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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
10/25/2022 at 04:30:37 PM
Clerk of the Superior Court
By Taylor Crandall, Deputy Clerk

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

SEBASTIAN SHERWELL and MARIANA
ROBLES, as the State of California's designated
proxies under the Private Attorneys General Act,

Plaintiff,

vs.

LOUIS VUITTON USA, INC. and DOES 1
through 50, inclusive,

Defendants.

Case No. 37-2022-00042954-CU-OE-CTL

**REPRESENTATIVE ACTION
COMPLAINT**

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

1 Plaintiffs SEBASTIAN SHERWELL and MARIANA ROBLES (“Plaintiffs”), as the State of
2 California’s designated proxies under the Private Attorneys General Act bring this
3 REPRESENTATIVE ACTION COMPLAINT against Defendants LOUIS VUITTON USA, INC. and
4 DOES 1 through 50, inclusive (“Defendants” or “Louis Vuitton”), alleging as follows:

5 **INTRODUCTION**

6 1. The aggrieved employees in this representative action worked for Louis Vuitton at its
7 luxury retail stores.

8 2. Louis Vuitton underpaid aggrieved employees’ meal and rest period premiums,
9 overtime, and paid sick leave because it did not accurately include all commissions, bonuses, and other
10 remuneration in the regular rate of pay calculation for purposes of paying those wages.

11 3. Louis Vuitton also maintained non-compliant meal and rest period practices, including
12 supervisor time editing that seemingly went unchecked.

13 4. Louis Vuitton is further liable for derivative claims for wage statement, untimely
14 payment, and associated violations.

15 5. Plaintiffs seek to recover civil penalties and other recoverable amounts for these Labor
16 Code violations on behalf of the State of California and the aggrieved employees.

17 **JURISDICTION & VENUE**

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

20 7. The monetary damages and restitution sought by Plaintiffs exceed the minimal
21 jurisdiction limits of the Superior Court.

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

26 9. Venue is proper in this Court under Code of Civil Procedure section 395 because
27 Defendants conduct business and committed some of the alleged violations in this county.
28

PARTIES

A. Plaintiffs

10. Plaintiff Sherwell is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about April 2017 through June 2022. Plaintiff worked in sales positions and earned commissions.

11. Plaintiff Robles is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about November 2015 through June 2022. Plaintiff worked in sales positions and earned commissions.

12. The State of California, via the Labor and Workforce Development Agency (“LWDA”), is the real party in interest in this action 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.”])

B. Defendants

13. Defendant Louis Vuitton USA, Inc. is a Delaware corporation that maintains operations and conducts business throughout the State of California, including in this county.

14. The true names and capacities, whether individual, corporate, or otherwise, of the parties sued as DOES 1 through 50, are presently unknown, unascertainable, or uncertain to Plaintiffs, who sue them by such fictitious names under Code of Civil Procedure section 474. Plaintiffs are informed, believe, and allege that each of DOES 1 through 50 employed Plaintiffs and is responsible in some manner for the acts and omissions alleged herein. Plaintiffs may seek leave to amend this Complaint to reflect their true names and capacities once ascertained.

15. Plaintiffs are informed, believe, and allege that all 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 Plaintiffs and other aggrieved employees, suffered and permitted them to work, and otherwise engaged them as employees under California law.

16. Plaintiffs are informed, believe, and allege that at least some of the Defendants have common ownership, common management, interrelationship of operations, and centralized control

1 over labor relations and are therefore part of an integrated enterprise and thus jointly and severally
2 responsible for the acts and omissions alleged herein, including pursuant to Labor Code sections 558,
3 558.1, and 1197.1

4 17. Plaintiffs are informed, believe, and allege that each defendant acted in all respects
5 pertinent to this action as an alter-ego, agent, servant, joint employer, joint venturer, co-conspirator,
6 partner, in an integrated enterprise, or in some other capacity on behalf of all other co-defendants, such
7 that the acts and omissions of each defendant may be legally attributable to all others.

8 **GENERAL ALLEGATIONS**

9 18. Louis Vuitton underpaid aggrieved employees' meal and rest period premiums,
10 overtime, and paid sick leave because it did not accurately include all commissions, bonuses and other
11 remuneration in the regular rate of pay calculation. These underpayments are evident from employee
12 paystubs and Louis Vuitton's internal payroll records.

13 19. Based on Plaintiffs' shared experience working at Louis Vuitton's Fashion Valley
14 store, Plaintiffs allege Louis Vuitton also failed to provide compliant meal and rest periods, including
15 maintaining a practice of editing meal period entries to create a false record of compliance. These
16 violations are, in part, evident from employee time records and Louis Vuitton's internal timekeeping
17 records. When time editing occurred, there is a derivative violation for unpaid minimum wage and
18 unpaid overtime, as the edits result in non-payment hours worked.

19 20. Plaintiffs also allege Louis Vuitton failed to pay certain wages owed in June 2022 more
20 than seven days after the regularly scheduled payday to the aggrieved employees.

21 21. These violations create derivative liability for failure to pay all wages owed each
22 payday or upon separation of employment.

23 22. As a result of the foregoing issues, and because in certain pay periods Louis Vuitton
24 failed to include the total hours worked and the hourly rate in effect along with the corresponding
25 number of hours worked at each rate, Louis Vuitton has provided inaccurate and non-compliant wage
26 statements to the aggrieved employees.

23. Through this action, Plaintiffs seek to enforce the rights of the State of California, through the LWDA, to enforce the Labor Code and collect civil penalties for Louis Vuitton’s Labor Code violations.

FIRST CAUSE OF ACTION

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

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

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

24. Plaintiffs incorporate all outside paragraphs of this Complaint as if set forth herein.

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

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

26. Plaintiffs reserve the right to amend, supplement, or add to this description of the aggrieved employees according to proof.

27. The State of California, via the Labor and Workforce Development Agency (“LWDA”), is the real party in interest in this action with respect to this cause of 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.”])

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

29. Labor Code section 2699(f) provides: “For all provisions of this code except those for which a civil penalty is specifically provided, there is established a civil penalty for a violation of these

provisions, as follows: ... (2) If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.”

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

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

32. On or about **August 16, 2022** and **August 24, 2022**, respectively, Plaintiffs paid the requisite PAGA filing fees and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged violations.

33. A true and correct copy of each Plaintiff’s written PAGA notice, respectively entitled “Notice of Labor Code Violations” are attached hereto as Exhibit 1 and Exhibit 2 and incorporated by reference as though fully set forth herein (the “PAGA notice”).

34. To date, neither Plaintiffs nor Plaintiffs’ counsel has received a response to Plaintiffs’ written PAGA notice from the LWDA.

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

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

37. As set forth in the PAGA notices attached as Exhibit 1 and Exhibit 2 and incorporated into this Complaint, Defendants committed the following violations and are liable for all corresponding civil penalties:

- a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders.
- b. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders.
- c. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.5.
- d. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.
- e. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- f. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- g. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- h. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- i. ***Failure to Provide Employee Records.*** Violation of Labor Code §§ 226, 432, 1174, 1198.5; IWC Wage Orders.
- j. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.
- k. ***Failure to Provide Written Commission Agreement.*** Violation of Labor Code § 2751.

38. Plaintiffs seek to collect all recoverable civil penalties for the Labor Code violations alleged in this Complaint and the PAGA notice (including amendments thereto) against Defendants pursuant to Labor Code section 2699(a) and (f), in addition to attorneys' fees, costs, and interest to the extent permitted by law, including under Labor Code section 2699(g).

PRAYER

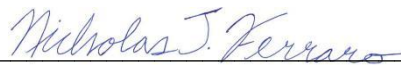
Plaintiffs pray for judgment as follows:

- a. For recovery of damages in amount according to proof;
- b. For all recoverable pre- and post-judgment interest;

- 1 c. For recovery of all civil and statutory penalties and liquidated damages;
2 d. For disgorgement of all amounts wrongfully obtained;
3 e. For this action to be maintained as a representative action under the PAGA;
4 f. For Plaintiffs and Plaintiffs' counsel to be provided with all enforcement capability as
5 if the action were brought by the State of California or the California Division of Labor
6 Enforcement;
7 g. For recovery of all civil penalties and other recoverable amounts under the PAGA;
8 h. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
9 permitted by law, including (without limitation) under Labor Code §§ 2699 and Code
10 of Civil Procedure section 1021.5; and
11 i. For such other relief the Court deems just and proper.

12 Dated: October 25, 2022

Ferraro Vega Employment Lawyers, Inc.

14 

15 Nicholas J. Ferraro
16 Attorneys for Plaintiffs

EXHIBIT 1

Sebastian Sherwell's Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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August 16, 2022

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

VIA EMAIL & CERTIFIED U.S. MAIL

- Electronic Return Receipt -

Louis Vuitton USA, Inc.
1 East 57th Street, 10th Floor
New York, New York 10022

- PAGA Notice & Filing Fee -
Submitted electronically to the California
Labor and Workforce Development
Agency on **08/16/2022**

Dear Labor Enforcement Officer and Company Representatives:

This letter serves as written notice on behalf of SEBASTIAN SHERWELL (“Claimant”), and all other “aggrieved employees” under California Labor Code section 2699.3 against LOUIS VUITTON USA, INC., along with any other related employer entities, including those who may be later added upon further investigation (collectively, “Defendants”).

