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

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

Plaintiffs,

vs.

BAYSHORE MOTOR GROUP DBA TOYOTA
101 and DOES 1 through 50, inclusive,

Defendants.

Case No. 25-CIV-01404

CLASS ACTION

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

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

1 Plaintiff GEORGE SPAULDING, on behalf of all others similarly situated and the State of
2 California under the Private Attorneys General Act (“Plaintiff”) brings this FIRST AMENDED
3 CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants BAYSHORE
4 MOTOR GROUP DBA TOYOTA 101 and DOES 1 through 50, inclusive (collectively
5 “Defendants”), alleging as follows:

6 **INTRODUCTION**

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

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

10 3. Defendants’ underpayment of wages was facilitated by their company-wide practices
11 of time-shaving and requiring employees to complete work while off-the-clock.

12 4. Defendants also underpaid the class members’ wages by failing to include all forms of
13 remuneration, including bonuses, into the regular rate of pay calculation for overtime, sick pay, and
14 premiums.

15 5. Defendants failed to provide, authorize, and/or permit Plaintiff and the class members
16 to take all meal and rest periods to which they were entitled. Defendants did not pay Plaintiff and the
17 Class Members all meal or rest period premiums.

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

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

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.

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.

A. Plaintiff George Spaulding

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.* (2024) 101 Cal. App. 5th 533 and *Rodriguez v. Packers Sanitation Services Ltd.* (Feb. 26, 2025, D083400) __ Cal.Rptr.3d __ [2025 WL 615064], the PAGA claim is brought exclusively as a representative action and does not include arbitrable claims.

16. Defendant Bayshore Motor Group dba Toyota 101 is a California corporation that maintains operations and conducts business throughout the State of California, including in this county.

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

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

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

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

CLASS ALLEGATIONS

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

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

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

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

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

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

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

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

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

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

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

GENERAL ALLEGATIONS

25. Defendants failed to pay Plaintiff and the class members at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages.

26. For example, Defendants regularly compelled Plaintiff and other class members to work off the clock. Plaintiff and other class members were required to be available to answer repair questions which resulted in off-the-clock work. Specifically, Plaintiff and the class members were required to answer phone calls and text messages from coworkers about tools needed to repair cars or previous work completed on cars while off-the clock. Plaintiff and the class members were also required to speak with engineers and tech support from Defendant when they had trouble repairing cars, while off-the-clock. These phone calls took between 10 to 30 minutes to complete, but Plaintiff and the class members were not paid for this time.

27. Plaintiff and other class members were also required to complete training off-the clock. Defendants required Plaintiff and other class members to complete mandatory trainings to obtain certifications about new Toyota vehicles that they would be completing repairs for. These trainings were mandatory for Plaintiff and the class members to keep their jobs. Each time Plaintiff and other class members were required to complete one of these trainings, they took up to 1.5 hours to complete. Defendants did not provide time during the workday for completion of these trainings, therefore Plaintiff and the class members were obligated to complete these trainings off-the-clock.

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28. Defendants maintained a policy and practice of failing to pay overtime at the lawful rate of 1.5x their straight rate of pay, Defendants failed to pay Plaintiff and other class members overtime wages at the lawful rate of pay for overtime hours worked. *See Fig. 1.*

Fig. 1, Plaintiff's wage statement for pay period of August 12, 2024 to August 25, 2024, showing

BAYSHORE MOTOR GROUP dba TOYOTA 101 1001 Commercial Way Newport City, CA 92568-1400 (951) 399-1000	EMPLOYEE NAME		SOCIAL SECURITY NO.		EMPLOYEE NO.	FACTOR NO.	
	GEORGE SPAULDING				652	93269	
	DIVISION	DEPARTMENT	PERIOD BEGINNING		PERIOD ENDING	CHECK DATE	
1	31	06/12/24		06/25/24	06/26/24		
EARNINGS/DEBITABLE BENEFITS	HOURS	RATE	CURRENT	YEAR TO DATE	TAXES / DEDUCTIONS	CURRENT	YEAR TO DATE
REGULAR	64.00	40.000	3,364.00	7,044.00	FEDERAL S-O	655.68	1,380.69
BREAKTIME	3.00	46.740	140.22	326.82	OASDI	252.71	587.17
OVERTIME	24.00	23.679	568.08	1,318.96	MEDICARE	59.10	137.32
BONUS ACCRU			0.00	426.00	STATE-CA S-O	299.15	512.66
REGULAR TIME			0.00	632.00	SOI	44.84	104.18
TOTAL PAY	111.60		4,092.30	9,747.78	CAFETERIA PL	16.31	277.27
VAC REMAINING	48.00						
SIC REMAINING	40.00						
NET PAY CHK			2,804.51	6,748.49			
TOTAL NET PAY			2,804.51	6,748.49			

TOYOTA 101

Defendants paid Plaintiff's overtime at an unlawful rate of .59x his straight rate.

