable
25 Wage Order also obligates employers to pay each employee minimum wages for all hours worked.
26 (Cal. Code of Regs., tit. 8, § 11040.) Labor Code section 1198 makes unlawful the employment of an
27 employee under conditions that the IWC Wage Orders prohibit.
28

1 21. These minimum wage standards apply to each hour that employees work. Therefore, an
2 employer's failure to pay for any particular time worked by an employee is unlawful, even if averaging
3 an employee's total pay over all hours worked, paid or not, results in an average hourly wage above
4 minimum wage. (*Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324.)

5 22. Here, Defendants failed to fully conform their pay practices to the requirements of the
6 law during the relevant statutory periods. The Aggrieved Employees were not compensated for all
7 hours worked including, but not limited to, all hours they were subject to the control of Defendants
8 and/or suffered or permitted to work under the California Labor Code and the Applicable Wage Order.

9 23. Labor Code section 1197.1 authorizes employees who are paid less than the minimum
10 wage fixed by an applicable state or local law, or by an order of the IWC, a civil penalty, among other
11 damages, as follows:

12 (1) "For any initial violation that is intentionally committed, one hundred
13 dollars (\$100) for each underpaid employee for each pay period for
14 which the employee is underpaid."

15 (2) "For each subsequent violation for the same specific offense, two
16 hundred fifty dollars (\$250) for each underpaid employee for each pay
17 period for which the employee is underpaid regardless of whether the
18 initial violation is intentionally committed." (Lab. Code, § 1197.1, subd.

19 (a).)

20 24. As set forth above, Defendants failed to fully compensate the Aggrieved Employees for
21 all minimum wages. Accordingly, through PAGA and to the extent permitted by law, Plaintiff and the
22 Aggrieved Employees are entitled to recover penalties pursuant to California Labor Code section
23 1197.1 in addition to any other applicable penalties.

24 **B. UNPAID SPLIT SHIFT PREMIUMS**

25 25. Under the Applicable Wage Order, a "split shift" is defined as "a work schedule, which
26 is interrupted by non-paid non-working periods established by the employer, other than bona fide rest
27 or meal periods." When an employer requires an employee to work a split shift, the employee is entitled
28 to a split shift premium, which is equal to the difference between what the employee earned for the

1 shift and what they would have earned had they been paid the minimum wage for their entire shift plus
2 an extra hour. (Cal. Code of Regs., tit. 8, § 11040, subd. 4(C); *Aleman v. AirTouch Cellular* (2012) 209
3 Cal.App.4th 556, 575–576.) The Applicable Wage Order treats split shift violations as a minimum
4 wage violation. Labor Code sections 1197 and 1198 make the minimum wages set by the IWC
5 enforceable and recoverable in a civil action.

6 26. Here, the Aggrieved Employees were at times scheduled to work more than one shift in
7 the same day, with an unpaid, non-working break of longer than an hour—and longer than a bona fide
8 meal period—between the shifts. This includes many occasions when the total amount paid to the
9 Aggrieved Employees was less than the minimum wage for all hours worked plus one hour.
10 Defendants, however, failed to pay the Aggrieved Employees one hour’s pay at the state minimum
11 wage in addition to the minimum wage for the workday.

12 **C. OVERTIME VIOLATIONS**

13 27. Labor Code section 510 requires employers to compensate employees who work more
14 than eight hours in one workday, forty hours in a workweek, and for the first eight hours worked on
15 the seventh consecutive day no less than one and one-half times the regular rate of pay for an employee.
16 (Lab. Code, § 510, subd. (a).) Further, Labor Code section 510 obligates employers to compensate
17 employees at no less than twice the regular rate of pay when an employee works more than twelve
18 hours in a day or more than eight hours on the seventh consecutive day of work. (Lab. Code, § 510,
19 subd. (a).) These rules are also reflected in the Applicable Wage Order.

20 28. In accordance with Labor Code section 1194 and the Applicable Wage Order, the
21 Aggrieved Employees could not then agree and cannot now agree to work for a lesser wage than the
22 amount provided by Labor Code sections 510 or the Applicable Wage Order.

23 29. Here, Defendants violated their duty to accurately and completely compensate the
24 Aggrieved Employees for all overtime worked. The Aggrieved Employees periodically worked hours
25 that entitled them to overtime compensation under the law but were not fully compensated for those
26 hours.