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 period under Labor Code section 2699.3, Claimant shall seek and recover civil penalties as a proxy and agent of the State of California on behalf of other aggrieved employees under the California 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; *see also Kim v. Reins International California, Inc.* (2020) 9 Cal. 73, 79.

/ / /

FACTUAL STATEMENT

Defendants comprise the French luxury fashion house specializing in the manufacturing and sale of leather goods. Defendants employ aggrieved employees like Claimant in the State of California (including San Diego County) in hourly, non-exempt positions where employees are entitled to wage and hour protections under the California Labor Code and IWC Wage Orders.

Defendants engaged, suffered and permitted Claimant and the other “aggrieved employees,” as defined below, to work, exercised control over their respective wages, hours, and working conditions, and at all times were an agent and/or ostensible agent of any other employers, and the joint employer of Claimant and the aggrieved employees. Defendants legally employed Claimant and the other aggrieved employees under California law.

Additionally, Defendants and their agents remain liable under Labor Code sections 558, 558.1, 1197.1 and 2699 *et seq.* based on the acts and omissions set forth herein.

Claimant SEBASTIAN SHERWELL worked for Defendants from April 2017 to June 2022. Claimant worked in a sales position. Throughout his employment, Claimant worked as an hourly, non-exempt employee and earned bonuses and commissions.

Through this notice, Claimant informs the LWDA of the Labor Code violations set forth herein. The aggrieved employees who Claimant seeks to represent include the following individuals:

All current and former non-exempt hourly employees who worked for Defendants in the State of California during the one-year period and 178-day period preceding the date of this notice through the current date and the date of final judgment in any pending action (the “aggrieved employees” and the “PAGA Period”).

Claimant 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. Claimant reserves the right to expand or narrow the definition of the “aggrieved employees” in the forthcoming civil action.

Underpaid Meal Period Premiums **Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders**

Defendants failed to pay meal period premiums at the lawful regular rate of compensation to Claimant and other aggrieved employees in violation of Labor Code sections 226.7, 512 and 1198, and the related sections of the IWC Wage Orders, including section 11.

Labor Code section 512 requires that employers provide a 30-minute, uninterrupted 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 for an 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.

Defendants failed to provide compliant first and second meal periods to Claimant and the aggrieved employees. When Defendants did not provide compliant meal periods, Defendants failed to pay Claimant and other aggrieved employees a meal period premium in violation of Labor Code section 226.7. To the extent Defendants paid any meal period premiums, the premiums were not paid at the "regular rate of compensation" because the premium did not factor in sales commissions, bonuses, and other forms of remuneration. Defendants instead paid such premiums at Claimant and the aggrieved employees' base hourly rate, in violation of California law. An illustrative example of this violation is found on Claimant's pay statements for the pay period from May 15, 2022 to May 28, 2022.

LVMH

LOUIS HENNESSY • LOUIS VUITTON
Louis Vuitton USA Inc.
1 East 57th Street
11th Floor
New York, NY 10022
917-281-2065

Pay Statement
Period Start Date 05/15/2022
Period End Date 05/28/2022
Pay Date 06/03/2022
Document 688950
Net Pay \$2,890.22

Pay Details									
Sebastian Sherwell		Employee Number 203597		Location U4L - SAN DIEGO LA JOLLA		Federal Income Tax S1			
		SSN xxx-xx-xxxx		Bus Group LV - Louis Vuitton		CA State Income Tax (Residence) S1			
		Job W&J Expert Advisor		Dept/St/Tr L53200 - U4L - SAN DIEGO LA JOLLA		CA State Income Tax (Work) S1			
		Hourly Rate \$34.10		Region WESTC - West Coast					
USA		Pay Frequency Biweekly		GL Dept L53200 - U4L - SAN DIEGO LA JOLLA					
Earnings					Deductions				
Pay Type	Hours	Pay Rate	Current	YTD			Employee		
Break Penalty	0.0000	\$0.00	\$0.00	\$102.30	Deduction	Pre-Tax	Current	YTD	
Co. Paid LTD	0.0000	\$0.00	\$0.00	\$63.30	401(k)	Yes	\$0.00	\$2,556.64	
Commission	0.0000	\$0.00	\$4,591.42	\$30,047.91	Basic Life	No	\$0.00	\$0.00	
Group Term Life	0.0000	\$0.00	\$0.00	\$35.00	Co Paid LTD	No	\$0.00	\$63.30	
Holiday	0.0000	\$0.00	\$0.00	\$248.00	DPPD Option	Yes	\$0.00	\$62.26	
OT Premium	0.0000	\$0.00	\$36.00	\$219.41	Group Term Life	No	\$0.00	\$35.00	
Overtime	0.0000	\$0.00	\$0.00	\$311.31	Kaiser	Yes	\$0.00	\$661.69	
Personal Time	0.0000	\$0.00	\$0.00	\$1,091.20					
Regular Hrs.	0.0000	\$0.00	\$0.00	\$24,359.28					
Retro Pay	0.0000	\$0.00	\$0.00	\$1,125.38	Taxes				
Sick Hours	0.0000	\$0.00	\$0.00	\$744.00	Taxes		Current	YTD	
SPIFF Bonus	0.0000	\$0.00	\$0.00	\$284.00	CA Disability Employee		\$50.90	\$705.00	
Vacation	0.0000	\$0.00	\$0.00	\$6,224.80	CA State Income Tax		\$322.20	\$3,480.00	



LOUIS VUITTON
LOUIS VUITTON USA Inc.
1 East 57th Street
11th Floor
New York, NY 10022
917-281-2065

Pay Statement
Period Start Date 05/15/2022
Period End Date 05/28/2022
Pay Date 06/03/2022
Document 688949
Net Pay \$1,973.32

Pay Details							
Sebastian Sherwell [REDACTED] USA	Employee Number	203597	Location	U4L - SAN DIEGO LA JOLLA	Federal Income Tax	\$1	
	SSN	xxx-xx-xxxx	Bus Group	LV - Louis Vuitton	CA State Income Tax (Residence)	\$1	
	Job	W&J Expert Advisor	Dept/St/Tr	L53200 - U4L - SAN DIEGO LA JOLLA	CA State Income Tax (Work)	\$1	
	Hourly Rate	\$34.10	Region	WESTC - West Coast			
	Pay Frequency	Biweekly	GL Dept	L53200 - U4L - SAN DIEGO LA JOLLA			
Earnings				Deductions			
Pay Type	Hours	Pay Rate	Current	YTD	Employee		
Break Penalty	1.0000	\$34.10	\$34.10	\$102.39	Deduction	Pre-Tax	Current YTD
Co. Paid LTD	0.0000	\$0.00	\$6.00	\$63.30	401(k)	Yes	\$0.00 \$2,556.64
Commission	0.0000	\$0.00	\$0.00	\$25,456.49	Basic Life	No	\$0.00 \$0.00
Group Term Life	0.0000	\$0.00	\$3.40	\$35.00	Co Paid LTD	No	\$6.00 \$63.30
Holiday	0.0000	\$0.00	\$0.00	\$248.00	DPPO Option	Yes	\$5.96 \$62.26
OT Premium	0.0000	\$0.00	\$0.00	\$183.41	Group Term Life	No	\$3.40 \$35.00
Overtime	0.0000	\$0.00	\$0.00	\$311.31	Kaiser	Yes	\$61.04 \$661.69
Personal Time	0.0000	\$0.00	\$0.00	\$1,091.20			
Regular Hrs.	63.6700	\$34.10	\$2,171.15	\$24,359.28			
Retro Pay	0.0000	\$0.00	\$0.00	\$1,125.38			
Sick Hours	0.0000	\$0.00	\$0.00	\$744.00			
SPIFF Bonus	0.0000	\$0.00	\$0.00	\$284.00			
Vacation	16.0000	\$34.10	\$545.60	\$6,224.80			
Total Hours	80.6700		\$2,760.25	\$60,228.47			

Extracts from Claimant's Pay Statements for the Pay Period from 05/15/2022 to 05/28/2022

During this pay period, Claimant earned a commission of \$4,591.42 but that amount was not factored into his regular rate of pay for purposes of paying meal period premiums as he was paid a meal period premium at his base hourly rate. Defendants committed this same violation against the other aggrieved employees as well as a matter of common payroll administration and company policy. This resulted in significant underpayments of wages to employees. *See Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal. 5th 93.

Furthermore, Claimant experienced managers and supervisors editing time records to reflect a timely 30-minute meal period even when actually late, short or missed. Claimant is informed and believes and alleges that these are reflected as a matter of common practice on employee time records through edit reports for himself and for other aggrieved employees. This resulted in unpaid off the clock work during those lunch breaks that were fictitiously entered or adjusted by the company on time records.

As a result, Claimant may recover civil penalties on behalf of himself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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Underpaid Rest Period Premiums
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants failed to pay rest period premiums at the lawful regular rate of compensation to Claimant and other aggrieved employees in violation of Labor Code sections 226.7, 516 and 1198, and the related sections of the IWC Wage Orders, including section 12.

Labor Code sections 226.7 and 516, along with the IWC Wage Orders, require that employers authorize and permit a 10-minute, uninterrupted rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a meal period is non-compliant, the employer must pay for an hour of pay at the employee's "regular rate" of compensation. *See Ferrera v. Loews Hollywood Hotel*, 11 Cal. 5th at 862. 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. Defendants required Claimant and other aggrieved employees to effectively waive or otherwise forego their rest periods contrary to the law.

