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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CLARA**

LISA PEREZ, on behalf of herself and all others
similarly situated,

Plaintiff,

v.

HRI PROPERTIES, LLC, a California Limited
Liability Company; and DOES 1-50, inclusive.

Defendants.

CASE NO.: 25CV463853

**SECOND AMENDED CLASS AND PAGA
ACTION COMPLAINT:**

- (1) FAILURE TO PAY ALL OVERTIME WAGES;
- (2) MEAL PERIOD VIOLATIONS;
- (3) REST PERIOD VIOLATIONS;
- (4) FAILURE TO PAY ALL SICK TIME;
- (5) WAGE STATEMENT VIOLATIONS;
- (6) FAILURE TO REIMBURSE NECESSARY BUSINESS EXPENSES;
- (7) UNFAIR COMPETITION; &
- (8) PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT (“PAGA”)

DEMAND FOR JURY TRIAL

1 Plaintiff Lisa Perez (“Plaintiff”), on behalf of herself and all other similarly situated non-
2 exempt employees, alleges and complains of Defendants HRI Properties, LLC; HRI Hospitality,
3 LLC; and HRI Lodging, LLC (“Defendants”) and DOES 1 to 50 (collectively “Defendants”) and each
4 of them, as follows:

5 **INTRODUCTION**

6 1. Defendants provide resident services, property management, tax credit compliance,
7 maintenance, and leasing. It turns vacant buildings into locations where people desire to live, work,
8 and play. Defendants work with upscale-branded and independent hotels, renowned apartment
9 complexes, and mixed-use, mixed-income assets in urban areas.

10 2. Plaintiff brings this class action lawsuit against Defendants for alleged violations of the
11 California Labor Code and Business and Professions Code.

12 3. As set forth below, Plaintiff alleges that Defendants failed to pay all overtime
13 compensation and sick pay wages due to their failure to correctly calculate the “regular rate of pay.”
14 Moreover, Plaintiff alleges that Defendants’ meal and rest period policies and practices failed to allow
15 and permit non-exempt employees to take all compliant and timely meal and rest periods or pay
16 premium wages at the “regular rate of pay” in lieu thereof. Plaintiff further alleges that Defendants
17 failed to provide non-exempt employees with accurate written itemized wage statements in violation
18 of Labor Code § 226(a) and failed to reimburse all necessary business expenses incurred.

19 4. Plaintiff also brings a claim for civil penalties based on the foregoing Labor Code
20 violations under the Private Attorney General Act (“PAGA”).

21 5. Based on these alleged Labor Code violations, Plaintiff now brings this class action
22 and representative action to recover unpaid wages, restitution, penalties, and other related relief for
23 herself and all other similarly situated non-exempt employees.

24 **JURISDICTION AND VENUE**

25 6. Plaintiff, on behalf of herself and all other similarly situated employees hereby brings
26 this class action for recovery of unpaid wages and penalties under California Labor Code §§ 204,
27 210, 226(a), 226(a)(6), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516, 1174, 1174.4, 1199, 2802-
28 2804, and applicable Industrial Welfare Commission Wage Orders (“Wage Orders”), in addition to

1 seeking declaratory relief and restitution pursuant to California Business and Professions Code §
2 17200, *et seq.*

3 7. This class action is brought pursuant to the California Code of Civil Procedure § 382.

4 8. This Court has jurisdiction over Defendants' violations of the California Labor Code
5 and applicable Wage Orders because the amount in controversy exceeds this Court's jurisdictional
6 minimum.

7 9. Venue is proper in this judicial district pursuant to California Code of Civil Procedure
8 §§ 395(a) and 395.5. Defendants operate in California within the County of Santa Clara, and
9 Defendants are within the jurisdiction of this Court for the service of process.

10 **PARTIES**

11 10. At all relevant times herein, Plaintiff, who is over 18, was and currently is a California
12 resident residing in the State of California.

13 11. Plaintiff is informed, believes, and alleges that Defendants are authorized to do
14 business within the County of Santa Clara and are and/or were the legal employer of Plaintiff and the
15 Class Members during the applicable statutory periods. Plaintiff was, and is, a victim of Defendants'
16 policies and/or practices complained of herein and has been deprived of the rights guaranteed to her
17 by California Labor Code §§ 204, 210, 226, 226(a), 226(e), 226.3, 226.7, 227.3, 246, 510, 512, 516,
18 1174, 1174.4, 1199, 2802-2804, and the California Business and Professions Code § 17200 *et seq.*,
19 and applicable Wage Orders.