27 30. Defendants also had a policy and practice of denying the Class Members meal breaks,
28 but nevertheless deducting meal break time from the Class Members’ pay. As a result, the Class

1 Members' on-the-clock hours were unlawfully reduced below what was actually worked and, by
2 extension, overtime hours were also reduced below what was actually worked. The Class Members
3 were thus periodically shorted the full amount of overtime pay lawfully owed

4 31. Moreover, during the relevant statutory periods, Defendants had a policy and practice
5 of failing to pay overtime wages at the proper rate when it actually paid overtime. Specifically, when
6 Defendants paid overtime wages to the Aggrieved Employees, Defendants failed to include all
7 compensation when calculating the regular rate of pay used in overtime calculations and when paying
8 overtime.

9 32. For instance, the Aggrieved Employees would often receive, along with their hourly
10 rates of pay for their working hours, additional remuneration and/or non-discretionary bonus pay.
11 Defendants, however, calculated the regular rate of pay for the Aggrieved Employees without factoring
12 into the regular rate of pay all other non-hourly pay earnings received during the pay period. As a result,
13 the Aggrieved Employees were underpaid overtime wages when they worked in excess of eight hours
14 in any workday and/or forty hours in a workweek when such additional forms of remuneration were
15 earned. By its practice of periodically requiring the Aggrieved Employees to work in excess of eight
16 hours in a workday and/or forty hours in a workweek without compensating them at the rate of one and
17 one-half (1½) their regular rate of pay, Defendants willfully violated the provisions of Labor Code
18 sections 510, 1194, and 1199.

19 33. These actions were and are in clear violation of California's overtime laws as set forth
20 in Labor Code sections 510, 1194, 1199, and the Applicable Wage Order. (Cal. Code of Regs., tit. 8, §
21 11040.) As a result of Defendants' faulty policies and practices, the Aggrieved Employees were not
22 compensated for all hours worked or paid accurate overtime compensation.

23 **D. REST BREAK VIOLATIONS**

24 34. Pursuant to Labor Code section 226.7 and the Applicable Wage Order, Defendants were
25 and are required to provide the Aggrieved Employees with compensated, duty-free rest periods of not
26 less than ten minutes for every major fraction of four hours worked. Under the Applicable Wage Order,
27 an employer must authorize and permit all employees to take ten minute duty free rest periods for every
28 major fraction of four hours worked. (Cal. Code of Regs., tit. 8, § 11040.)

1 35. Likewise, Labor Code section 226.7 provides that “[a]n employer shall not require an
2 employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute,
3 or applicable regulation, standard, or order of the Industrial Welfare Commission” (Lab. Code, §
4 226.7, subd. (b).) Labor Code section 226.7 also provides that employers must pay their employees one
5 additional hour of pay at the employee’s regular rate for each workday that a “meal or rest or recovery
6 period is not provided.” (Lab. Code, § 226.7, subd. (c).) The “regular rate” for these purposes must
7 factor in all nondiscretionary payments for work performed by the employee, including non-
8 discretionary bonuses, commissions, and other forms of wage payments exceeding the employees’ base
9 hourly rate. (*Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 878.) Thus, the Wage
10 Orders set when and for how long the rest period must take place and the Labor Code establishes that
11 violations of the IWC Wage Orders are unlawful and sets forth the premium pay employer must pay
12 their employees when employers fail to provide rest periods.

13 36. The California Supreme Court has held that, during required rest periods, “employers
14 must relieve their employees of all duties and relinquish any control over how employees spend their
15 break time.” (*Augustus v. ABM Security Services, Inc.* (2016) 2 Cal.5th 257, 260.) Relinquishing
16 control over employees during rest periods requires that employees be “free to leave the employer’s
17 premises” and be “permitted to attend to personal business.” (*Id.* at p. 275.) The *Brinker* Court
18 explained in the context of rest breaks that employer liability attaches from adopting an unlawful
19 policy:

20 “An employer is required to authorize and permit the amount of rest break time
21 called for under the wage order for its industry. If it does not—if, for example,
22 it adopts a uniform policy authorizing and permitting only one rest break for
23 employees working a seven-hour shift when two are required—it has violated
24 the wage order and is liable.” (*Brinker Rest. Corp. v. Superior Court* (2012) 53
25 Cal.4th 1004, 1033.)