Additionally, given the nature of the work and demands of the job, Claimant and other aggrieved employees regularly worked through 10-minute rest periods without receiving payment of a rest period premium. This was a result of the high volume and customer demands of the sales positions, along with the company's practice of not authorizing or scheduling 10-minute breaks. Defendants had a policy and practice of not paying rest period premiums to employees who were unable to take rest periods. To the extent Defendants ever paid a rest period premium, Defendants violated Labor Code section 226.7 because such premiums were not paid at the regular rate of compensation to aggrieved employees, which would have factored in bonuses, commissions, and other compensation.

As a result, Claimant may recover civil penalties on behalf of himself, the State of California and the aggrieved employees as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

Underpaid Paid Sick Leave
Violation of Labor Code §§ 246 through 248.5

Defendants violated Labor Code section 246 because they failed to calculate and pay Claimant and the aggrieved employees paid sick leave at an hourly rate using one of the three permissible methods of calculation set forth in Labor Code sections 246(l)(1) to (3). Under Labor Code section 246 *et seq.*, employers are required to provide paid sick leave to all employees. 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. Cal. Lab. Code § 246. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one (1) hour for every thirty (30) hours worked in a given pay period. Cal. Lab. Code § 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment. Cal. Lab. Code § 246(b)(1).

Additionally, employers are required to pay sick leave in accordance with one of the permissible methods provided in Labor Code § 246(l)(1)-(3):

(l) For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations:

(1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.

(2) Paid sick time for nonexempt employees shall be calculated 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 of employment.

(3) Paid sick time for exempt employees shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time.

The third option is not applicable because this case involves non-exempt employees. Defendants were required to pay paid sick time under the method set forth in options one or two.

As an initial matter, Claimant is informed, believes, and alleges that Defendants failed to provide paid sick leave in accordance with California law, rendering Defendants liable for an associated civil penalty with respect to every employee and every pay period during the PAGA period. Moreover, Defendants failed to maintain the records required by Labor Code § 246 *et seq.* with respect to the paid sick leave.

However, to the extent paid, Defendants paid sick leave at employees' base hourly rate of pay and failed to factor in bonuses, commissions and/or other forms of remuneration. Specifically, Defendants did not pay paid sick leave "in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick leave, whether or not the employee actually works overtime in that workweek," as the regular rate should have included commission wages for the reasons aforementioned. Additionally, Defendants did not use the second method permitted under Labor Code § 246 by dividing the employee's total wages by total hours worked in the full pay periods of the prior 90 days, as such calculation would have resulted in a paid sick leave rate higher than the base rate at which Claimant was paid. An example of this can be seen in Claimant's pay statements for the pay period from November 14, 2021 to November 27, 2021, which show that Claimant was paid sick leave at his base hourly rate of \$31.00 even though he earned \$5,621.37 in commissions during the same pay period.

LVMH
1001 RENAISSANCE COURT, SUITE 100
LOS ANGELES, CA 90024
11th Floor
New York, NY 10022
917-281-2000

Pay Statement
Period Start Date: 11/14/2021
Period End Date: 11/27/2021
Pay Date: 12/03/2021
Document: 914262
Net Pay: \$1,225.21

Pay Details Sebastian Shermell		Employee Number: 203907 SSN: [REDACTED] Job: [REDACTED] Priority Rate: \$31.00 Pay Frequency: Biweekly	Location: LV First Valley's Diego Bio Group: LV - Los Angeles Department: 110000 - LV - LAS VEGAS VALLEY Region: WESTC - West Coast GL Dept: 110000 - LV - LAS VEGAS VALLEY	Federal Income Tax: 0.00 CA State Income Tax (Residence): 0.00 CA State Income Tax (Work): 0.00
Earnings				
Pay Item	Hours	Pay Rate	Earnings	Net
Co. Paid LTD	0.0000	\$1.00	\$0.00	\$17.80
Commission	0.0000	\$1.00	\$0.00	\$2,672.27
Group Term Life	0.0000	\$1.00	\$0.00	\$14.80
Holiday	0.0000	\$1.00	\$0.00	\$248.00
Overtime	0.0000	\$1.00	\$0.00	\$248.00
Personal Time	0.0000	\$1.00	\$0.00	\$248.00
Reg. or Int.	0.0000	\$1.00	\$0.00	\$2,672.27
Sick Hours	0.0000	\$1.00	\$0.00	\$248.00
Unempl.	0.0000	\$1.00	\$0.00	\$248.00
Total Hours		0.0001	\$5,617.37	\$17,038.60
Taxes				
Total				
CA Disability Employee: \$67.40				
CA State Income Tax: \$345.04				
Presbytery Deduction: \$80.51				
Federal Income Tax: \$1,145.65				

LVMH
1001 RENAISSANCE COURT, SUITE 100
LOS ANGELES, CA 90024
11th Floor
New York, NY 10022
917-281-2000

Pay Statement
Period Start Date: 11/14/2021
Period End Date: 11/27/2021
Pay Date: 12/03/2021
Document: 914263
Net Pay: \$1,861.67

Pay Details Sebastian Shermell		Employee Number: 203907 SSN: [REDACTED] Job: [REDACTED] Priority Rate: \$31.00 Pay Frequency: Biweekly	Location: LV First Valley's Diego Bio Group: LV - Los Angeles Department: 110000 - LV - LAS VEGAS VALLEY Region: WESTC - West Coast GL Dept: 110000 - LV - LAS VEGAS VALLEY	Federal Income Tax: 0.00 CA State Income Tax (Residence): 0.00 CA State Income Tax (Work): 0.00
Earnings				
Pay Item	Hours	Pay Rate	Earnings	Net
Co. Paid LTD	0.0000	\$0.00	\$0.00	\$17.80
Commission	0.0000	\$0.00	\$0.00	\$2,672.27
Group Term Life	0.0000	\$0.00	\$0.00	\$14.80
Holiday	0.0000	\$0.00	\$0.00	\$248.00
Overtime	0.0000	\$0.00	\$0.00	\$248.00
Personal Time	0.0000	\$0.00	\$0.00	\$248.00
Reg. or Int.	73.1300	\$31.00	\$2,267.03	\$5,745.47
Sick Hours	4.0000	\$31.00	\$124.00	\$124.00
Unempl.	0.0000	\$0.00	\$0.00	\$248.00
Total Hours		77.1300	\$2,391.03	\$6,017.47
Taxes				
Total				
CA Disability Employee: \$67.40				
CA State Income Tax: \$345.04				
Presbytery Deduction: \$80.51				
Federal Income Tax: \$1,145.65				

Extracts from Claimant's Pay Statements for the Pay Period from 11/14/2021 to 11/27/2021

The failure to calculate and pay paid sick leave at one of the lawful rates set forth in Labor Code § 246(l)(1)-(3) was applied as a matter of common policy and practice to Claimant and the aggrieved employees in those pay periods where they earned additional payments, bonuses, commissions, or other forms of non-excludable remuneration and also received paid sick leave.

As a result, Claimant may recover civil penalties on behalf of himself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law. Claimant is also entitled to penalties under Labor Code section 248.5.

Underpaid Covid Supplemental Paid Sick Leave Violation of Labor Code §§ 246 through 248.6

Defendants violated Labor Code section 248.2 and 248.6 because they failed to provide Claimant and the aggrieved employees paid sick leave at the lawful hourly rate. Labor Code 248.2 required employers to provide up to 80 hours of Covid-19 Supplemental Paid Sick Leave for the period of January 1, 2021 through September 30, 2021. Labor Code section 248.6 extended Covid sick leave protections and requires employers to provide up to 80 hours of Covid-19 Supplemental Paid Sick Leave for the period of January 1, 2022 to September 30,

2022, and may be extended thereafter. Employers must comply with the calculation and payment methods of these Covid supplemental sick leave laws.

Under Labor Code sections 248.2, non-exempt employees must be paid supplemental paid sick leave according to the highest of the following four methods:

(I) Calculated in the same manner as the regular rate of pay for the workweek in which the covered employee uses COVID-19 supplemental paid sick leave, whether or not the employee actually works overtime in that workweek.

(II) Calculated by dividing the covered 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 of employment.

(III) The state minimum wage.

(IV) The local minimum wage to which the covered employee is entitled.

Labor Code section 248.6 requires employers to pay supplemental sick leave using either method I or II identified above.

On information and belief, Defendants violated California law by failing to pay Covid-19 Supplemental Paid Sick Leave at a rate authorized by statute. As explained in the section above, Defendants failed to pay Covid-19 supplemental sick leave at the correct rate because they failed to take into account employees' bonuses, commissions, and other remuneration. The failure to calculate and pay paid sick leave at one of the lawful rates set forth in Labor Code §§ 248.2 and 248.6 was applied as a matter of common policy and practice to Claimant and the aggrieved employees. Defendants further failed to maintain the proper records required by the paid sick leave statutes.

As a result, Claimant may recover civil penalties on behalf of himself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law. Claimant is also entitled to penalties under Labor Code section 248.5.

Overtime and Minimum Wage Violations

Violation of Labor Code §§ 200, 201-204, 210, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199; IWC Wage Orders

Defendants failed to pay overtime based on the lawful regular rate of pay, in violation of Labor Code sections 201-204, 210, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, applicable local minimum wage ordinances, and the related sections of the applicable IWC Wage Orders, including sections 3 and 4.