20 12. Plaintiff is informed and believes, and based thereon alleges, that during the four years
21 preceding the filing of the Complaint and continuing to the present, Defendants did (and continue to
22 do) business in the State of California, County of Santa Clara.

23 13. Plaintiff does not know the true names or capacities, whether individual, partner, or
24 corporate, of the Defendants sued herein as DOES 1 to 50, inclusive, and for that reason, said
25 Defendants are sued under such fictitious names, and Plaintiff will seek leave from this Court to
26 amend this Complaint when such true names and capacities are discovered. Plaintiff is informed, and
27 believes, and thereon alleges, that each of said fictitious Defendants, whether individual, partners, or
28 corporate, was responsible in some manner for the acts and omissions alleged herein and proximately

1 caused Plaintiff and the Classes to be subject to the unlawful employment practices alleged herein.

2 14. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
3 herein, Defendants were and are the employers of Plaintiff and all members of the Classes. At all
4 times herein mentioned, each of said Defendants participated in the doing of the acts hereinafter
5 alleged to have been done by the named Defendants. Furthermore, the Defendants, and each of them,
6 were the agents, servants, and employees of each and every one of the other Defendants, as well as
7 the agents of all Defendants, and at all times herein mentioned, were acting within the course and
8 scope of said agency and employment. Defendants, and each of them, approved of, condoned, and/or
9 otherwise ratified each and every one of the acts or omissions complained of herein.

10 15. At all times mentioned herein, Defendants, and each of them, were members of and
11 engaged in a joint venture, partnership, and common enterprise and acting within the course and
12 scope of and in pursuance of said joint venture, partnership, and common enterprise. Further, Plaintiff
13 alleges that all Defendants were joint employers for all purposes of Plaintiff and all members of the
14 Classes.

15 **COMMON FACTUAL ALLEGATIONS**

16 16. Defendants provide resident services, property management, tax credit compliance,
17 maintenance, and leasing. It turns vacant buildings into locations where people desire to live, work,
18 and play. Defendants work with upscale-branded and independent hotels, renowned apartment
19 complexes, and mixed-use, mixed-income assets in urban areas.

20 17. Plaintiff has been employed by Defendants as a non-exempt employee with the title
21 of “Front Desk Agent” since August 4, 2021.

22 18. Alongside Plaintiff, other non-exempt employees, but not limited to Guest Service
23 Agent, Line Cook, Front Desk Agent, Night Auditor, Parking Attendant, Maintenance Technician,
24 and Housekeeper, played a critical role in supporting Defendants’ daily operations and overall
25 business in the State of California.

26 19. Plaintiff and other non-exempt employees were responsible for various tasks critical
27 to the company’s operations, such as housekeeping, maintenance, customer service, and overall
28 property management duties. Their work ensured the effective operation of Defendants’ assets.

1 Despite the essential nature of their contributions, Plaintiff and other non-exempt employees allege
2 that Defendants failed to comply with California Labor Code, including but not limited to, proper
3 wage payment, and provision of meal and rest periods, as set forth below.

4 20. At all relevant times, Plaintiff and other non-exempt employees regularly worked
5 various shifts, many of which were more than 8.0 hours in a workday and 40.0 hours in a workweek.
6 Plaintiff alleges that other non-exempt employees were also subjected to the same policies,
7 procedures, practices, working conditions, and corresponding wage and hour violations to which she
8 was subjected during her employment.

9 21. First, at all relevant times, Plaintiff and other non-exempt employees worked regular
10 shifts that lasted longer than 8.0 hours in a workday and resulted in non-exempt employees regularly
11 working more than 40 hours in a workweek. However, Defendants uniformly failed to properly
12 calculate and pay overtime wages at the proper legal rate due to Defendants' failure to include all
13 forms of compensation/remuneration, including, but not limited to, shift differential pay, stipends
14 non-discretionary bonuses, commissions, incentives, and all other forms of remuneration in
15 calculating the "regular rate of pay" for purposes of overtime compensation.