29. During this pay period, Defendants failed to properly pay Plaintiff's overtime rate as the 24 overtime hours were paid at .59x Plaintiff's base rate of \$40.00 rather than 1.5x his straight rate of pay. Defendants committed the same violation against Plaintiff and other class members as a matter of common payroll administration and company policy. This resulted in the underpayment of wages to employees.

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30. Moreover, to the extent that a “Production Bonus” constitutes a non-discretionary bonus or incentive, Defendants failed to include these additional forms of remuneration into the regular rate of pay. Defendants instead unlawfully paid Plaintiff and, on information and belief, other class members at less than their straight hourly rate. *See Fig. 2.*

BIWEEKLY - FLAT RATE CALCULATION		WEEKENDS ONLY 1024	
COMPENSATION PLAN PARAMETERS BAYSHORE MOTOR GROUP dba Toyota 101 101 2 BAYSHORE BL, ANN ARBOR MI 48106 Pay Date: 8/15/2024 Technician Name: Spaulding, George Employee ID No: 662 Base Hourly Rate (BHR): \$ 32.00 Training Hourly Rate: \$ 40.00 Assigned Unit Value: \$ 40.00		COMPENSATION PLAN PARAMETERS BASE HOURLY RATE FOR TECHNICIAN: \$ 32.00 TRAINING HOURLY RATE: \$ 40.00 TECHNICIAN'S ASSIGNED UNIT VALUE: \$ 40.00	
PERIOD-SPECIFIC DATA ENTRY Test Period Ending: 8/8/2024 Total Hours Worked (Including Training): OT Hours Worked: 40.00 DT Hours Worked: 34.00 ST Hours Worked: 0.00 No. of Paid Rest/Recovery Periods: 18 (per 40 of 1.5-4 hours, 1 hr 6-10) Technical Units Produced: 62.00 On Site Training Hours: 0.00 Variable Bonus: \$ 0.00		TIME AND PRODUCTION DATA TOTAL INDIVIDUAL UNITS PRODUCED: 62.00 TOTAL STRAIGHT TIME HOURS (Including Training Rate): 40.00 34.00 DOUBLE TIME HOURS (if 1.5): 0.00 TOTAL HOURS WORKED (Including Training Rate): 73.00 TRAINING HOURS: 0.00 HOURS OF REST / RECOVERY PERIODS: 0.00 REGULAR RATE FOR REST / RECOVERY PERIODS: \$ 39.44 ADJUSTED AGGREGATE TIME: \$ 2,308.00 PRODUCTION BONUS: \$ 272.00 PRODUCTION BONUS REGULAR RATE (For Overtime Calculations): \$ 3.94 VARIABLE BONUS: \$ - VARIABLE BONUS REGULAR RATE (For Overtime Calculations): \$ -	
		COMPENSATION CALCULATION BY ELEMENT REGULAR RATE ELEMENTS Element 1: BHR: $32.00 \times \$ 32.00 = \$ 1,024.00$ Element 2: Training Hours: $0.00 \times \$ 40.00 = \$ -$ Element 3: Rest/Recovery: $3.94 \times \$ 58.64 = \$ 107.82$ Hourly Rate Straight Time Subtotal: \$ 1,131.82 Integrated Average Hourly Rate: \$ 32.10 OT Premium: $34.00 \times \$ 18.08 = \$ 394.92$ OT Premium: $0.00 \times \$ 32.10 = \$ -$ Hourly Rate Elements With Overtime Subtotal: \$ 1,526.74 EXTENDED RATE ELEMENTS Element 4: Production Bonus Subtotal: \$ 272.00 Production Bonus: \$ 272.00 Bonus OT: $34.00 \times \$ 1.97 = \$ 47.28$ Bonus DT: $0.00 \times \$ 3.94 = \$ -$ Element 5: Variable Bonus: \$ - Other Bonus: \$ - Bonus DT: $34.00 \times \$ - = \$ -$ Bonus DT: $0.00 \times \$ - = \$ -$ Total Earned Compensation: \$ 1,846.04 Sick: \$ - Vacation: \$ - Holiday: \$ - Floating Holiday: \$ - Off Site Training: \$ - Grand Total: \$ 1,846.04	

Fig. 2, Plaintiff's flat rate calculation from the pay period of August 26, 2024, to September 8, 2024, showing Plaintiff earned \$319.28 as a “Production Bonus” but was paid overtime at .45x his straight rate.