Claimant and the aggrieved employees were not paid at their lawful overtime rate (*i.e.*, time and a half or double time based on their regular rate of pay) for all overtime hours worked in excess of 8 hours in a workday, 40 hours in a workweek, or for any hours on any seventh

consecutive day of work, to the extent Claimant or other aggrieved worked on a seventh consecutive workday or other such hours as further investigation may reveal.

Labor Code section 204(a) states that all wages earned are due and payable twice during each calendar month on days designated in advance by the employer as regular pay days. Overtime wages are to be paid no later than the payday for the next regular payroll period. (Labor Code § 204(b)(1).) Labor Code § 210 states that, “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.

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 sections 558 and 1197.1 contain civil penalties for violating this provision of those provisions of the IWC Wage Orders, including sections 3 and 4 and the standing Minimum Wage Order. Labor Code section prohibits payment of a wage less than the legal overtime compensation applicable to the employee. 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 and Labor Code section 1199 renders payment of wages contrary to the forging Labor Code and Wage Order provisions unlawful.

On information and belief, when Claimant and the aggrieved employees worked overtime, Defendants failed to pay the overtime at the “regular rate of pay.” Defendants paid Claimant and the aggrieved employees sales commissions, bonuses, and other forms of remuneration that Defendants failed to include in the “regular rate of pay” when employees earned overtime. Defendants paid overtime and doubletime to Claimant and the aggrieved employees at 1.5x and 2x their straight hourly rate. For each overtime hour worked during the period in which Claimant and the aggrieved employees earned sales commissions and bonuses, Defendants should have (but failed to) pay overtime “at the rate of 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. To extent that Defendants paid “true up” payments in subsequent pay periods or on commission checks, those overtime regular rate payments were underpaid and untimely.

As described above, Defendants engaged in a practice of time adjustments for meal periods that were late, short, or missed altogether. As a result, Defendants underpaid minimum wages

for those hours worked (but reduced) on account of Defendants' practice of editing time to reflect unpaid meal period hours when in fact such time was compensable hours worked.

As a result, Claimant may recover civil penalties on behalf of himself, the State of California and the aggrieved employees as provided under Labor Code §§ 225.5 (\$100/\$200), 558 (\$50/\$100), 1197.1 (\$100/\$250) and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

Defendants violated Labor Code sections 204 and 204b requiring payment of all wages on regularly scheduled paydays with respect to Claimant and other aggrieved employees by failing to pay all wages owed on the regular pay days scheduled each pay period. To the extent that Defendants made or make any retroactive payments to Claimant or other aggrieved employees, such amounts are untimely in violation of these payday statutes.

Because Defendants failed to pay all wages in each pay period in which such wages were earned at the lawful rate for overtime, meal/rest premiums, sick leave, and other forms of remuneration, Defendants violated Labor Code section 204 and/or 204b (for weekly employees), which requires timely payment of wages of wages each regular scheduled pay period. Labor Code section 204 requires payment of "all wages" for non-exempt employees at least twice each calendar month. 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 that, "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.

As explained above, Defendants underpaid Claimant and other aggrieved employees' meal and rest period premiums, sick leave, and overtime wages because these were paid at the employee's base hourly rate instead of at his/her regular rate of compensation, leading to Defendants being separately liable for not paying the full amount owed to Claimant and other aggrieved employees each payday in violation of Labor Code sections 204 and/or 204b.

Moreover, Defendants failed to timely compensate Claimant, and presumably other aggrieved employees, for work performed during the pay period from May 29, 2022 to June 11, 2022. On or around June 3, 2022, Claimant received payment for work performed during the pay period of May 15, 2022 to May 28, 2022. Claimant did not receive payment nor a pay statement again until on or around June 30, 2022, or more than a month after his last payment/pay statement. Thus, Defendants failed to timely compensate Claimant, and presumably other aggrieved employees during their employment by failing to provide compensation for the pay period from May 29, 2022 to June 11, 2022 on or around June 15, 2022.

Pay Statement
Period Start Date 06/30/2022
Period End Date 06/30/2022
Pay Date 06/30/2022
Document 31204
Net Pay \$0.00

Pay Details

Sebastian Sherwell [REDACTED] USA	Employee Number 203597 SSN xxxxxxxx Job W&J Expert Advisor Hourly Rate \$34.10 Pay Frequency Biweekly	Location U4L - SAN DIEGO LA JOLLA Bus Group LV - Louis Vuitton Dept/St/Tr L53200 - U4L - SAN DIEGO LA JOLLA Region WESTC - West Coast GL Dept L53200 - U4L - SAN DIEGO LA JOLLA	Federal Income Tax \$ 1 CA State Income Tax (Residence) \$ 1 CA State Income Tax (Work) \$ 1
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Earnings					Deductions			
Pay Type	Hours	Pay Rate	Current	YTD	Deduction	Pre-Tax	Employee	
Break Penalty	0.0000	\$0.00	\$0.00	\$102.30				
Co. Paid LTD	0.0000	\$0.00	\$6.00	\$69.30				
Commission	0.0000	\$0.00	\$0.00	\$30,047.91	401(k)	Yes	\$0.00	\$2,556.64
Group Term Life	0.0000	\$0.00	\$3.40	\$38.40	Basic Life	No	\$0.00	\$0.00
Holiday	8.0000	\$34.10	\$272.80	\$520.80	Co Paid LTD	No	\$6.00	\$69.30
OT Premium	0.0000	\$0.00	\$0.00	\$219.41	DPPO Option	Yes	\$5.66	\$67.92
Overtime	0.5300	\$51.15	\$16.88	\$328.19	Group Term Life	No	\$3.40	\$38.40
Personal Time	8.0000	\$34.10	\$272.80	\$1,364.00	Kaiser	Yes	\$61.04	\$722.73
Regular Hrs.	116.9300	\$34.10	\$3,987.31	\$28,346.59	Non-Payroll CK	No	\$3,020.45	\$3,020.45
Retro Pay	0.0000	\$0.00	\$0.00	\$1,125.38				
Sick Hours	0.0000	\$0.00	\$0.00	\$744.00				
SPIFF Bonus	0.0000	\$0.00	\$0.00	\$284.00				
					Taxes			
					Taxes		Current	YTD

Extract from Claimant's 6/20/2022 Pay Statement

As a result, Claimant may recover civil penalties on behalf of himself, the State of California and the aggrieved employees as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, Labor Code section 210 (\$100/\$200) per violation per pay period, along with all other civil penalties permitted by law.

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

Defendants violated Labor Code sections 201, 202 and 203 requiring timely payment of all wages upon separation and waiting time penalties in lieu thereof with respect to 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.

Because Defendants failed to pay all wages and premiums owed to the aggrieved employees during their employment and failed to properly pay meal and rest period premiums, sick leave,

and overtime wages at the lawful respective rates, Defendants failed to timely pay all wages owed upon separation of employment in violation of Labor Code sections 201, 202 and 203.

As a result, Claimant may recover civil penalties on behalf of himself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

Defendants violated Labor Code section 226 with respect to Claimant and other 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.¹ An employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of \$250 per employee per violation for the initial citation and \$1,000 per employee for each violation in a subsequent citation, in addition to other penalties allowed by law.

Throughout the relevant statutory period, as a result of the foregoing violations identified in this notice—unpaid meal and rest period premiums, sick leave, and overtime wages—Defendants violated Labor Code section 226(a)(1) by not listing the correct “gross wages earned,” as the employees earned meal and rest period premiums, sick leave, and regular and overtime wages, but were instead underpaid, resulting in an inaccurate reflection and recording of “gross wages earned” on those wage statements. Defendants also violated Labor Code section 226(a)(5) with respect to “net wages earned” for the same reasons, as the “net wages earned” are depreciated and underpaid resulting in an inaccurate reflection on the wage statement.

¹ See generally *Lopez v. Friant & Associates, LLC* (2017) 15 Cal. App. 5th 773, 787-88 (“Consistent with the PAGA statutory framework and the plain language of section 226(e), we hold a plaintiff seeking civil penalties under PAGA for a violation of section 226(a) does not have to satisfy the “injury” and “knowing and intentional” requirements of section 226(e)(1)”); see also *Kastler v. Oh My Green, Inc.* (N.D. Cal., Oct. 25, 2019) Case No. 19-CV-02411-HSG (“Injuries from a failure to provide an accurate pay statement include ‘possibility of not being paid overtime, employee confusion over whether they received all wages owed them, difficulty and expense involved in reconstructing pay records, and forcing employees to make mathematical computations to analyze whether the wages paid in fact compensated them for all hours worked’”) (rejecting *Maldonado* defense for class claims).

Furthermore, Defendants violated Labor Code section 226(a)(2) by failing to list employees' "total hours worked," as aggrieved employees worked off-the-clock during uncompensated meal periods, rendering the total hours listed as an inaccurate reflection of hours worked.

Lastly, in violation of Labor Code section 226(a)(9), the hourly rates and corresponding hours worked at those rates are incorrectly listed on Claimant and the aggrieved employees' wage statements. The hourly rates on the wage statement are inaccurate with respect to meal and rest period premiums, sick leave, and overtime rates that were not paid at the "regular rate of pay" and/or regular rate of compensation as those hours were paid at the improper base rate and reflected as such on the wage statements of the aggrieved employees.