16 22. Under the California Labor Code (as well as the FLSA), courts have consistently held
17 that regularly paid non-discretionary bonuses (and other forms of pay) must be included in
18 determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v.*
19 *The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency
20 bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F.
21 Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgment to Plaintiff under California
22 and federal law on the grounds that Defendants improperly calculated overtime by excluding annual
23 bonuses paid to employees from the "regular rate of compensation"]; see *Walling v. Youngerman-*
24 *Reynolds Hardwood Co.* (1945) 65 S.Ct. 1242, 1245. ("The regular rate by its very nature must reflect
25 all payments which the parties have agreed shall be received regularly during the workweek,
26 exclusive of overtime payments. It is not an arbitrary label chosen by the parties but an actual fact.
27 Once the parties have decided upon the amount of wages and the mode of payment, the determination
28 of the regular rate becomes a matter of mathematical computation, the result of which is unaffected

1 by any designation of a contrary ‘regular rate’ in the contracts.”); see also 29 CFR §§ 778.110
2 (“production bonus”) and 778.111 (“piece-rate”).

3 23. Labor Code § 510 requires an employer to compensate an employee who works more
4 than eight (8.0) hours in one workday, forty (40.0) hours in a workweek, and for the first eight (8.0)
5 hours worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular
6 rate of pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less
7 than twice the regular rate of pay when an employee works more than twelve (12.0) hours in a
8 workday or more than eight (8.0) hours on the seventh consecutive day of work. Pursuant to Section
9 3 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8.0)
10 hours in any workday or more than 40.0 hours in any workweek unless the employee receives one
11 and one-half (1 1/2) times such employee’s regular rate of pay for all hours worked over 40 hours in
12 the workweek.

13 24. By their policy of requiring Plaintiff and the other non-exempt employees to work in
14 excess of eight (8) hours in a workday and/or forty (40) hours in a workweek without compensating
15 them at the lawful rate of one-half (1 1/2) their “regular rate of pay,” Defendants willfully violated
16 the provisions of Labor Code § 510 and the applicable Wage Orders.

17 25. Similarly, at all relevant times, Defendants also failed in their obligation to provide
18 Plaintiff and other non-exempt employees the legally required paid sick days at the legal rate pursuant
19 to Labor Code §§ 246(a),(b), which requires that “[a]n employee who, on or after July 1, 2015, works
20 in California for the same employer for 30 or more days within a year from the commencement of
21 employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours
22 worked, beginning at the commencement of employment.” Labor Code § 246(l)(1) provides that paid
23 sick time for non-exempt employees must be “calculated in the same manner as the regular rate of
24 pay for the workweek in which the employee uses paid sick time, whether or not the employee
25 actually works overtime in that workweek.”

26 26. Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated
27 by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total
28 hours worked in the full pay periods of the prior 90 days of employment.” Finally, Labor Code §246(i)

1 requires employers to “provide an employee with written notice that sets forth the amount of paid
2 sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either
3 the employee’s itemized wage statement described in Section 226 or in a separate writing provided
4 on the designated pay date with the employee’s payment of wages.”

5 27. Here, at all relevant times, Defendants failed in their obligation to provide Plaintiff
6 and other non-exempt employees the legally required paid sick days at the legal rate, including all
7 forms of compensation, pursuant to Labor Code §§ 246(a), (b). As such, Defendants paid sick time
8 below the “regular rate of pay” as required by Labor Code §§ 246(l) (1-2).

9 28. Moreover, at all relevant times, Plaintiff and other non-exempt employees were denied
10 compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to
11 Defendants’ uniform meal period policies/practices, operational requirements, and work demands,
12 Plaintiff and other non-exempt employees often could not take timely and uninterrupted net 30-
13 minute first meal periods before the end of the fifth hour of work. Further, when Plaintiff and other
14 non-exempt employees worked more than 10.0 hours in a shift, they were not always allowed and
15 permitted to take a mandated second meal period before the end of the tenth hour of work in violation
16 of the Labor Code and applicable Wage Orders. Indeed, Plaintiff’s and other non-exempt employees’
17 meal periods were often interrupted and/or lasted fewer than 30 minutes due to Defendants’ meal
18 period policies/procedures, operational requirements, and work demands.

19 29. In addition, for each missed or non-compliant meal period, Defendants failed and
20 continue to fail to maintain a mechanism by which non-exempt employees were paid meal period
21 premiums at the “regular rate of pay” pursuant to *Ferra v. Loews Hollywood Hotel, LLC* (2021) and
22 Labor Code § 226.7.