26 37. Here, Defendants periodically did not permit the Aggrieved Employees to take
27 compliant duty-free rest breaks, free from Defendants’ control as required by Labor Code section
28 226.7, the Applicable Wage Order, and applicable precedent. (See *Augustus v. ABM Security Services*,

1 *Inc.* (2016) 2 Cal.5th 257, 269 [concluding that “during rest periods employers must relieve employees
2 of all duties and relinquish control over how employees spend their time.”].) At all relevant times, the
3 Aggrieved Employees were periodically not provided with legally-compliant and timely rest periods
4 of at least ten minutes for each four hour work period, or major fraction thereof due to Defendants’
5 unlawful rest period policies/practices. The Aggrieved Employees were often expected and required to
6 continue working through rest periods to meet the expectations Defendants and finish the workday. In
7 some cases when the Aggrieved Employees worked more than ten hours in a shift, Defendants failed
8 to authorize and/or permit a third mandated rest period. As a result, the Aggrieved Employees were
9 periodically unable to take compliant rest periods.

10 38. In such cases where Defendants did not offer the Aggrieved Employees the opportunity
11 to receive a compliant off-duty rest period, “the court may not conclude employees voluntarily chose
12 to skip those breaks.” (*Alberts v. Aurora Behavioral Health Care* (2015) 241 Cal.App.4th 388, 410
13 (2015) [“If an employer fails to provide legally compliant meal or rest breaks, the court may not
14 conclude employees voluntarily chose to skip those breaks.”]; *Brinker Rest. Corp. v. Superior Court*,
15 *supra*, 53 Cal.4th at p. 1033 [“No issue of waiver ever arises for a rest break that was required by law
16 but never authorized; if a break is not authorized, an employee has no opportunity to decline to take
17 it.”].)

18 39. In addition to failing to authorize and permit compliant rest periods, the Aggrieved
19 Employees were not compensated with one hour’s worth of pay at their regular rate of compensation
20 when they were not provided with a compliant rest period in accordance with Labor Code section
21 226.7, subdivision (c). Thus, Defendants have violated Labor Code section 226.7 and the Applicable
22 Wage Order.

23 **E. MEAL BREAK VIOLATIONS**

24 40. Labor Code section 512 and the Applicable Wage Order require employers to provide
25 employees with a thirty-minute uninterrupted and duty-free meal period within the first five hours of
26 work. (Lab. Code, § 512, subd. (a) [“An employer shall not employ an employee for a work period of
27 more than five hours per day without providing the employee with a meal period of not less than 30
28 minutes”]; Cal. Code of Regs., tit. 8, § 11040 [“No employer shall employ any person for a work

1 period of more than five (5) hours without a meal period of not less than 30 minutes”].)
2 Additionally, an employee who works more than ten hours per day is entitled to receive a second thirty-
3 minute uninterrupted and duty-free meal period. (Lab. Code, § 512, subd. (a) [“An employer shall not
4 employ an employee for a work period of more than 10 hours per day without providing the employee
5 with a second meal period of not less than 30 minutes”].)

6 41. “An on-duty meal period is permitted only when the nature of the work prevents an
7 employee from being relieved of all duty and the parties agree in writing to an on-duty paid meal
8 break.” (*Lubin v. The Wackenhut Corp.* (2016) 5 Cal.App.5th 926, 932.) The written agreement must
9 include a provision allowing the employee to revoke it at any time. (*Ibid.*) Generally, the California
10 Department of Industrial Relations, Division of Labor Standards Enforcement (“DLSE”) and courts
11 have “found that the nature of the work exception applies: (1) where the work has some particular
12 external force that requires the employee to be on duty at all times, and (2) where the employee is the
13 sole employee of a particular employer.” (*Id.* at p. 945, internal quotation marks omitted; *Abdullah v.*
14 *U.S. Security Associates, Inc.* (9th Cir. 2013) 731 F.3d 952, 958–959.) “[I]t is the employer’s obligation
15 to determine whether the nature of the work prevents an employee from being relieved before requiring
16 an employee to take an on-duty meal period.” (*Lubin v. The Wackenhut Corp.*, *supra*, 5 Cal.App.5th at
17 p. 946.)

18 42. Here, the Aggrieved Employees were never asked to sign any enforceable document
19 agreeing to an on-duty meal period. Moreover, nothing in the nature of their work involved the kind of
20 “external force” that might justify on-duty meal breaks. (*Lubin v. The Wackenhut Corp.*, *supra*, 5
21 Cal.App.5th at p. 945.) Nevertheless, Defendants periodically did not provide compliant off-duty meal
22 periods within the first five hours of work for the Aggrieved Employees.