31. For each overtime hour worked during the period in which Plaintiff and class members 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.

32. As a result of off-the-clock work described in the “Unpaid Hours Worked/Minimum Wage” section above, Defendant failed to compensate Plaintiff and the class members for all overtime hours worked. As discussed above, Defendant engaged in an unlawful policy and practice requiring Plaintiff and other class members to complete certification trainings while off-the-clock. Also,

1 Plaintiff and other class members were frequently required to take phone calls from colleagues to
2 discuss work tasks while off-the-clock. To the extent this practice resulted in unpaid work over 8 hours
3 in a day or 40 hours in a week, this resulted in unpaid overtime.

4 33. Defendants failed to comply with California's paid sick leave laws with respect to the
5 class members. Defendant failed to provide Plaintiff and other class members with all sick leave
6 accrued. Plaintiff and the class members worked off the clock, overtime hours that were not accounted
7 for when calculating an employee's accrued paid sick leave. Therefore, Plaintiff and other class
8 members were not awarded the total accrued leave time they had earned.

9 34. Additionally, to the extent the "Production Bonus" was considered a non-discretionary
10 bonus or incentive, Defendants failed to include these payments into the regular of pay each time
11 Defendants paid sick leave hours in the same pay period that the class members earned a "Production
12 Bonus". This practice resulted in unpaid sick leave.

13 35. Plaintiff and the class members routinely experienced missed, late, short, and
14 interrupted meal periods to keep up with the demands of the job. Specifically, Plaintiff and class
15 members were often too busy communicating with customers and making repairs, which resulted in
16 missed meal periods. Additionally, Plaintiff and class members often clocked out and continued to
17 work through their meal periods to keep up with the demands of the job. When Plaintiff and class
18 members experienced missed, late, short, or interrupted meal periods, they were owed meal period
19 premiums for each non-compliant meal period. However, as a matter of policy and practice, Defendant
20 failed to pay Plaintiff and class members a meal period premium in violation of Labor Code section
21 226.7.

22 36. To the extent the "Production Bonus" was considered a non-discretionary bonus or
23 incentive, Defendants failed to include these payments into the regular rate of pay each time Plaintiff
24 earned a meal period premium and additional remuneration in the same pay period. This practice
25 resulted in unpaid premiums which should have been paid at the regular rate.

26 37. Defendants had an unlawful policy and practice of failing to provide all rest periods to
27 which Plaintiff and class members were entitled. As stated above, due to the demands of the job,
28 Plaintiff and other class members were busy communicating with customers and making repairs. This

1 prevented Plaintiff and other class members from taking lawful rest periods. When Defendants did not
2 provide compliant rest periods, Defendants failed to pay Plaintiff and class members a rest period
3 premium in violation of Labor Code section 226.7.

4 38. To the extent the “Production Bonus” was considered a non-discretionary bonus or
5 incentive, Defendants failed to include these payments into the regular rate of pay each time Plaintiff
6 earned a rest period premium and additional remuneration in the same pay period. This practice
7 resulted in unpaid premiums which should have been paid at the regular rate.

8 39. Defendants required Plaintiff and the class members to incur costs for work-related
9 purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the class
10 members unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of
11 policy and practice. Plaintiff and class members were required to use their personal cell phones to
12 communicate with advisors and dispatchers and send pictures of repairs that they were working on or
13 completed. Moreover, they were required to use their personal laptops to complete mandatory
14 trainings. As a matter of policy and practice, Defendants did not reimburse Plaintiff and class members
15 for these costs.

16 40. These violations create derivative liability for failure to timely pay all wages owed each
17 payday or upon separation of employment.

18 41. Because Defendants failed to pay all wages and premiums in each pay period in which
19 such wages were earned at the lawful rate, Defendants violated Labor Code section 204 and/or 204b
20 (for weekly employees, as applicable). Defendants violated Labor Code sections 204 and 204b by
21 failing to pay all wages and premiums owed on the regular pay days scheduled each pay period within
22 seven calendar days of the close of the payroll period, as a result of the policies and practices set forth
23 in this notice.