23 30. Accordingly, due to Defendants’ uniform meal period practices, non-exempt
24 employees were also regularly denied legally compliant meal periods in violation of Labor Code §§
25 226.7, 510, 516, and applicable Wage Orders.

26 31. Next, at all relevant times, Plaintiff and other non-exempt employees were not
27 provided with all 10-minute rest periods for every four hours worked, or a major fraction thereof, due
28 to Defendants’ uniform rest period policies/practices, operational requirements, and work demands.

1 As a result, Plaintiff and other non-exempt employees were and are often unable to take a net 10-
2 minute duty-free rest period for every major fraction of four hours worked. This includes a second
3 rest period for shifts in excess of six hours and a third rest period for shifts in excess of 10.0 hours in
4 a workday.

5 32. By not relieving all non-exempt employees of all duties during rest periods,
6 Defendants failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services,*
7 *Inc.* (2016) 2 Cal. 5th 257, 269 [concluding that “during rest periods employers must relieve
8 employees of all duties and relinquish control over how employees spend their time.”] (Emphasis
9 added). In *Augustus*, the California Supreme Court expressly rejected the employer’s assertion that it
10 could provide an on-duty rest period to employees who worked as security guards and further
11 explained: “that employers [must] relinquish any control over how employees spend their break time
12 and relieve their employees of all duties.” *Id.* at 273. Each time non-exempt employees could not take
13 a compliant rest period, Defendants failed and continue to fail to adequately pay rest period premium
14 payments at the “regular rate of pay” as required by Labor Code § 226.7.

15 33. Accordingly, due to Defendants’ uniform rest period policies/practices and work
16 demands, non-exempt employees were regularly denied legally compliant rest breaks in violation of
17 Labor Code §§ 226.7, 512, and applicable Wage Orders.

18 34. As a result of Defendants’ failure to pay Plaintiff and other non-exempt employees for
19 all hours they were subject to the control of Defendants, including all overtime wages, sick pay
20 wages, Defendants’ failure to adequately pay for all overtime/sick pay wages at the appropriate legal
21 rate, and Defendants’ failure to pay all meal and rest period premiums at the “regular rate of pay,”
22 Defendants issued wage statements which failed to identify the gross wages earned accurately, the
23 total hours worked, the net wages earned, and the correct corresponding number of hours worked at
24 each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

25 35. Moreover, the wage statements provided to Plaintiff and all non-exempt employees
26 failed to include the correct name of the legal entity, the employer, in violation of Labor Code §
27 226(a)(8). For example, **Exhibit A** is attached as a true and correct copy of Plaintiff’s wage statement
28 that fails to include the correct name of the legal entity, which is “HRI Properties, LLC” As such,

1 Defendants' wage statements to Plaintiff and all non-exempt employees violate Labor Code §
2 226(a)(8).

3 36. Labor Code § 226.3 provides that "[a]ny employer who violates subdivision (a) of
4 Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per
5 employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for
6 each violation in a subsequent citation, for which the employer fails to provide the employee a wage
7 deduction statement or fails to keep the required in subdivision (a) of Section 226."

8 37. Thus, for the violations of Labor Code section 226 described above, Plaintiff and other
9 non-exempt employees may also recover Labor Code § 226.3 penalties for Defendants' violations of
10 Labor Code § 226(a). Consequently, because Defendants failed to comply with Labor Code § 226(a),
11 Plaintiff and other non-exempt employees would be entitled to recover penalties under Labor Code §
12 226(e).

13 38. Finally, at all relevant times, Defendants required Plaintiff and other non-exempt
14 employees to incur necessary expenses for work-related purposes but did not reimburse non-exempt
15 employees adequately for these necessary expenditures in violation of Labor Code §§ 2802-2804.
16 Here, Defendants uniformly failed to reimburse non-exempt employees for all necessary costs
17 incurred in discharging their duties, including, but not limited to, the costs associated with use of
18 personal cell phones for business purposes. (*See Cochran v. Schwan's Home Service, Inc.*, (2014)
19 228 Cal.App.4th 1137, 1144 ["[i]f an employee is required to make work-related calls on a personal
20 cell phone, then he or she is incurring an expense for the purposes of section 2802. It does not matter
21 whether the phone bill is paid for by a third person or at all...To show liability under section 2802, an
22 employee needs only to show that he or she was required to use a personal cell phone to make work-
23 related calls, and he or she was not reimbursed"].). Accordingly, Defendants failed to adequately
24 reimburse non-exempt employees for necessary business expenditures in violation of Labor Code §§
25 2802-2804 and applicable Wage Orders.