23 43. As with rest breaks, meal breaks must be duty-free. (*Brinker Restaurant Corp. v.*
24 *Superior Court* (2012) 53 Cal.4th 1004, 1035 [“The IWC’s wage orders have long made a meal period’s
25 duty-free nature its defining characteristic.”].) Relinquishing control over employees during meal
26 periods requires that employees be “free to leave the employer’s premises” and be “permitted to attend
27 to personal business.” (*Augustus v. ABM Security Services, Inc.*, *supra*, 2 Cal.5th at p. 275.) Under
28 Labor Code section 512, if an employer maintains a uniform policy that does not authorize and permit

1 the amount of meal time called for under the law (as specified in the Labor Code and/or applicable
2 IWC Wage Order), “it has violated the wage order and is liable.” (*Brinker Restaurant Corp. v. Superior*
3 *Court, supra*, 53 Cal.4th at p. 1033.)

4 44. During the applicable statutory periods here, the Aggrieved Employees were
5 periodically denied legally-compliant and timely off-duty meal periods of at least thirty minutes due to
6 Defendants’ unlawful meal period policy and practices. As a result of Defendants’ uniform meal period
7 policies and practices, the Aggrieved Employees were often not permitted to take compliant first meal
8 periods before the end of the fifth hour of work. The Aggrieved Employees were also periodically not
9 permitted to take second meal periods for shifts in excess of ten hours. Defendants thus violated Labor
10 Code section 512 and the Applicable Wage Order by failing to advise, authorize, or permit the
11 Aggrieved Employees to receive thirty-minute, off-duty meal periods within the first five hours of their
12 shifts.

13 45. Labor Code section 226.7 provides that “[a]n employer shall not require an employee
14 to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or
15 applicable regulation, standard, or order of the Industrial Welfare Commission.” (Lab. Code, § 226.7,
16 subd. (b).) Labor Code section 226.7, subdivision (c), and the Applicable Wage Order further obligate
17 employers to pay employees one additional hour of pay at the employee’s regular rate of compensation
18 for each workday that the meal period is not provided. (Lab. Code, § 226.7, subd. (c); Cal. Code of
19 Regs., tit. 8, § 11040 [“If an employer fails to provide an employee a meal period in accordance with
20 the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the
21 employee’s regular rate of compensation for each workday that the meal period is not provided.”].)
22 The “regular rate” for these purposes must factor in all nondiscretionary payments for work performed
23 by the employee, including non-discretionary bonuses, commissions, and other forms of wage
24 payments exceeding the employees’ base hourly rate. (*Ferra v. Loews Hollywood Hotel, LLC* (2021)
25 11 Cal.5th 858, 878.)

26 46. Accordingly, for each day that the Aggrieved Employees did not receive compliant meal
27 periods, they were and are entitled to receive meal period premiums pursuant to Labor Code section
28 226.7 and the Applicable Wage Order. Defendants, however, failed to pay the Aggrieved Employees

1 applicable meal period premiums for many workdays that the employees did not receive a compliant
2 meal period. Thus, Defendants have violated Labor Code section 226.7 and the Applicable Wage
3 Order.

4
5 **F. UNLAWFUL DEDUCTIONS AND/OR UNDERPAYMENT OF WAGES**

6 47. Labor Code sections 221, 222, and 224 prohibit an employer from making deductions
7 from an employee's wages without the employee's express written consent. Similarly, Labor Code
8 section 222.5 provides "No person shall withhold or deduct from the compensation of any employee,
9 or require any prospective employee or applicant for employment to pay, any fee for, or cost of, any
10 pre-employment medical or physical examination taken as a condition of employment, nor shall any
11 person withhold or deduct from the compensation of any employee, or require any employee to pay
12 any fee for, or costs of, medical or physical examinations required by any law or regulation of federal,
13 state or local governments or agencies thereof." During Plaintiff's employment, upon information and
14 belief, Defendant made deductions from the wages of Plaintiff and other non-exempt employees
15 without their written consent for medical testing and/or vaccinations that were required as a condition
16 of employment. Consequently, Defendants failed to comply with Labor Code sections 221, 222, 222.5
17 and 224.

18 **G. UNTIMELY WAGES DURING EMPLOYMENT**

19 48. Labor Code section 204 expressly requires employers who pay employees on a weekly,
20 biweekly, or semimonthly basis to pay all wages "not more than seven calendar days following the
21 close of the payroll period." Labor Code section 210, subdivision (a), makes employers who violate
22 Labor Code section 204 subject to a penalty of:

23 "(1) For any initial violation, one hundred dollars (\$100) for each failure to
24 pay each employee.