For example, Claimant's wage statement for the pay period from June 12, 2022 to June 25, 2022 fails to include all information necessary for Claimant to determine what he was compensated for and how his compensation was calculated. The wage statement shows that during this pay period, Claimant earned a bonus of \$9,232.38 and was paid \$85.31 in overtime wages. Yet, the pay statement fails to show the number of hours worked and the pay rate leading to the \$85.31, as well as the number of regular hours worked, and regular compensation earned during the pay period. It is reasonable to believe that Claimant worked regular hours to achieve the commissions he earned, but such information is not provided in this specific pay statement, and Defendants did not provide Claimant another pay statement for this same pay period. Thus, Defendants violated Labor Code section 226(a) by failing to provide Claimant, and presumably other aggrieved employees, accurate itemized wage statements.

Louis Vuitton USA Inc
1 East 57th Street
11th Floor
New York, NY 10022
917-281-2065

Pay Statement
Period Start Date 06/12/2022
Period End Date 06/25/2022
Pay Date 07/01/2022
Document 698555
Net Pay \$5,704.66

Sebastian Sherwell

USA

Employee Number 203597
SSN xxxxxxxxxx
Job W&J Expert Advisor
Hourly Rate \$34.10
Pay Frequency Biweekly

Location U4L - SAN DIEGO LA JOLLA
Bus Group LV - Louis Vuitton
Dept/St/Tr L53200 - U4L - SAN DIEGO LA JOLLA
Region WESTC - West Coast
GL Dept L53200 - U4L - SAN DIEGO LA JOLLA

Federal Income Tax S 1
CA State Income Tax (Residence) S 1
CA State Income Tax (Work) S 1

Earnings

Pay Type	Hours	Pay Rate	Current	YTD
Break Penalty	0.0000	\$0.00	\$0.00	\$102.30
Co. Paid LTD	0.0000	\$0.00	\$0.00	\$69.30
Commission	0.0000	\$0.00	\$9,292.38	\$39,340.29
Group Term Life	0.0000	\$0.00	\$0.00	\$38.40
Holiday	0.0000	\$0.00	\$0.00	\$520.80
OT Premium	0.0000	\$0.00	\$85.31	\$304.72
Overtime	0.0000	\$0.00	\$0.00	\$328.19
Personal Time	0.0000	\$0.00	\$0.00	\$1,364.00
Regular Hrs.	0.0000	\$0.00	\$0.00	\$28,346.59
Retro Pay	0.0000	\$0.00	\$0.00	\$1,125.38
Sick Hours	0.0000	\$0.00	\$0.00	\$744.00
SPIFF Bonus	0.0000	\$0.00	\$0.00	\$284.00

Deductions

Deduction	Pre-Tax	Employee Current	YTD
401(k)	Yes	\$0.00	\$2,556.64
Basic Life	No	\$0.00	\$0.00
Co Paid LTD	No	\$0.00	\$69.30
DPPO Option	Yes	\$0.00	\$67.92
Group Term Life	No	\$0.00	\$38.40
Kaiser	Yes	\$0.00	\$722.73
Non-Payroll Ck	No	\$0.00	\$3,020.45

Taxes

Taxes	Current	YTD
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Extract from Claimant's Pay Statement for the Pay Period from 6/12/2022 to 6/25/2022

Claimant 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 sowed confusion among Claimant 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 calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments throughout the relevant period.

Thus, Claimant may recover civil penalties on behalf of himself, the State of California and the aggrieved employees as provided under Labor Code sections 226.3 (\$250/\$1,000) and/or 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

Failure to Maintain Accurate Records
Violation of Labor Code §§ 1174, 1174.5, 1198; IWC Wage Orders

Because of the violations set forth in this notice, including Defendants' failure to accurately maintain records of pay for all hours worked at the appropriate lawful rates of pay, Defendants violated Labor Code section 1174 and the IWC Wage Orders by failing to maintain accurate payroll records showing all hourly rates in effect and hours worked at those rates, and the wages paid to each employee. As a result, Defendants are liable for a civil penalty of \$500 per employee to Claimant and each aggrieved employee pursuant to Labor Code section 1174.5.

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

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

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

Defendants failed to provide all records upon Plaintiff's request. Specifically, as a matter of corporate policy and practice, and in non-compliance with California law, Defendants prohibit employees from accessing their time records showing time punches and hours worked. Even when requested, Defendant's corporate policy is to decline providing time records or access to time records for inspection. Moreover, Defendants failed to provide all wage statements upon request to Claimant and other aggrieved employees. Defendants also failed to provide all documents signed or otherwise required to be in employee personnel files, such as all commission or earning policies signed or received by Claimant and other aggrieved employees.

As a result, Claimant may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code sections 226.3 (\$250/\$1,000), 1174.5 (\$500), and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

Failure to Provide Written Commission Agreement
Violation of Labor Code § 2751

Defendants failed to provide written commission agreements to all the aggrieved employees, in violation of Labor Code section 2751. When an employer pays commissions as part of employee compensation, section 2751(a) requires that the employer provide a written contract that sets "forth the method by which the commissions" are "computed and paid." Section 2751(b) requires an employer to provide a copy of the commission agreement that is signed by both the employer and the employee.

Defendants paid Claimant and the aggrieved employees a base hourly rate plus commissions and bonuses based on sales. Through the course of their employment, Defendants provided Claimant and aggrieved employees some but not all the commission agreements they were entitled to. For example, Claimant's personnel file contains three commission agreements and they all expired by 2019. The first one is titled "Crocodile Premium Incentive" and was valid from June 1, 2019 through July 31, 2019. The second one is called "Tambour Horizon Watch Incentive" and was valid from July 11, 2017 through August 20, 2017. The last one is named "2017 Louis Vuitton Retail Category Expert Bonus Plan" and was valid only during 2017. Claimant and some of the aggrieved employees worked for Defendants after 2019 and earned commissions throughout their employment. However, Defendants failed to provide Claimant and the aggrieved employees with commission agreements after July 31, 2019, in violation of the California Labor Code 2751(b).

Attorneys' Fees and Costs
Labor Code § 2699(g)

Claimant was compelled to retain the services of counsel to file this court action to protect his interests, the interests of other aggrieved employees, and the State of California. Claimant has thereby incurred and will continue to incur attorneys' fees and costs, which are recoverable on all PAGA causes of action under Labor Code section 2699(g).

**Notice of Demand for Defendants
to Change Policies and Practices**

Claimant intends to pursue legal action against Defendants based on the violations set forth in this notice. Defendants are hereby notified that any attempt to resolve this case must be conducted in coordination with Claimant's counsel to protect the interests of Claimant, the aggrieved employees, and the State of California via the LWDA. Any and all settlements releasing liability require Court approval in connection with Claimant and their counsel to fully release liability and resolve the claims alleged in this notice. Claimant will establish that (1) his lawsuit was a catalyst in motivating Defendants to change their policies and practices and provide the relief sought through this action, (2) that the forthcoming lawsuit has merit and is based on undisputed violations for which Defendants will be liable at trial, and (3) that Claimant has hereby notified Defendants of their violations and considers this notice an attempt to resolve the matter. *See Tipton-Whittingham v. City of Los Angeles* (2004) 34 Cal.4th 604, 608 (citing *Graham v. Daimler-Chrysler Corp.* (2004) 34 Cal. 4th 553 (authorizing an award of catalyst attorneys' fees)).

As the PAGA representative, Claimant has a duty to file this case at the earliest opportunity. Defendants may contact Claimant's counsel with any questions regarding this letter or the forthcoming lawsuit.

CONCLUSION

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

Thank you for your attention to this matter.

Sincerely,



Nicholas J. Ferraro

Cc Claimant
 Lauren N. Vega, Esq.

Counsel for Louis Vuitton
Billy Sahachartsiri Billy.Sahachartsiri@hklaw.com
Tina Tellado Christina.Tellado@hklaw.com

EXHIBIT 2

Mariana Robles' Notice of Labor Code Violations

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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Lauren N. Vega
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Facsimile: 619-350-6855
www.ferrarovega.com

August 24, 2022

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

VIA EMAIL & CERTIFIED U.S. MAIL

- Electronic Return Receipt -

Louis Vuitton USA, Inc.
1 East 57th Street, 10th Floor
New York, New York 10022

- PAGA Notice & Filing Fee -
Submitted electronically to the California
Labor and Workforce Development
Agency on **08/24/2022**

Dear Labor Enforcement Officer and Company Representatives:

This letter serves as written notice on behalf of MARIANA ROBLES (“Claimant”), and all other “aggrieved employees” under California Labor Code section 2699.3 against LOUIS VUITTON USA, INC., along with any other related employer entities, including those who may be later added upon further investigation (collectively, “Defendants”).

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 period under Labor Code section 2699.3, Claimant shall seek and recover civil penalties as a proxy and agent of the State of California on behalf of other aggrieved employees under the California 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; *see also Kim v. Reins International California, Inc.* (2020) 9 Cal. 73, 79.

FACTUAL STATEMENT

Defendants comprise the French luxury fashion house specializing in the manufacturing and sale of leather goods. Defendants employ aggrieved employees like Claimant in the State of California (including San Diego County) in hourly, non-exempt positions where employees are entitled to wage and hour protections under the California Labor Code and IWC Wage Orders.

Defendants engaged, suffered and permitted Claimant and the other “aggrieved employees,” as defined below, to work, exercised control over their respective wages, hours, and working conditions, and at all times were an agent and/or ostensible agent of any other employers, and the joint employer of Claimant and the aggrieved employees. Defendants legally employed Claimant and the other aggrieved employees under California law.