26 **CLASS ACTION ALLEGATIONS**

27 39. Plaintiff brings this action on behalf of herself and the following Classes pursuant to §
28 382 of the Code of Civil Procedure:

1
2 All current or former non-exempt hourly employees who work or worked for
3 Defendants in California during the four years immediately preceding the
4 filing of the Complaint through the date of trial. (the “Class”);

5 All current or former non-exempt employees who worked for Defendants in
6 California and worked overtime hours during at least one shift during the four
7 years immediately preceding the filing of the Complaint through the date of
8 trial. (“the Overtime Subclass”);

9 All current or former employees who work or worked for Defendants in
10 California during the one year immediately preceding the filing of the
11 Complaint through the date of trial. (“the Wage Statement Subclass”)

12 (collectively “the Classes”)

13 40. **Numerosity/Ascertainability:** The members of the Classes are so numerous that
14 joinder of all members would be unfeasible and not practicable. The membership of the Classes is
15 unknown to Plaintiff at this time; however, it is estimated that the Classes consist of at least one
16 hundred (100) individuals. The identity of such membership is readily ascertainable via inspection of
17 the Defendants’ employment and payroll records.

18 41. **Common Questions of Law and Fact Predominate/Well-Defined Community of**
19 **Interest:** There are common questions of law and fact as to Plaintiff and all other similarly situated
20 non-exempt employees, which predominate over questions affecting only individual members
21 including, without limitation to:

22 1. Whether Defendants failed to properly calculate the “regular rate of pay” for purposes
23 of paying overtime and sick pay wages to the members of the Class;

24 2. Whether Defendants provided legally compliant meal and rest periods or proper
25 compensation at the “regular rate of pay” in lieu thereof to members of the Class;

26 3. Whether Defendants furnished legally compliant wage statements to members of the
27 Wage Statement Subclass pursuant to Labor Code § 226(a); and

28 4. Whether Defendants failed to reimburse Class Members for all necessary business
expenses in violation of Labor Code §§ 2802-2804.

42. **Predominance of Common Questions:** Common questions of law and fact

1 predominate over questions that affect only individual members of the Classes. The common
2 questions of law set forth above are numerous and substantial and stem from Defendants' policies
3 and/or practices applicable to each individual class member, such as without limitation, Defendants'
4 failure to properly pay overtime and sick pay wages, Defendants' failure to provide all compliant
5 meal and rest periods or premiums at the "regular rate of pay" in lieu thereof, Defendants' failure to
6 provide accurate itemized wage statements, and Defendants' failure to reimburse for all necessary
7 business expenses. As such, the common questions predominate over individual questions concerning
8 each class member's showing as to his or her eligibility for recovery or the amount of his or her
9 damages.

10 43. **Typicality:** The claims of Plaintiff are typical of the claims of the Classes because
11 Plaintiff was employed by Defendants as a non-exempt employee in California during the statute of
12 limitations applicable to each cause of action pled in the Complaint in this action. As alleged herein,
13 Plaintiff, like the members of the Classes, was deprived of overtime and sick pay wages, was deprived
14 of meal and rest period premium wages, was subject to Defendants' uniform meal and rest period
15 policies/practices, was not provided accurate itemized wage statements, and was not reimbursed for
16 all necessary business expenses.

17 44. **Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps to
18 represent fairly and adequately the interests of the members of the Classes. Moreover, Plaintiff's
19 attorneys are ready, willing, and able to fully and adequately represent the members of the Classes.
20 Plaintiff's attorneys have prosecuted and are actively litigating several wage-and-hour class actions
21 in state and federal courts and are committed to vigorously prosecuting this action on behalf of the
22 members of the Classes.

23 45. **Superiority:** The California Labor Code is broadly remedial in nature and serves an
24 important public interest in establishing minimum working conditions and standards in California.
25 These laws and labor standards protect the average working employee from exploitation by
26 employers who have the responsibility to follow the laws and who may seek to take advantage of
27 superior economic and bargaining power in setting onerous terms and conditions of employment. The
28 nature of this action and the format of laws available to Plaintiff and members of the Classes make

1 the class action format a particularly efficient and appropriate procedure to redress the violations
2 alleged herein. If each employee were required to file an individual lawsuit, Defendants would
3 necessarily gain an unconscionable advantage since they could exploit and overwhelm the limited
4 resources of each individual plaintiff with their vastly superior financial and legal resources.