25 "(2) For each subsequent violation, or any willful or intentional violation, two
26 hundred dollars (\$200) for each failure to pay each employee, plus 25
27 percent of the amount unlawfully withheld." (Lab. Code, § 210, subd.
28 (a).)

1 49. Notably, the penalty provided by Labor Code section 210 is “[i]n addition to, and
2 entirely independent and apart from, any other penalty provided in this article” (Lab. Code, § 210,
3 subd. (a).)

4 50. Due to Defendants’ failure to pay the Aggrieved Employees the wages described above,
5 along with rest and meal break premiums, Defendants failed to timely pay the Aggrieved Employees
6 within seven calendar days following the close of payroll in accordance with Labor Code section 204
7 on a regular and consistent basis. (See *Parson v. Golden State FC, LLC* (N.D. Cal., May 2, 2016, No.
8 16-CV-00405-JST) 2016 WL 1734010, at p. *3–5, 2016 U.S. Dist. LEXIS 58299 [finding that a failure
9 to pay rest period premiums can support claims under Labor Code sections 203 and 204].)

10 **H. UNTIMELY WAGES AT SEPARATION**

11 51. Labor Code section 203 provides “if an employer willfully fails to pay . . . any wages
12 of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty”
13 for up to thirty days. (Lab. Code § 203; *Mamika v. Barca* (1998) 68 Cal.App.4th 487, 492.) As a result
14 of Defendants’ failure to pay the Aggrieved Employees for the wages described above, along with rest
15 and meal break premiums, Defendants violated and continue to violate Labor Code section 203.

16 52. Due to Defendants’ faulty pay policies, those Aggrieved Employees whose employment
17 with Defendants concluded were not compensated for each and every hour worked at the appropriate
18 rate. Defendants have failed to pay formerly-employed Aggrieved Employees whose sums were certain
19 at the time of termination within at least seventy-two hours of their resignation and have failed to pay
20 those sums for thirty days thereafter.

21 **I. FAILURE TO REIMBURSE BUSINESS EXPENSES**

22 53. At all relevant times herein, Defendants were subject to Labor Code section 2802, which
23 states that “an employer shall indemnify his or her employees for all necessary expenditures or losses
24 incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her
25 obedience to the directions of the employer.” The purpose of this section is to “prevent employers from
26 passing along their operating expenses onto their employees.” (*Gattuso v. Harte-Hanks Shoppers, Inc.*
27 (2007) 42 Cal.4th 554, 562.)
28

1 54. At all relevant times herein, Defendants were subject to Labor Code section 2804, which
2 states that “any contract or agreement, express or implied, made by any employee to waive the benefits
3 of this article or any part thereof, is null and void, and this article shall not deprive any employee or his
4 personal representative of any right or remedy to which he is entitled under the laws of this State.”

5 55. Thus, the Aggrieved Employees were and are entitled to reimbursement for the expenses
6 they incurred during the course of their duties. The duty to reimburse even extends to the use of
7 equipment the employee may already own and would be required to pay for anyway. (*Cochran v.*
8 *Schwan’s Home Serv., Inc.* (2014) 228 Cal.App.4th 1137, 1144 [“The threshold question in this case
9 is this: Does an employer always have to reimburse an employee for the reasonable expense of the
10 mandatory use of a personal cell phone, or is the reimbursement obligation limited to the situation in
11 which the employee incurred an extra expense that he or she would not have otherwise incurred absent
12 the job? The answer is that reimbursement is always required. Otherwise, the employer would receive
13 a windfall because it would be passing its operating expenses on to the employee.”].)

14 56. Here, Defendants failed to fully reimburse the Aggrieved Employees for necessary
15 expenditures incurred as a direct consequence and requirement of performing their job duties, including
16 the costs associated with their personal cell phone and mileage they required to perform their work.
17 Consequently, Defendants failed to comply with Labor Code section 2802.