Additionally, Defendants and their agents remain liable under Labor Code sections 558, 558.1, 1197.1 and 2699 *et seq.* based on the acts and omissions set forth herein.

Claimant MARIANA ROBLES worked for Defendants from November 2015 to June 2022. Claimant worked in a sales position. Throughout her employment, Claimant worked as an hourly, non-exempt employee and earned bonuses and commissions.

Through this notice, Claimant informs the LWDA of the Labor Code violations set forth herein. The aggrieved employees who Claimant seeks to represent include the following individuals:

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

Claimant 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. Claimant reserves the right to expand or narrow the definition of the “aggrieved employees” in the forthcoming civil action.

Overtime and Minimum Wage Violations

Violation of Labor Code §§ 200, 201-204, 210, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199; IWC Wage Orders

Defendants failed to pay overtime based on the lawful regular rate of pay, in violation of Labor Code sections 201-204, 210, 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, applicable local minimum wage ordinances, and the related sections of the applicable IWC Wage Orders, including sections 3 and 4.

Claimant and the aggrieved employees were not paid at their lawful overtime rate (*i.e.*, time and a half or double time based on their regular rate of pay) for all overtime hours worked in excess of 8 hours in a workday, 40 hours in a workweek, or for any hours on any seventh consecutive day of work, to the extent Claimant or other aggrieved worked on a seventh consecutive workday or other such hours as further investigation may reveal.

Labor Code section 204(a) states that all wages earned are due and payable twice during each calendar month on days designated in advance by the employer as regular pay days. Overtime

wages are to be paid no later than the payday for the next regular payroll period. (Labor Code § 204(b)(1).) Labor Code § 210 states that, “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.

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 sections 558 and 1197.1 contain civil penalties for violating this provision of those provisions of the IWC Wage Orders, including sections 3 and 4 and the standing Minimum Wage Order. Labor Code section prohibits payment of a wage less than the legal overtime compensation applicable to the employee. 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 and Labor Code section 1199 renders payment of wages contrary to the forging Labor Code and Wage Order provisions unlawful.

When Claimant and the aggrieved employees worked overtime, Defendants failed to pay the overtime at the “regular rate of pay.” Defendants paid Claimant and the aggrieved employees sales commissions, bonuses, and other forms of remuneration that Defendants failed to include in the “regular rate of pay” when employees earned overtime. Defendants paid overtime and doubletime to Claimant and the aggrieved employees at 1.5x and 2x their base hourly rate. For each overtime hour worked during the period in which Claimant and the aggrieved employees earned sales commissions and bonuses, Defendants should have (but failed to) pay overtime “at the rate of 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. An illustrative example of the regular rate of pay violation is found on Claimant’s pay statements for the pay period from March 20, 2022 to April 2, 2022:

Louis Vuitton USA Inc
1 East 57th Street
11th Floor
New York, NY 10022
917-281-2065

Pay Statement
Period Start Date 03/20/2022
Period End Date 04/02/2022
Pay Date 04/08/2022
Document 667801
Net Pay \$970.99

Pay Details

Mariana Alejandra Robles Lugo	Employee Number	202371	Location	LV Fash Valley S Diego	Federal Income Tax	\$ 1
	SSN	xxxxxx000	Bus Group	LV - Louis Vuitton	CA State Income Tax (Residence)	\$ 1
	Job	Client Advisor	Dept/St/Tr	L10500 - UPV-LV FASHION VALLEY	CA State Income Tax (Work)	\$ 1
	Hourly Rate	\$25.75	Region	WESTC - West Coast		
	Pay Frequency	Biweekly	GL Dept	L10500 - UPV-LV FASHION VALLEY		

Earnings

Pay Type	Hours	Pay Rate	Current	YTD
Commission	0.0000	\$0.00	\$0.00	\$4,490.42
OT Premium	0.0000	\$0.00	\$0.00	\$50.49
Overtime	9.9000	\$36.62	\$34.76	\$34.76
Regular Hrs.	41.5700	\$25.75	\$1,070.43	\$8,099.47
Retro Pay	0.0000	\$0.00	\$0.00	\$157.11
Sick Hours	7.0000	\$25.75	\$180.25	\$780.25

Deductions

Deduction	Pre-Tax	Current
401(k)	Yes	\$89.98
Basic Life	No	\$0.00

Taxes

Louis Vuitton USA Inc
1 East 57th Street
11th Floor
New York, NY 10022
917-281-2065

Pay Statement
Period Start Date 03/20/2022
Period End Date 04/02/2022
Pay Date 04/08/2022
Document 667802
Net Pay \$1,074.11

Pay Details

Mariana Alejandra Robles Lugo	Employee Number	202371	Location	LV Fash Valley S Diego	Federal Income Tax	\$ 1
	SSN	xxxxxx000	Bus Group	LV - Louis Vuitton	CA State Income Tax (Residence)	\$ 1
	Job	Client Advisor	Dept/St/Tr	L10500 - UPV-LV FASHION VALLEY	CA State Income Tax (Work)	\$ 1
	Hourly Rate	\$25.75	Region	WESTC - West Coast		
	Pay Frequency	Biweekly	GL Dept	L10500 - UPV-LV FASHION VALLEY		

Earnings

Pay Type	Hours	Pay Rate	Current	YTD
Commission	0.0000	\$0.00	\$1,863.06	\$6,353.48
OT Premium	0.0000	\$0.00	\$0.00	\$50.49
Overtime	0.0000	\$0.00	\$0.00	\$34.76
Regular Hrs.	0.0000	\$0.00	\$0.00	\$8,099.47
Retro Pay	0.0000	\$0.00	\$0.00	\$157.11
Sick Hours	0.0000	\$0.00	\$0.00	\$780.25

Deductions

Deduction	Pre-Tax	Current
401(k)	Yes	\$130.41
Basic Life	No	\$0.00

Taxes

Extract from Claimant's Pay Statements for the Pay Period from 03/20/2022 to 04/02/2022

During this pay period, Claimant earned a commission of \$1,863.06, but that amount was not factored into her overtime rate, as she was instead paid at a rate of 1.5x the base rate rather than 1.5x the regular rate of pay. Defendants committed this same “regular rate of pay” violation against the other aggrieved employees as well, when employees earned forms of pay like bonuses and commissions required to be included in the regular rate but were not, as a matter of payroll administration and company policy. This resulted in significant underpayments of wages to employees.

Moreover, as explained below, Defendants engaged in a practice of adjusting time records for meal periods that were late, short, or missed altogether. As a result, Defendants underpaid minimum wages for those hours worked (but reduced) on account of Defendants’ practice of editing time to reflect unpaid meal period hours when in fact such time was compensable hours worked.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code §§ 225.5 (\$100/\$200), 558

(\$50/\$100), 1197.1 (\$100/\$250) and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

Underpaid Paid Sick Leave
Violation of Labor Code §§ 246 through 248.5

Defendants violated Labor Code section 246 because they failed to calculate and pay Claimant and the aggrieved employees paid sick leave at an hourly rate using one of the three permissible methods of calculation set forth in Labor Code sections 246(l)(1) to (3). Under Labor Code section 246 *et seq.*, employers are required to provide paid sick leave to all employees. 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. Cal. Lab. Code § 246. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one (1) hour for every thirty (30) hours worked in a given pay period. Cal. Lab. Code § 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment. Cal. Lab. Code § 246(b)(1).

Additionally, employers are required to pay sick leave in accordance with one of the permissible methods provided in Labor Code § 246(l)(1)-(3):

(l) For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations:

(1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.

(2) Paid sick time for nonexempt employees shall be calculated 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 of employment.

(3) Paid sick time for exempt employees shall be calculated in the same manner as the employer calculates wages for other forms of paid leave time.

The third option is not applicable because this case involves non-exempt employees. Defendants were required to pay paid sick time under the method set forth in options one or two.

As an initial matter, Claimant is informed, believes, and alleges that Defendants failed to provide paid sick leave in accordance with California law, rendering Defendants liable for an associated civil penalty with respect to every employee and every pay period during the PAGA period. Moreover, Defendants failed to maintain the records required by Labor Code § 246 *et seq.* with respect to the paid sick leave.

However, to the extent paid, Defendants paid sick leave at employees' base hourly rate of pay and failed to factor in bonuses, commissions and/or other forms of remuneration. Specifically, Defendants did not pay paid sick leave "in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick leave, whether or not the employee actually works overtime in that workweek," as the regular rate should have included commission wages for the reasons aforementioned. Additionally, Defendants did not use the second method permitted under Labor Code § 246 by dividing the employee's total wages by total hours worked in the full pay periods of the prior 90 days, as such calculation would have resulted in a paid sick leave rate higher than the base rate at which Claimant was paid. An example of this can be seen in Claimant's pay statements for the pay period from December 26, 2021 to January 08, 2022, which show that Claimant was paid sick leave at her base hourly rate of \$25.00 even though she earned \$1,639.69 in commissions during the same pay period.