5 46. Moreover, requiring each member of the Classes to pursue an individual remedy would
6 also discourage the assertion of lawful claims by employees who would be disinclined to file an action
7 against their former and/or current employer for real and justifiable fear of retaliation and permanent
8 damages to their careers at subsequent employment. Further, the prosecution of separate actions by
9 the individual class members, even if possible, would create a substantial risk of inconsistent or
10 varying verdicts or adjudications with respect to the individual class members against Defendants
11 herein and which would establish potentially incompatible standards of conduct for Defendants;
12 and/or legal determinations with respect to individual class members which would, as a practical
13 matter, be dispositive of the interest of the other class members not parties to adjudications or which
14 would substantially impair or impede the ability of the class members to protect their interests.
15 Further, the claims of the individual members of the class are not sufficiently large to warrant
16 vigorous individual prosecution considering all of the concomitant costs and expenses attending
17 thereto. As such, the Classes identified in Paragraph 39 are maintainable as Classes under § 382 of
18 the Code of Civil Procedure.

19 **FIRST CAUSE OF ACTION**

20 **FAILURE TO PAY ALL OVERTIME WAGES**

21 **(AGAINST ALL DEFENDANTSS)**

22 47. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

23 48. This cause of action is brought pursuant to Labor Code §§ 204, 210, 510, 558, 1194,
24 and 1198, which provide that non-exempt employees are entitled to overtime wages for all overtime
25 hours worked and provide a private right of action for the failure to pay all overtime compensation
26 for overtime work performed.

27 49. At all times relevant herein, Defendants were required to properly pay Plaintiff and
28 members of the Overtime Subclass for all overtime hours worked pursuant to California Labor Code

1 § 1194 and the applicable Wage Orders.

2 50. Section 3 of the applicable Wage Order requires an employer to pay an employee “one
3 and one-half (1 1/2) times the employee’s regular rate of pay” for work in excess of 8 hours per
4 workday and/or in excess of 40 hours of work in the workweek. The same section also requires an
5 employer to pay an employee double the employee’s regular rate of pay for work in excess of twelve
6 hours each workday and/or for work in excess of 8 hours on the seventh consecutive day of work in
7 the workweek. Defendants caused Plaintiff to work overtime and hours but did not compensate
8 Plaintiff or members of the Overtime Subclass at one and one-half times their “regular rate of pay”
9 for such hours.

10 51. At all relevant times herein, Defendants failed to conform their pay practices to the
11 requirements of the law. This unlawful conduct includes but is not limited to, Defendants’ failure to
12 include all forms of compensation, including, but not limited to, shift differential pay, stipends, non-
13 discretionary bonuses, commissions, and incentive pay, in calculating the “regular rate of pay,” which
14 resulted in these individuals not being paid for all overtime hours worked.

15 52. The foregoing policies and practices are unlawful and create an entitlement to recovery
16 by Plaintiff and the members of the Overtime Subclass in a civil action for the unpaid amount of
17 overtime wages, including interest thereon, statutory penalties, attorney’s fees, and costs of suit
18 according to Labor Code §§ 204, 210, 510, 1194, and 1198, the applicable Wage Orders, and Code
19 of Civil Procedure § 1021.5.

20 **SECOND CAUSE OF ACTION**

21 **MEAL PERIOD VIOLATIONS**

22 **(AGAINST ALL DEFENDANTS)**

23 53. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

24 54. Plaintiff is informed and believes, and based thereon alleges, that Defendants failed in
25 their affirmative obligation to provide all of their hourly non-exempt employees, including Plaintiff
26 and members of the Class, with all required meal periods in accordance with the mandates of the
27 California Labor Code and applicable Wage Orders, for the reasons set forth in the Common
28 Allegations section of this Complaint.

55. Despite Defendants' violations, Defendants have not paid an additional hour of pay at the "regular rate of pay" to Plaintiff and Class members at their respective regular rates of pay for each violation, per California Labor Code § 226.7.

56. As a result, Defendants are responsible for paying premium compensation at the “regular rate of pay” for meal period violations, including interest thereon, statutory penalties, and costs of suit pursuant to the applicable Wage Orders, Labor Code §§ 226.7, 512, and Civil Code §§ 3287(b) and 3289.