24 42. Defendants failed to pay all wages and premiums owed to the class members during
25 their employment as set forth above and also failed to timely pay those amounts to departing
26 employees upon separation of employment. Defendants did not pay waiting time penalties for the late
27 payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

43. As a result of the foregoing issues, Defendants failed to provide accurate itemized wage statements to the class members 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.

44. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub. Plaintiff and other class members 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 class members 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.

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL WAGES OWED

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

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

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

46. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 200, 218, 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours and Days of Work” and “Minimum Wages” sections of the applicable orders), which require non-exempt employees be timely paid at least the state or local minimum wage (if higher) for each hour of work, and further provide a private right of action for an employer’s failure to pay all minimum wages (plus liquidated damages). In addition to minimum wages, Labor Code § 200 states that “wages’

1 includes all amounts for labor performed by employees of every description, whether the amount is
2 fixed or ascertained by the standard of time, task, piece, commission basis, or other method of
3 calculation.”

4 47. Defendants willfully failed in their affirmative obligation to pay Plaintiff and class
5 members at least the lawful minimum wage for each hour worked in violation of Labor Code sections
6 1182.12, 1194, 1194.2, 1197, 1197.1 and 1198 and the IWC Wage Orders (the “Hours and Days of
7 Work” and “Minimum Wages” sections of the applicable orders), including payment at the lawful
8 local and county minimum wage ordinances in effect. As a result, Defendants are liable for all
9 associated damages, including liquidated damages for the minimum wage violations pursuant to Labor
10 Code § 1194.2.

11 48. Defendants’ unlawful acts and omissions deprived Plaintiff and class members of
12 minimum, regular and overtime wages in amounts to be determined at trial. Plaintiff and class
13 members are entitled to recover the full amount of the unpaid wages, plus liquidated damages in an
14 amount equal to the wages unlawfully unpaid (and interest thereon), in addition to interest, attorneys’
15 fees, and costs to the extent permitted by law, including under Labor Code sections 1194 and 1194.2,
16 218.6 and any other applicable statutes.

17 **SECOND CAUSE OF ACTION**

18 **FAILURE TO PAY ALL OVERTIME WAGES**

19 **Violation of Labor Code §§ 510 and 1194**

20 49. All outside paragraphs of this Complaint are incorporated into this section.

21 50. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
22 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime
23 wages all overtime hours worked, and which further provide a private right of action for an employer’s
24 failure to pay all overtime compensation for overtime hours worked.

25 51. Defendants failed in their affirmative obligation to pay Plaintiff and class members no
26 less than one and one-half times their respective “regular rate of pay” for all hours worked in excess
27 of eight hours in one day, 40 hours in one week, or the first eight hours worked on the seventh day of
28 work in any one workweek, and no less than twice their respective “regular rate of pay” for all hours

1 over 12 hours in one day and any work in excess of eight hours on any seventh day of a workweek for
2 such hours worked, in violation of Labor Code sections 204, 510, 558, 1194, and 1198 and the IWC
3 Wage Orders (the “Hours and Days of Work” sections of the applicable orders).

4 52. Plaintiff and class members are entitled to recover the full amount of the unpaid
5 overtime, in addition to interest, statutory and civil penalties, and attorneys’ fees, and costs to the
6 extent permitted by law.

7 **THIRD CAUSE OF ACTION**

8 **MEAL PERIOD VIOLATIONS**

9 **Violation of Labor Code §§ 226.7 and 512**

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

11 54. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
12 §§ 226.7, 558 and 512, which require non-exempt employees be provided complaint meal periods (or
13 meal period premiums in lieu thereof), and which further provide a private right of action for an
14 employer’s failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful
15 regular rate of compensation.

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

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

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

FOURTH CAUSE OF ACTION

REST PERIOD VIOLATIONS

Violation of Labor Code §§ 226.7 and 516

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

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

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

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

FIFTH CAUSE OF ACTION

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

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

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

63. Defendants knowingly and intentionally failed in their affirmative obligation to pay sick leave wages to Plaintiff and a paid sick leave subclass in violation of Labor Code section 246 *et seq.* Paid sick leave earnings constitute wages for purposes of California wage and hour law.

(*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103 [“Courts have recognized that ‘wages’ also include those benefits to which an employee is entitled as a part of his or her compensation, including money, room, board, clothing, vacation pay, and sick pay”].)