Louis Vuitton USA Inc 1 East 57th Street 11th Floor New York, NY 10022 917-281-2055					Pay Statement Period Start Date 12/26/2021 Period End Date 01/08/2022 Pay Date 01/14/2022 Document 631671 Net Pay \$1,016.32		
Pay Details							
Mariana Alejandra Robles Lugo		Employee Number	202371	Location	LV Fash Valley S Diego	Federal Income Tax	\$ 1
		SSN	xxxxxxx	Bus Group	LV - Louis Vuitton	CA State Income Tax (Residence)	\$ 1
		Job	Client Advisor	Dept/Str	L10500 - UPV-LV FASHION VALLEY	CA State Income Tax (Work)	\$ 1
		Hourly Rate	\$25.00	Region	WESTC - West Coast		
USA		Pay Frequency	Biweekly	GL Dept	L10500 - UPV-LV FASHION VALLEY		
Earnings					Deductions		
Pay Type	Hours	Pay Rate	Current	YTD			
Commission	0.0000	\$0.00	\$1,639.69	\$1,639.69	Deduction	Pre-Tax	Current
OT Premium	0.0000	\$0.00	\$1.51	\$1.51			
Regular Hrs.	0.0000	\$0.00	\$0.00	\$931.50	401(k)	Yes	\$14.8
Sick Hours	0.0000	\$0.00	\$0.00	\$200.00	Basic Life	No	\$0.0

Louis Vuitton USA Inc 1 East 57th Street 11th Floor New York, NY 10022 917-281-2055					Pay Statement Period Start Date 12/26/2021 Period End Date 01/08/2022 Pay Date 01/14/2022 Document 631670 Net Pay \$864.77	
Pay Details						
Mariana Alejandra Robles Lugo USA	Employee Number SSN Job Hourly Rate Pay Frequency	202371 xxxxxxxx Client Advisor \$25.00 Biweekly	Location Bus Group Dept/Str/Tr Region GL Dept	LV Fash Valley S Diego LV - Louis Vuitton L10500 - UPV-LV FASHION VALLEY WESTC - West Coast L10560 - UPV-LV FASHION VALLEY	Federal Income Tax CA State Income Tax (Residence) CA State Income Tax (Work)	\$ 1 \$ 1 \$ 1
Earnings			Deductions			
Pay Type	Hours	Pay Rate	Current	YTD		Exp
Regular Hrs.	37.2600	\$25.00	\$931.50	\$931.50		Current
Sick Hours	8.0000	\$25.00	\$200.00	\$200.00		
					Deduction	Pre-Tax
					401(k)	Yes
					Basic Life	No
						\$79.21
						\$0.00

Extracts from Claimant's Pay Statements for the Pay Period 12/26/2021 to 01/08/2022

The failure to calculate and pay paid sick leave at one of the lawful rates set forth in Labor Code § 246(1)(1)-(3) was applied as a matter of common policy and practice to Claimant and the aggrieved employees in those pay periods where they earned additional payments, bonuses, commissions, or other forms of non-excludable remuneration and also received paid sick leave.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law. Claimant is also entitled to penalties under Labor Code section 248.5.

Underpaid Covid Supplemental Paid Sick Leave
Violation of Labor Code §§ 246 through 248.6

Defendants violated Labor Code section 248.2 and 248.6 because they failed to provide Claimant and the aggrieved employees paid sick leave at the lawful hourly rate. Labor Code 248.2 required employers to provide up to 80 hours of Covid-19 Supplemental Paid Sick Leave for the period of January 1, 2021 through September 30, 2021. Labor Code section 248.6 extended Covid sick leave protections and requires employers to provide up to 80 hours of Covid-19 Supplemental Paid Sick Leave for the period of January 1, 2022 to September 30, 2022, and may be extended thereafter. Employers must comply with the calculation and payment methods of these Covid supplemental sick leave laws.

Under Labor Code sections 248.2, non-exempt employees must be paid supplemental paid sick leave according to the highest of the following four methods:

- (I) Calculated in the same manner as the regular rate of pay for the workweek in which the covered employee uses COVID-19 supplemental paid sick leave, whether or not the employee actually works overtime in that workweek.
- (II) Calculated by dividing the covered 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 of employment.
- (III) The state minimum wage.
- (IV) The local minimum wage to which the covered employee is entitled.

Labor Code section 248.6 requires employers to pay supplemental sick leave using either method I or II identified above.

On information and belief, Defendants violated California law by failing to pay Covid-19 Supplemental Paid Sick Leave at a rate authorized by statute. As explained in the section above, Defendants failed to pay Covid-19 supplemental sick leave at the correct rate because they failed to take into account employees' bonuses, commissions, and other remuneration. The failure to calculate and pay paid sick leave at one of the lawful rates set forth in Labor Code §§ 248.2 and 248.6 was applied as a matter of common policy and practice to Claimant and the aggrieved employees. Defendants further failed to maintain the proper records required by the paid sick leave statutes.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation

per pay period per employee, along with all other civil penalties permitted by law. Claimant is also entitled to penalties under Labor Code section 248.5.

Underpaid Meal Period Premiums
Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders

Defendants failed to pay meal period premiums at the lawful regular rate of compensation to Claimant and other aggrieved employees in violation of Labor Code sections 226.7, 512 and 1198, and the related sections of the IWC Wage Orders, including section 11.

Labor Code section 512 requires that employers provide a 30-minute, uninterrupted 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 for an 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.

On information and belief, Defendants failed to provide compliant first and second meal periods to Claimant and the aggrieved employees. When Defendants did not provide compliant meal periods, Defendants failed to pay Claimant and other aggrieved employees a meal period premium in violation of Labor Code section 226.7. To the extent Defendants paid any meal period premiums, the premiums were not paid at the "regular rate of compensation" because the premium did not factor in sales commissions, bonuses, and other forms of remuneration. Defendants instead paid such premiums at Claimant and the aggrieved employees' base hourly rate, in violation of California law.

Furthermore, Claimant experienced managers and supervisors editing time records to reflect a timely 30-minute meal period when these were actually late, short or missed. Claimant is informed and believes and alleges that these are reflected as a matter of common practice on employee time records through edit reports for herself and for other aggrieved employees. This resulted in unpaid off the clock work during those lunch breaks that were fictitiously entered or adjusted by the company on time records.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

Underpaid Rest Period Premiums
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

Defendants failed to pay rest period premiums at the lawful regular rate of compensation to Claimant and other aggrieved employees in violation of Labor Code sections 226.7, 516 and 1198, and the related sections of the IWC Wage Orders, including section 12.

Labor Code sections 226.7 and 516, along with the IWC Wage Orders, require that employers authorize and permit a 10-minute, uninterrupted rest period for each four-hour period (or major fraction thereof) that an employee works. Labor Code section 226.7 requires that if a meal period is non-compliant, the employer must pay for an hour of pay at the employee's "regular rate" of compensation. *See Ferra v. Loews Hollywood Hotel*, 11 Cal. 5th at 862. 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. Defendants required Claimant and other aggrieved employees to effectively waive or otherwise forego their rest periods contrary to the law.

Additionally, given the nature of the work and demands of the job, Claimant and other aggrieved employees regularly worked through 10-minute rest periods without receiving payment of a rest period premium. This was a result of the high volume and customer demands of the sales positions, along with the company's practice of not authorizing or scheduling 10-minute breaks. Defendants had a policy and practice of not paying rest period premiums to employees who were unable to take rest periods. To the extent Defendants ever paid a rest period premium, Defendants violated Labor Code section 226.7 because such premiums were not paid at the regular rate of compensation to aggrieved employees, which would have factored in bonuses, commissions, and other compensation.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

Defendants violated Labor Code sections 204 and 204b requiring payment of all wages on regularly scheduled paydays with respect to Claimant and other aggrieved employees by failing to pay all wages owed on the regular pay days scheduled each pay period. To the extent that Defendants made or make any retroactive payments to Claimant or other aggrieved employees, such amounts are untimely in violation of these payday statutes.

Because Defendants failed to pay all wages in each pay period in which such wages were earned at the lawful rate for overtime, meal/rest premiums, sick leave, and other forms of remuneration, Defendants violated Labor Code section 204 and/or 204b (for weekly employees), which requires timely payment of wages of wages each regular scheduled pay

period. Labor Code section 204 requires payment of “all wages” for non-exempt employees at least twice each calendar month. 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 that, “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.

As explained above, Defendants underpaid Claimant and other aggrieved employees’ meal and rest period premiums, sick leave, and overtime wages because these were paid at the employee’s base hourly rate instead of at her regular rate of pay/compensation, leading to Defendants being separately liable for not paying the full amount owed to Claimant and other aggrieved employees each payday in violation of Labor Code sections 204 and/or 204b.

Separately, Defendants failed to timely compensate Claimant, and presumably other aggrieved employees, for work performed during certain pay periods. Defendants failed to timely issue wages and wage statements in accordance with the timing requirements of Labor Code section 204.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, Labor Code section 210 (\$100/\$200) per violation per pay period, along with all other civil penalties permitted by law.

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

Defendants violated Labor Code sections 201, 202 and 203 requiring timely payment of all wages upon separation and waiting time penalties in lieu thereof with respect to 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.

Because Defendants failed to pay all wages and premiums owed to the aggrieved employees during their employment and failed to properly pay meal and rest period premiums, sick leave, and overtime wages at the lawful respective rates, Defendants failed to timely pay all wages owed upon separation of employment in violation of Labor Code sections 201, 202 and 203.

As a result, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code § 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

Defendants violated Labor Code section 226 with respect to Claimant and other 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.¹ An employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of \$250 per employee per violation for the initial citation and \$1,000 per employee for each violation in a subsequent citation, in addition to other penalties allowed by law.