THIRD CAUSE OF ACTION

REST PERIOD VIOLATIONS

(AGAINST ALL DEFENDANTS)

57. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

58. Section 12 of the applicable Wage Orders and Labor Code §§ 226.7 and 516 establishes the right of non-exempt employees to be provided with a rest period of at least ten (10) minutes for each four (4) hour period worked or major fraction thereof.

59. Due to their unlawful rest period policy/practices and operational requirements/work demands, Defendants did not authorize and permit Plaintiff and Class members to take all rest periods to which they were legally entitled.

60. Despite Defendants' violations, Defendants have not paid an additional hour of pay at the "regular rate of pay" to Plaintiff and Class members at their respective regular rates of pay for each violation, per California Labor Code § 226.7.

61. The foregoing violations create an entitlement to recovery by Plaintiff and members of the Class in a civil action for the unpaid amount of rest period premiums owing, including interest thereon, statutory penalties, and costs of suit pursuant to the applicable Wage Orders, Labor Code §§ 226.7 and 516, and Civil Code §§ 3287(b) and 3289.

FOURTH CAUSE OF ACTION

FAILURE TO PAY ALL SICK TIME

(AGAINST ALL DEFENDANTS)

62. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

63. This cause of action is brought pursuant to Labor Code §§ 246, 558, 1194.2, 1197.1, 1198, and 1199 which provide that “[a]n employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment.”

64. At all times relevant herein, Defendants were required to properly pay Plaintiff and Class members for all sick time pursuant to California Labor Code § 246 and the applicable Wage Orders.

65. Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must 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.” Additionally, Labor Code § 246(l)(2) states that the paid sick time must 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.” Finally, Labor Code §246(i) requires employers to “provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee’s itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee’s payment of wages.”

66. Defendants failed in their obligation to provide Plaintiff and the Class the legally required paid sick days at the legal rate pursuant to Labor Code §§ 246(a), (b). Plaintiff and the Class members were not paid at the correct “regular rate of pay.”

67. The foregoing policies and practices are unlawful and create an entitlement to recovery by Plaintiff and the members of the Class in a civil action for the unpaid amount of wages, including interest thereon, statutory penalties, attorney's fees, and costs of suit according to Labor Code §§ 246.1192, 1194 *et seq.*, 1197, 1198, the applicable Wage Orders, and Code of Civil Procedure § 1021.5.

FIFTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(AGAINST ALL DEFENDANTS)

1 68. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

2 69. Labor Code 226(a) states in pertinent part the following:

3 “(a) An employer, semimonthly or at the time of each payment of wages,
4 shall furnish to his or her employee, either as a detachable part of the check,
5 draft, or voucher paying the employee’s wages, or separately if wages are
6 paid by personal check or cash, an accurate itemized statement in writing
7 showing (1) gross wages earned, (2) total hours worked by the employee,
8 (3) the number of piece-rate units earned and any applicable piece rate if the
9 employee is paid on a piece-rate basis, (4) all deductions, provided that all
10 deductions made on written orders of the employee may be aggregated and
11 shown as one item, (5) net wages earned, (6) the inclusive dates of the
12 period for which the employee is paid, (7) the name of the employee and
13 only the last four digits of his or her social security number or an employee
14 identification number other than a social security number, (8) the name and
15 address of the legal entity that is the employer, and (9) all applicable hourly
16 rates in effect during the pay period and the corresponding number of hours
17 worked at each hourly rate by the employee.”

18 70. As set forth above, during the Class Period, Defendants issued and continue to issue
19 wage statements to its employees, including Plaintiff and members of the Wage Statement Subclass,
20 which are inadequate under Labor Code Section § 226(a).

21 71. Because Defendants failed to pay Plaintiff and the Wage Statement Subclass for all
22 overtime, sick pay wages, and missed meal and rest period premiums at the appropriate “regular rate
23 of pay,” Defendants failed to include required information on Plaintiff and the Wage Statement
24 Subclass’ wage statements, including, but not limited to, the total hours worked, the correct
25 corresponding number of hours worked at each hourly rate, and the correct name of the legal entity
26 that is the employer in violation of Labor Code section 226(a)(1,2,5,8 and 9).

27 72. Defendants’ failure to comply with section 226(a) of the Labor Code was knowing
28 and intentional.