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

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

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

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

SIXTH CAUSE OF ACTION

UNTIMELY PAYMENT OF WAGES

Violation of Labor Code §§ 204, 210, 218

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

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

70. Defendants willfully failed in their affirmative obligation to timely pay all wages, including paid sick leave and meal and rest premiums, earned by Plaintiff and class members twice during each calendar month on days designated in advance by the employer as regular paydays (for

employees paid on a non-weekly basis) and on the regularly-scheduled weekly payday for weekly employees, if any, in violation of Labor Code sections 204 and 204b and the IWC Wage Orders (the “Minimum Wages” sections of the applicable orders).

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

SEVENTH CAUSE OF ACTION

WAGE STATEMENT VIOLATIONS

Violation of Labor Code § 226

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

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

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

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

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

1 **EIGHTH CAUSE OF ACTION**

2 **FAILURE TO REIMBURSE BUSINESS EXPENSES**

3 **Violation of Labor Code § 2802**

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

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

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

13 **NINTH CAUSE OF ACTION**

14 **UNFAIR COMPETITION**

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

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

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

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

26 83. Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged in this
27 Complaint, and Plaintiff, as an individual and on behalf of others similarly situated, seeks full
28

1 restitution of the moneys as necessary and according to proof to restore all monies withheld, acquired,
2 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

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

7 85. Plaintiff and class members are entitled to injunctive relief against Defendants,
8 restitution, and other equitable relief to return all funds over which Plaintiff and class members have
9 an ownership interest and to prevent future damage and the public interest under Business and
10 Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest,
11 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure
12 § 1021.5.

13 **TENTH CAUSE OF ACTION**

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

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

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

17 86. All outside paragraphs of this Complaint are incorporated into this section.

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

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

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

26 89. The State of California, via the Labor and Workforce Development Agency
27 (“LWDA”), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*
28

1 *Int'l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff
2 files suit is always the real party in interest.”])

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

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

13 92. Labor Code section 2699.3 sets forth the procedure for commencing an action for civil
14 penalties under the PAGA.

15 93. On or about **February 3, 2025**, Plaintiff paid the requisite PAGA filing fee and
16 provided written notice (by online electronic filing with the LWDA and by certified mail to
17 Defendants) of Defendants’ alleged Labor Code violations, including the facts and theories to support
18 the alleged violations.

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

22 95. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
23 written PAGA notice from the LWDA.

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

27 97. Now that at least 65 days have passed from Plaintiff notifying Defendants of these
28 violations, without notice of cure from Defendants or notice from the LWDA of its intent to investigate

1 the alleged allegations and issue the appropriate citations to Defendants, Plaintiff exhausted all
2 prerequisites and commenced this civil action under Labor Code section 2699 *et seq.*

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

- 6 a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194,
7 1197, 1198; IWC Wage Orders.
- 8 b. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage
9 Orders.
- 10 c. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.
- 11 d. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512,
12 1198; IWC Wage Orders.
- 13 e. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516,
14 1198; IWC Wage Orders.
- 15 f. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code
16 §§ 204, 204b, 210.
- 17 g. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of
18 Labor Code §§ 201, 202, 203, 256.
- 19 h. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- 20 i. ***Non-Compliant Wage Statements/Piece-Rate.*** Violation of Labor Code §§
21 226, 226.2, 226.3.
- 22 j. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.
- 23 k. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC
24 Wage Orders.

25 99. Plaintiff seeks to collect all recoverable civil penalties for the Labor Code violations
26 alleged in this Complaint and the PAGA notice (including amendments thereto) against Defendants
27 pursuant to Labor Code section 2699(a) and (f), in addition to attorneys' fees, costs, and interest to the
28 extent permitted by law, including under Labor Code section 2699(k).

PRAYER

Plaintiff prays for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiff as the class representative;
- c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;
- d. For division of class members into appropriate classes and/or subclasses according to proof;
- e. For recovery of all statutory penalties and liquidated damages;
- f. For disgorgement of all amounts wrongfully obtained to the extent permitted by law;
- g. For restitution and injunctive relief;
- h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, 2802 and Code of Civil Procedure § 1021.5.
- i. For recovery of damages in amount according to proof;
- j. For all recoverable pre- and post-judgment interest;
- k. For this action to be maintained as a representative action under the PAGA;
- l. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;
- m. For recovery of all civil penalties and other recoverable amounts under the PAGA;
- n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699, and Code of Civil Procedure section 1021.5 and any other applicable sections; and
- o. For such other relief the Court deems just and proper.