18 **J. WAGE STATEMENT VIOLATIONS**

19 57. Defendants also failed to provide accurate itemized wage statements in accordance with
20 Labor Code sections 226, subdivisions (a)(1), (2), (5), and (9). Labor Code section 226, subdivision
21 (a), obligates employers, semi-monthly or at the time of each payment to furnish an itemized wage
22 statement in writing showing:

- 23 (1) The gross wages earned;
- 24 (2) The total hours worked by the employee;
- 25 (3) The number of piece-rate units earned and any applicable piece rate if
26 the employee is paid on a piece rate basis;
- 27 (4) All deductions, provided that all deductions made on written orders of
28 the employee may be aggregated and shown as one item;

- (5) The net wages earned;
- (6) The inclusive dates of the period for which the employee is paid;
- (7) The name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number;
- (8) The name and address of the legal entity that is the employer; and
- (9) All applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

58. Due to Defendants' failure to pay the Aggrieved Employees properly as described above, the wage statements issued do not indicate the correct amount of gross wages earned, total hours worked, or the net wages earned, or the applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate. Thus, Defendants have violated Labor Code section 226, subdivisions (a)(1), (2), (5), and (9).

59. Defendants also failed to include the accrued sick hours on the wage statements provided to the Aggrieved Employees as required by Labor Code section 246, subdivision (i).

60. In addition to Labor Code section 226, subdivision (a), Defendants also knowingly and intentionally failed to provide the Aggrieved Employees with accurate itemized wage statements in violation of Labor Code section 226, subdivision (e). Defendants knew that they were not providing the Aggrieved Employees with wage statements required by California law but nevertheless failed to correct their unlawful practices and policies. (See *Garnett v. ADT LLC* (E.D. Cal. 2015) 139 F.Supp.3d 1121, 1134 [finding the defendant knowingly and intentionally violated Labor Code section 226 because the "[d]efendant knew that it was not providing total hours worked to plaintiff or other employees paid on commission" even though it believed that employees paid solely on commission or commission and salary "are exempt and therefore we do not record hours on a wage statement."].)

1 **K. RECORDKEEPING VIOLATIONS**

2 61. Labor Code section 226, subdivision (a), requires employers to keep an accurate record
3 of, among other things, all hours worked by employees. Labor Code section 226.3 provides, in pertinent
4 part, as follows:

5 “Any employer who violates subdivision (a) of Section 226 shall be subject to a
6 civil penalty in the amount of two hundred fifty dollars (\$250) per employee per
7 violation in an initial citation and one thousand dollars (\$1,000) per employee
8 for each violation in a subsequent citation, for which the employer fails to
9 provide the employee a wage deduction statement or fails to keep the records
10 required in subdivision (a) of Section 226. The civil penalties provided for in
11 this section are in addition to any other penalty provided by law.” (Lab. Code, §
12 226.3, emphasis added.)

13 62. Likewise, Labor Code section 1174, subdivision (d), requires every employer, including
14 Defendants, to:

15 “Keep, at a central location in the state or at the plants or establishments at which
16 employees are employed, payroll records showing the hours worked daily by
17 and the wages paid to, and the number of piece-rate units earned by and any
18 applicable piece rate paid to, employees employed at the respective plants or
19 establishments. These records shall be kept in accordance with rules established
20 for this purpose by the commission, but in any case shall be kept on file for not
21 less than three years. An employer shall not prohibit an employee from
22 maintaining a personal record of hours worked, or, if paid on a piece-rate basis,
23 piece-rate units earned.” (Lab. Code, § 1174, subd. (d), emphasis added.)

24 63. As explained in detail above, Defendants failed to provide the Aggrieved Employees
25 with accurate itemized wage statements. Defendants did so, in part, because they failed to accurately
26 track hours worked by the Aggrieved Employees. Defendants have thus failed to keep accurate records
27 of the “total hours worked by the employee[s]” in violation of Labor Code section 226, subdivision (a),
28

1 and are therefore subject to the penalties provided by Labor Code section 226.3. These penalties are
2 “in addition to any other penalty provided by law.” (Lab. Code, § 226.3.)

3 64. The failure to accurately track hours worked also resulted in a failure of Defendants to
4 keep a record of all “payroll records showing the hours worked daily by” Defendants’ employees,
5 including Plaintiff, in violation of Labor Code section 1174, subdivision (d).

6 **L. SICK PAY VIOLATIONS**

7 65. Labor Code section 246 provides that every employee who works in California for the
8 same employer for 30 or more days within a year from the commencement of employment is entitled
9 to paid sick days. (Lab. Code, § 246, subd. (a).) These paid sick days generally accrue at a rate of not
10 less than one hour per every 30 hours worked, and must be paid out using the employees’ regular rate
11 of pay. (Lab. Code, § 246, subds. (b), (l).) The “regular rate of pay” for these purposes must factor in
12 all nondiscretionary payments for work performed by the employee, including non-discretionary
13 bonuses, commissions, and other forms of wage payments exceeding the employees’ base hourly rate.
14 (Lab. Code, § 246, subds. (l)(1), (2); see, e.g., *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th
15 858, 878.)