Throughout the relevant statutory period, as a result of the foregoing violations identified in this notice—unpaid meal and rest period premiums, sick leave, and overtime wages—Defendants violated Labor Code section 226(a)(1) by not listing the correct “gross wages earned,” as the employees earned meal and rest period premiums, sick leave, and regular and overtime wages, but were instead underpaid, resulting in an inaccurate reflection and recording of “gross wages earned” on those wage statements. Defendants also violated Labor Code section 226(a)(5) with respect to “net wages earned” for the same reasons, as the “net wages earned” are depreciated and underpaid resulting in an inaccurate reflection on the wage statement.

Furthermore, Defendants violated Labor Code section 226(a)(2) by failing to list employees’ “total hours worked,” as aggrieved employees worked off-the-clock during uncompensated meal periods, rendering the total hours listed as an inaccurate reflection of hours worked.

¹ See generally *Lopez v. Friant & Associates, LLC* (2017) 15 Cal. App. 5th 773, 787-88 (“Consistent with the PAGA statutory framework and the plain language of section 226(e), we hold a plaintiff seeking civil penalties under PAGA for a violation of section 226(a) does not have to satisfy the “injury” and “knowing and intentional” requirements of section 226(e)(1)”); see also *See Kastler v. Oh My Green, Inc.* (N.D. Cal., Oct. 25, 2019) Case No. 19-CV-02411-HSG (“Injuries from a failure to provide an accurate pay statement include ‘possibility of not being paid overtime, employee confusion over whether they received all wages owed them, difficulty and expense involved in reconstructing pay records, and forcing employees to make mathematical computations to analyze whether the wages paid in fact compensated them for all hours worked’) (rejecting *Maldonado* defense for class claims).

Lastly, in violation of Labor Code section 226(a)(9), the hourly rates and corresponding hours worked at those rates are incorrectly listed on Claimant and the aggrieved employees' wage statements. The hourly rates on the wage statement are inaccurate with respect to meal and rest period premiums, sick leave, and overtime rates that were not paid at the "regular rate of pay" and/or regular rate of compensation as those hours were paid at the improper base rate and reflected as such on the wage statements of the aggrieved employees.

For example, Claimant's wage statement for the pay period from June 12, 2022 to June 25, 2022 fails to include all information necessary for Claimant to determine what she was compensated for and how her compensation was calculated. The wage statement shows that during this pay period, Claimant earned a bonus of \$1,850.63 and was paid \$65.80 in overtime wages. Yet, the pay statement fails to show the number of hours worked and the pay rate leading to the \$65.80, as well as the number of regular hours worked, and regular compensation earned during the pay period. It is reasonable to believe that Claimant worked regular hours to achieve the commissions she earned, but such information is not provided in this specific pay statement, and Defendants did not provide Claimant another pay statement for this same pay period. Thus, Defendants violated Labor Code section 226(a) by failing to provide Claimant, and presumably other aggrieved employees, accurate itemized wage statements.

Louis Vuitton USA Inc 1 East 57th Street 11th Floor New York, NY 10022 917.281.2065				Pay Statement Period Start Date: 06/12/2022 Period End Date: 06/25/2022 Pay Date: 07/01/2022 Document: 997637 Net Pay: \$1,180.14			
Pay Details							
Mariana Alejandra Robles Lugo USA		Employee Number: 262271 SSN: xxxxxxxxx Job: Client Advisor Hourly Rate: \$25.75 Pay Frequency: Biweekly		Location: LV Fish Valley S Diego Bus Group: LV - Louis Vuitton Dep/Unit: L10500 - LVF-LV FASHION VALLEY Region: WESTC - West Coast GL Dept: L10500 - LVF-LV FASHION VALLEY		Federal Income Tax: 5: 1 CA State Income Tax (Residence): 5: 1 CA State Income Tax (Work): 5: 1	
Earnings				Deductions			
Pay Type	Hours	Pay Rate	Current	TD			
Commission	0.0000	\$0.00	\$1,850.63	\$12,286.58			
OT Premium	0.0000	\$0.00	\$65.80	\$125.93			
Overtime	0.0000	\$0.00	\$0.00	\$345.50	40190	Yes	\$134
Regular Hrs.	0.0000	\$0.00	\$0.00	\$15,425.47	Basic Life	No	\$0
Retire Pay	0.0000	\$0.00	\$0.00	\$157.11	Non-Payroll CR	No	\$0
Sick Hours	0.0000	\$0.00	\$0.00	\$0.00			
Vacation	0.0000	\$0.00	\$0.00	\$609.50			
				Taxes			
				Total			

Extract from Claimant's Pay Statement for the Pay Period from 6/12/2022 to 6/25/2022

Claimant 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 sowed confusion among Claimant 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 calculated. The wage statements reflect a false statement of earnings and concealed the underlying problems and underpayments throughout the relevant period.

Thus, Claimant may recover civil penalties on behalf of herself, the State of California and the aggrieved employees as provided under Labor Code sections 226.3 (\$250/\$1,000) and/or 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

Failure to Maintain Accurate Records
Violation of Labor Code §§ 1174, 1174.5, 1198; IWC Wage Orders

Because of the violations set forth in this notice, including Defendants' failure to accurately maintain records of pay for all hours worked at the appropriate lawful rates of pay, Defendants violated Labor Code section 1174 and the IWC Wage Orders by failing to maintain accurate payroll records showing all hourly rates in effect and hours worked at those rates, and the wages paid to each employee. As a result, Defendants are liable for a civil penalty of \$500 per employee to Claimant and each aggrieved employee pursuant to Labor Code section 1174.5.

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

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

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

Defendants failed to provide all records upon Plaintiff's request. Specifically, as a matter of corporate policy and practice, and in non-compliance with California law, Defendants prohibit employees from accessing their time records showing time punches and hours worked. Even when requested, Defendants' corporate policy is to decline providing time records or access to time records for inspection. Moreover, Defendants failed to provide all wage statements upon request to Claimant and other aggrieved employees. Defendants also failed to provide all documents signed or otherwise required to be in employee personnel files, such as all commission or earning policies signed or received by Claimant and other aggrieved employees.

As a result, Claimant may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code sections 226.3 (\$250/\$1,000), 1174.5 (\$500), and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

Failure to Provide Written Commission Agreement
Violation of Labor Code § 2751

Defendants failed to provide written commission agreements to all the aggrieved employees, in violation of Labor Code section 2751. When an employer pays commissions as part of employee compensation, section 2751(a) requires that the employer provide a written contract that sets “forth the method by which the commissions” are “computed and paid.” Section 2751(b) requires an employer to provide a copy of the commission agreement that is signed by both the employer and the employee.

Defendants paid Claimant and the aggrieved employees a base hourly rate plus commissions and bonuses based on sales. Through the course of their employment, Defendants provided Claimant and aggrieved employees some but not all the commission agreements they were entitled to receive. For example, Claimant’s personnel file contains six commission agreements but only accounting for 2017 and 2019. There are three agreements for 2017: “Tambour Horizon Watch Incentive,” which was valid from July 11, 2017 through August 20, 2017, a “January 2017 Store Incentive,” and a “March & April 2017 Store Incentive.” There are also three agreements for 2019: the first one called “Crocodile Premium Incentive,” which was valid from June 1, 2019 through July 31, 2019, a “2019 Louis Vuitton Retail Incentive Program,” and a “2019 Louis Vuitton Top Seller Program.” Claimant and some of the aggrieved employees worked for Defendants after 2019 and earned commissions throughout their employment. However, Defendants failed to provide Claimant and the aggrieved employees with commission agreements after 2019, in violation of the California Labor Code 2751(b).

Attorneys’ Fees and Costs
Labor Code § 2699(g)

Claimant was compelled to retain the services of counsel to file this court action to protect her interests, the interests of other aggrieved employees, and the State of California. Claimant has thereby incurred and will continue to incur attorneys’ fees and costs, which are recoverable on all PAGA causes of action under Labor Code section 2699(g).

Notice of Demand for Defendants
to Change Policies and Practices

Claimant intends to pursue legal action against Defendants based on the violations set forth in this notice. Defendants are hereby notified that any attempt to resolve this case must be conducted in coordination with Claimant’s counsel to protect the interests of Claimant, the aggrieved employees, and the State of California via the LWDA. Any and all settlements releasing liability require Court approval in connection with Claimant and their counsel to fully release liability and resolve the claims alleged in this notice. Claimant will establish that (1) her lawsuit was a catalyst in motivating Defendants to change their policies and practices and provide the relief sought through this action, (2) that the forthcoming lawsuit has merit and is

based on undisputed violations for which Defendants will be liable at trial, and (3) that Claimant has hereby notified Defendants of their violations and considers this notice an attempt to resolve the matter. *See Tipton-Whittingham v. City of Los Angeles* (2004) 34 Cal.4th 604, 608 (citing *Graham v. Daimler-Chrysler Corp.* (2004) 34 Cal. 4th 553 (authorizing an award of catalyst attorneys' fees)).

As the PAGA representative, Claimant has a duty to file this case at the earliest opportunity. Defendants may contact Claimant's counsel with any questions regarding this letter or the forthcoming lawsuit.

CONCLUSION

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

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in blue ink that reads "Nicholas J. Ferraro". The signature is written in a cursive, flowing style.

Nicholas J. Ferraro

Cc Claimant
 Lauren N. Vega, Esq.

Counsel for Louis Vuitton
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