Dated: February 10, 2025

Ferraro Vega Employment Lawyers, Inc.



Nicholas J. Ferraro

Attorneys for Plaintiff George Spaulding

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
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ATTORNEYS AT LAW
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San Diego, California 92108

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

February 3, 2025

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

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

Bayshore Motor Group dba Toyota 101
386 Convention Way
Redwood City, CA 94063

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

Dear LWDA Officer and Company Representatives:

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

BAYSHORE MOTOR GROUP DBA TOYOTA 101

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Master Technician from about September 2017 to October 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, Plaintiff and aggrieved employees were required to be available to answer repair questions which resulted in off-the-clock work. Specifically, Plaintiff and aggrieved employees were required to answer phone calls and text messages from coworkers about tools needed to repair cars or previous work completed on cars while off-the-clock. Additionally, Plaintiff and aggrieved employees were required to speak with engineers and tech support from Defendants when they had trouble repairing cars. These phone calls took between 10 and 30 minutes to complete, but Plaintiff and aggrieved employees were not paid for this time.

Second, Plaintiff and aggrieved employees were required to complete training off-the-clock. Defendants required Plaintiff and aggrieved employees to complete mandatory trainings to obtain certifications about new Toyota vehicles that they would be completing repairs for. These trainings were mandatory for Plaintiff and aggrieved employees to keep their jobs. Each time Plaintiff and the aggrieved employees were required to complete one of these trainings, they took up to 1.5 hours to complete. Defendant did not provide time during the workday for completion of these trainings. Therefore, Plaintiff and the aggrieved employees were required to complete these mandatory trainings when they were off the clock. This resulted in unpaid 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.

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

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

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

First, Due to Defendants’ policy and practice of failing to pay overtime at the lawful rate of 1.5x their straight rate of pay, Defendants failed to pay Plaintiff and the aggrieved employees overtime wages at the lawful rate of pay for overtime hours worked. An illustrative example of this overtime rate violation appears on Plaintiff’s pay stub below:

BAYSHORE MOTOR GROUP DBA TOYOTA 101 3900 Chapman Hwy REDWOOD CITY, CA 94063-1435 (650) 366-3000		EMPLOYEE NAME GEORGE SPAULDING		SOCIAL SECURITY NO.	EMPLOYEE NO. 652	CHECK NO. 93269
DIVISION 1		DEPARTMENT 31		PERIOD BEGINNING 08/12/24	PERIOD ENDING 08/25/24	CHECK DATE 08/28/24
EARNINGS/TAXABLE BENEFITS		HOURS	RATE	CURRENT	YEAR TO DATE	TAXES / DEDUCTIONS
REGULAR		84.00	40.000	3,384.00	7,044.00	FEDERAL S-O 655.68 1,380.69
BREAKTIME		3.00	46.740	140.22	326.82	OASDI 252.71 587.17
OVERTIME		24.00	23.670	568.08	1,318.96	MEDICARE 59.10 137.32
BONUS ACCRU				0.00	426.00	STATE-CA S-O 259.15 512.66
REGULAR TIME				0.00	632.00	SDI 44.84 104.18
TOTAL PAY		111.60		4,092.30	9,747.78	CAFETERIA PL 16.31 277.27
VAC REMAINING		48.00				
SIC REMAINING		40.00				
NET PAY CHK				2,804.51	6,748.49	
TOTAL NET PAY				2,804.51	6,748.49	

TOYOTA 101

Extract from Plaintiff’s wage statement for pay period of August 12, 2024 to August 25, 2024, showing Defendants paid Plaintiff’s overtime at an unlawful rate of .59x his straight rate.

During this pay period, Defendants failed to properly pay Plaintiff's overtime rate as the 24 overtime hours were paid at .59x Plaintiff's base rate of 40.00 rather than 1.5x his straight rate of pay. Defendants committed the same violation against Plaintiff and other aggrieved employees as a matter of common payroll administration and company policy. This resulted in the underpayment of wages to employees.