16 66. Here, Defendants employed the Aggrieved Employees for 30 or more days within a year
17 from the commencement of employment. Defendants nevertheless failed to fully pay the Aggrieved
18 Employees for all sick pay that was lawfully earned and accrued.

19 67. By failing to fully pay accrued sick time, Defendants have underpaid the Aggrieved
20 Employees and have violated California Labor Code provisions including, but not limited to, section
21 246.

22 **V. EXHAUSTION OF REMEDIES**

23 68. Plaintiff has fully and completely exhausted administrative remedies under PAGA prior
24 to proceeding with the PAGA claims stated in this complaint. Plaintiff filed a PAGA notice online with
25 the Labor Workforce Development Agency (“LWDA”) and sent a letter by certified mail to Defendants
26 setting forth the facts and theories of the violations alleged against Defendants, as prescribed by PAGA.
27 (Lab. Code, §§ 2698–2699.6.)
28

69. As required by PAGA, Plaintiff submitted the \$75.00 filing fee with the LWDA by regular mail. Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), no notice was received by Plaintiff from the LWDA evidencing its intention to investigate within sixty-five calendar days of the postmark date of the PAGA notice. Plaintiff is therefore entitled to commence and proceed with a civil action pursuant to Labor Code section 2699.

VI. CAUSES OF ACTION

First Cause of Action

Penalties Pursuant to PAGA for Violations of Labor Code Sections 201, 202, 203, 204, 210, 221, 222, 222.5, 223, 224, 225.5, 226, 226.3, 226.7, 246, 510, 512, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2084, and Other Provisions of the California Labor Code (Against All Defendants)

70. Plaintiff realleges and incorporates by reference all previous paragraphs.

71. Based on the above allegations incorporated by reference, Defendants violated Labor Code sections 201, 202, 203, 204, 210, 221, 222, 222.5, 223, 224, 225.5, 226, 226.3, 226.7, 246, 510, 512, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2084 and others that may be applicable; and the Applicable Wage Order (Cal. Code of Regs., tit. 8, § 11040), and others that may be applicable.

72. As a result of the acts alleged above, Plaintiff seeks penalties under Labor Code sections 2698 through 2699.6 because of Defendants' violation of Labor Code sections 201, 202, 203, 204, 210, 221, 222, 222.5, 223, 224, 225.5, 226, 226.3, 226.7, 246, 510, 512, 1174, 1174.5, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2084 and others that may be applicable; and the Applicable Wage Order (Cal. Code of Regs., tit. 8, § 11040), and others that may be applicable.

73. Under Labor Code section 2699, subdivision (f)(2), and 2699.5, for each such violation, Plaintiff and the Aggrieved Employees are entitled to penalties in an amount to be shown at the time of trial subject to the following formula:

- A. \$100 for the initial violation per employee per pay period; and
- B. \$200 for each subsequent violation per employee per pay period.

1 74. These penalties must be allocated seventy-five percent to the Labor and Workforce
2 Development Agency (“LWDA”) and twenty-five percent to the affected employees. These penalties
3 may be stacked separately for each of Defendants violations of the California Labor Code. (*Lopez v.*
4 *Friant & Associates, LLC* (2017) 15 Cal.App.5th 773, 780–781 [citing with approval *Stoddart v.*
5 *Express Services, Inc.* (E.D. Cal., Sept. 16, 2015, No. 2:12-CV-01054-KJM) 2015 WL 5522142, at *9,
6 for the proposition that plaintiff could pursue separate claims for penalties under Labor Code section
7 226, subdivision (e), and penalties for Labor Code section 226, subdivision (a), violations]; see also
8 *Hernandez v. Towne Park, Ltd.* (C.D. Cal., June 22, 2012, No. CV 12-02972 MMM JCGX) 2012 WL
9 2373372, at *17 fn. 70 [noting that federal courts applying California law have found that “PAGA
10 penalties can be stacked, i.e., multiple PAGA penalties can be assessed for the same pay period for
11 different Labor Code violations.”], internal quotation marks omitted).

12 75. In addition, to the extent permitted by law, Defendants failed to provide Plaintiff and all
13 Aggrieved Employees with accurate itemized wage statements in compliance with Labor Code section
14 226, subdivision (a). Plaintiff seeks separate PAGA penalties for Defendants’ violations of Labor Code
15 section 226, subdivisions (a) and (e). (*Lopez v. Friant & Associates, LLC, supra*, 15 Cal.App.5th at pp.
16 780, 788.)