Second, to the extent that a "Production Bonus" constitutes a non-discretionary bonus or incentive, Defendants failed to include these additional forms of remuneration into the regular rate of pay. Defendants instead unlawfully paid Plaintiff and, on information and belief, the aggrieved employees at less than their straight hourly rate. An illustrative example of this violation is shown below:

BIWEEKLY - FLAT RATE CALCULATION		WEDNESDAY 09/11/2024	
Resourcing, George		WEDNESDAY 09/11/2024	
COMPENSATION PLAN PARAMETERS BAYVIEW MEDICAL GROUP USA, Tampa, FL 650 S. BAYVIEW BL, MIAMI, FL 33131 Pay Date: 9/11/2024 Technician Name: Spawling, George Employee ID No.: 912 Base Hourly Rate (BHR): \$ 32.00 Training Hourly Rate: \$ 40.00 Assigned Unit Value: \$ 40.00		COMPENSATION PLAN PARAMETERS BASE HOURLY RATE FOR TECHNICIAN: \$ 32.00 TRAINING HOURLY RATE: \$ 40.00 TECHNICIAN'S ASSIGNED UNIT VALUE: \$ 40.00	
PERIOD-SPECIFIC DATA ENTRY Total Hours Worked (including Training): 48.00 OT Hours Worked: 24.00 OT Hours Worked: 0.00 OT Hours Worked: 0.00 All of Paid Rest / Recovery Periods: 16 1 per shift of 1-4 hours, 1 for 5-10 Individual Units Produced: 62.00 On Site Training Hours: 0.00 Variable Bonus: \$ 0.00		TIME AND PRODUCTION DATA TOTAL INDIVIDUAL UNITS PRODUCED: 62.00 TOTAL STRAIGHTTIME HOURS (including Training, FGR): 48.00 34.00 DOUBLE TIME HOURS (D.T.): 0.00 TOTAL HOURS WORKED (including Training, FGR): 72.00 TRAINING HOURS: 0.00 HOURS OF REST / RECOVERY PERIOD: 0.00 REGULAR RATE FOR REST / RECOVERY PERIOD: \$ 35.94 ADJUSTED AGGREGATE RATE: \$ 2,208.00 PRODUCTION BONUS: \$ 272.00 PRODUCTION BONUS REGULAR RATE (per Overtime Calculation): \$ -3.94 VARIABLE BONUS: \$ - VARIABLE BONUS REGULAR RATE (per Overtime Calculation): \$ -	
		COMPENSATION CALCULATION BY ELEMENT HOURLY RATE ELEMENTS Element 1: BHR: $32.00 \times \$ 32.00 = \$ 2,208.00$ Element 2: Training Wages: $0.00 \times \$ 40.00 = \$ -$ Element 3: Rest / Recovery: $0.00 \times \$ 35.94 = \$ 157.83$ Hourly Rate Straight Time Subtotal: \$ 2,365.83 Weighted Average Hourly Rate: \$ 32.19 OT Premium: $34.00 \times \$ 16.86 = \$ 573.24$ OT Premium: $0.00 \times \$ 32.19 = \$ -$ Hourly Rate Elements With Overtime Subtotal: \$ 2,939.07 VARIABLE BONUS ELEMENTS Element 4: Production Bonus Subtotal: \$ 272.00 Production Bonus: \$ 272.00 Bonus OT: $24.00 \times \$ 1.97 = \$ 47.28$ Bonus OT: $0.00 \times \$ 3.94 = \$ -$ Element 5: Variable Bonus: \$ Subtotal: \$ - Other Bonus: \$ - Bonus OT: $0.00 \times \$ - = \$ -$ Bonus OT: $0.00 \times \$ - = \$ -$ Total Earned Compensation: \$ 3,021.02 Sick: \$ - Vacation: \$ - Holiday: \$ - Floating Holiday: \$ - Off Site Training: \$ - Grand Total: \$ 3,021.02	

Extract of Plaintiff's flat rate calculation from the pay period of August 26, 2024 to September 8, 2024, showing Plaintiff earned \$319.28 as a 'production Bonus' but was paid overtime at .45x his straight rate.

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.

Third, as a result of off-the-clock work described in the “Unpaid Hours Worked/Minimum Wage” section above, Defendant failed to compensate Plaintiff and the aggrieved employees for all overtime hours worked. As discussed above, Defendant engaged in an unlawful policy and practice requiring Plaintiff and aggrieved employees to complete certification trainings while off-the-clock. Also, Plaintiff and aggrieved employees were frequently required to take phone calls from colleagues to discuss work tasks while off-the-clock. To the extent this practice resulted in unpaid work over 8 hours in a day or 40 hours in a week, this resulted in unpaid overtime.

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.”

First, Defendants failed to comply with California's paid sick leave laws with respect to the aggrieved employees. Defendant failed to provide Plaintiff and aggrieved employees with all sick leave accrued. Plaintiff and the aggrieved employees worked off the clock, overtime hours that were not accounted for when calculating an employee's accrued paid sick leave. Therefore, Plaintiff and other aggrieved employees were not awarded the total accrued leave time they had earned.