17 76. For violations of California Labor Code § 226 for knowingly and intentionally failing
18 to furnish wage statements, one hundred dollars (\$100) for each Aggrieved Employee per pay period,
19 as Defendants did not provide itemized payroll statements. Alternatively, if Defendants are determined
20 to have provided wage statements, then Plaintiff seeks civil penalties for such statements being
21 inaccurate and incomplete, in the amount of twenty-five dollars (\$25) for each Aggrieved Employee
22 per pay period (penalty amounts established by California Labor Code §§ 2699(f)(2)(A)(i); 226.3);

23 77. Labor Code section 210 provides that “in addition to, an entirely independent and apart
24 from, any other penalty provided in this article, every person who fails to pay the wages of each
25 employee as provided in Sections . . . 204 . . . shall be subject to a civil penalty as follows: (1) For any
26 initial violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For each
27 subsequent violation, or any willful or intentional violation, two hundred dollars (\$200) for each failure
28 to pay each employee, plus 25% of the amount unlawfully withheld.” As a result of the faulty

1 compensation policies and practices, Plaintiff and the Aggrieved Employees are also entitled to recover
2 penalties under Labor Code section 210 through PAGA.

3 78. Labor Code section 1197.1 authorizes a civil penalty, restitution of wages, and
4 liquidated damages, in the amount of: (1) one hundred dollars (\$100) for any initial violation that is
5 intentionally committed for each underpaid employee for each pay period for which the employee is
6 underpaid, and (2) two hundred fifty dollars (\$250) for each subsequent violation for the same specific
7 offense for each underpaid employee for each pay period for which the employee is underpaid
8 regardless of whether the initial violation is intentionally committed. Accordingly, through PAGA and
9 to the extent permitted by law, Plaintiff and the Aggrieved Employees are entitled to recover pursuant
10 to Labor Code section 1197.1.

11 79. Plaintiff was compelled to retain the services of counsel to file this action to protect her
12 interests and those of the Aggrieved Employees, and to assess and collect the wages and penalties owed
13 by Defendants. Plaintiff has thereby incurred attorneys' fees and costs, which Plaintiff is also entitled
14 to recover under Labor Code section 2699, subdivision (g)(1).

15 **VII. PRAYER FOR RELIEF**

16 Plaintiff prays for judgment for herself and for all others on whose behalf this suit is brought
17 against Defendants, as follows:

- 18 1. For the failure to maintain accurate employment records, penalties pursuant to Labor
19 Code sections 226.3, 1174.5, and others that may be applicable;
- 20 2. For the failure to pay all sick time wages due and owed, compensatory, consequential,
21 general, and special damages according to proof pursuant to Labor Code section 246,
22 and others as may be applicable;
- 23 3. For the violations of California's Unfair Competition Law, restitution to Plaintiff of all
24 money and/or property unlawfully acquired by Defendants by means of any acts or
25 practices declared by this Court to be in violation of Business and Professions Code
26 sections 17200 through 17210;
- 27 4. For the claim of penalties pursuant to PAGA and other provisions of the California
28 Labor Code, a civil penalty in the amount of \$100 for the initial violation and \$200 for

1 each subsequent violation as specified in Labor Code section 2699, subdivision (f)(2),
2 in the representative action brought on behalf of Plaintiff and the Aggrieved Employees
3 pursuant the Labor Code Private Attorneys General Act of 2004, and for civil penalties
4 available under Labor Code section 210;

5 5. Prejudgment interest on all due and unpaid wages pursuant to Labor Code section 218.6
6 and Civil Code sections 3287 and 3289;

7 6. On all causes of action for which attorneys' fees may be available, for attorneys' fees
8 and costs as provided by Labor Code sections 218.5, 226, Code of Civil Procedure
9 section 1021.5, and others as may be applicable;

10 7. For an order enjoining Defendants, and each of them, and their agents, servants, and
11 employees, and all persons acting under, in concert with, or for them, from acting in
12 derogation of any rights or duties adumbrated in this complaint; and

13 8. For such other and further relief, this Court may deem just and proper.

14 Dated: April 24, 2025

MELMED LAW GROUP P.C.

16 

17 LYNSEY D. JOHNSON

18 Attorneys for Plaintiff and the Aggrieved
19 Employees