Additionally, to the extent the "Production Bonus" was considered a non-discretionary bonus or incentive, Defendants failed to include these payments into the regular of pay each time Defendants paid sick leave hours in the same pay period that the aggrieved employees earned a "Production Bonus". This practice resulted in unpaid 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.

Plaintiff and the aggrieved employees routinely experienced missed, late, short, and interrupted meal periods to keep up with the demands of the job. Specifically, Plaintiff and aggrieved employees were too busy communicating with customers and making repairs resulting in missed meal periods. Additionally, Plaintiff and aggrieved employees often clocked out and continued to work through their meal periods to keep up with the demands of the job. When Plaintiff and aggrieved employees experienced missed, late, short, or interrupted meal periods, they were owed meal period premiums for each non-compliant meal period. However, as a matter of policy and practice, Defendant failed to pay Plaintiff and aggrieved employees a meal period premium in violation of Labor Code section 226.7.

To the extent the “Production Bonus” was considered a non-discretionary bonus or incentive, Defendants failed to include these payments into the regular rate of pay each time Plaintiff earned a meal period premium and additional remuneration in the same pay period. This practice resulted in unpaid premiums which should have been paid at the regular rate.

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

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

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

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

Defendants had an unlawful policy and practice of failing to provide all rest periods to which Plaintiff and aggrieved employees were entitled. As stated above in the “Unpaid Meal Period Premium” section, due to the demands of the job, Plaintiff and aggrieved employees were busy communicating with customers and making repairs. This prevented Plaintiff and aggrieved employees from taking lawful rest periods. When Defendants did not provide compliant rest periods, Defendants failed to pay Plaintiff and aggrieved employees a rest period premium in violation of Labor Code section 226.7.

To the extent the “Production Bonus” was considered a non-discretionary bonus or incentive, Defendants failed to include these payments into the regular rate of pay each time Plaintiff earned a rest period premium and additional remuneration in the same pay period. This practice resulted in unpaid premiums which should have been paid at the regular 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.

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.

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

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

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

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

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct "gross wages earned" or "net wages earned," as the employees earned wages and premiums that were not paid,

resulting in an inaccurate reflection, and recording of “gross wages earned” on those wage statements.

Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

Plaintiff and other aggrieved employees cannot promptly and easily determine from the wage statement alone the wages paid or earned without reference to other documents or information. Indeed, these wage statement violations are significant because they sow confusion among Plaintiff and other aggrieved employees with respect to what amounts were owed and paid, at what rates, the number of hours worked, and how those amounts were or should be calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments of employee wages.

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

Non-Compliant Wage Statements/Piece-Rate
Violation of Labor Code §§ 226, 226.2, 226.3

In addition to the foregoing wage statement violations Defendants also violated Labor Code sections 226.2 with respect to the aggrieved employees by failing to furnish itemized wage statements each pay period that accurately list all information required by that statute.

Labor Code sections 226.2(a)(2)(A) and (B) state that wage statements for employees compensated on a piece-rate-basis must, in addition to listing the items specified in section 226(a), also state the total hours of compensable rest and recovery periods and other non-productive time, the applicable rates of compensation, and the wages paid for those periods.

Likewise, in violation of Labor Code 226(a)(3), Defendants failed to include the number of piece-rate units earned on Plaintiff’s paystubs. Instead, as a matter of policy and practice, Defendants provided a separate document accounting piece-rate units earned, resulting in difficulty and confusion with respect to easily determining wages earned.

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.

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

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

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

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

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

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

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

Defendants required Plaintiff and the aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. Plaintiff and aggrieved employees were required to use their personal cell phones to communicate with advisors and dispatchers and send pictures of repairs that they were working on or completed. Moreover, they were required to use their personal laptops to complete mandatory trainings. As a matter of policy and practice, Defendants did not reimburse Plaintiff and aggrieved employees for these costs.

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.

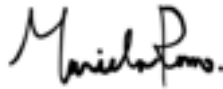
If you have any questions regarding the scope of your obligations to preserve evidence, please consult your legal counsel and always err on the side of caution. Periodic or regularly scheduled purges or deletions of information covered by this hold must be suspended immediately.

- 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,



Mariela Romo

Cc Plaintiff George Spaulding
Thuy@toyota101.com, HR Representative
lmp