29 73. As a result of Defendants’ issuance of inaccurate itemized wage statements to Plaintiff
30 and members of the Wage Statement Subclass in violation of section 226(a) of the California Labor
31 Code, Plaintiff and members of the Wage Statement Subclass are each entitled to recover an initial
32 penalty of \$50, and subsequent penalties of \$100, up to an amount not exceeding an aggregate penalty
33 of \$4,000 per Plaintiff and per every member of the Wage Statement Subclass from Defendants’

1 pursuant to section 226(e) of the Labor Code, costs and reasonable attorneys' fees.

2 **SIXTH CAUSE OF ACTION**

3 **FAILURE TO REIMBURSE FOR NECESSARY BUSINESS EXPENDITURES**

4 **(AGAINST ALL DEFENDANTS)**

5 74. Plaintiff re-alleges and incorporates all previous paragraphs by reference.

6 75. Labor Code 2802(a) states in pertinent part the following: "(a) An employer shall
7 indemnify his or her employee for all necessary expenditures or losses incurred by the employee in
8 direct consequence of the discharge of his or her duties, or of his or her obedience to the directions
9 of the employer, even though unlawful, unless the employee, at the time of obeying the directions,
10 believed them to be unlawful."

11 76. As set forth above, Plaintiff and Class members must be compensated for all necessary
12 business expenditures, including, but not limited to, a reasonable portion of their monthly personal
13 cell phone bills and other costs incurred in the discharge of their duties. (See *Cochran v. Schwan's*
14 *Home Service, Inc.* (2014) 228 Cal.App.4th 1137 ("We hold that when employees must use their
15 personal cell phones for work-related calls, Labor Code section 2802 requires the employer to
16 reimburse them. Whether the employees have cell phone plans with unlimited minutes or limited
17 minutes, the reimbursement owed is a reasonable percentage of their cell phone bills."); *Ritchie v.*
18 *Blue Shield of California*, 2014 WL 6982943, at *21 (N.D. Cal. 2014) (certifying class of cell phone
19 reimbursement claim and adopting the logic of *Cochran*).

20 77. At all relevant times, Defendants have failed to comply with Labor Code Section 2802
21 and the applicable Wage Orders by failing to reimburse Plaintiff and the Class for all necessary
22 business expenditures.

23 **SEVENTH CAUSE OF ACTION**

24 **UNFAIR COMPETITION**

25 **(AGAINST ALL DEFENDANTS)**

26 78. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

27 79. Defendants has engaged and continues to engage in unfair and/or unlawful business
28 practices in California in violation of California Business and Professions Code § 17200 *et seq.*, by

1 failing to pay all overtime and sick pay wages at the proper legal rate, by failing to provide all legally
2 required meal and rest periods or pay premium payments at the “regular rate of pay” in lieu thereof,
3 by failing to provide accurate wage statements, and by failing to reimburse for all necessary business
4 expenses adequately.

5 80. Defendants’ utilization of these unfair and/or unlawful business practices deprived
6 Plaintiff and continues to deprive members of the Classes of compensation to which they are legally
7 entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage over
8 Defendants competitors who have been and/or are currently employing workers and attempting to do
9 so in honest compliance with applicable wage and hour laws.

10 81. Because Plaintiff is a victim of Defendants’ unfair and/or unlawful conduct alleged
11 herein, Plaintiff, for herself and on behalf of the members of the Classes, seeks full restitution of
12 monies, as necessary and according to proof, to restore any and all monies withheld, acquired and/or
13 converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

14 82. The acts complained of herein occurred within the last four years immediately
15 preceding the filing of the Complaint in this action.

16 83. Plaintiff was compelled to retain the services of counsel to file this court action to
17 protect her interests and those of the Classes, to obtain restitution and injunctive relief on behalf of
18 Defendants’ current hourly non-exempt employees, and to enforce important rights affecting the
19 public interest. Plaintiff has thereby incurred the financial burden of attorneys’ fees and costs, which
20 she is entitled to recover under Code of Civil Procedure § 1021.5.

21 **EIGHT CAUSE OF ACTION**

22 **PRIVATE ATTORNEYS GENERAL ACT**

23 **(AGAINST ALL DEFENDANTS)**

24 84. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

25 85. Defendants have committed several Labor Code violations against Plaintiff and other
26 similarly aggrieved employees. Plaintiff, an “aggrieved employee” within the meaning of Labor Code
27 § 2698 *et seq.*, acting on behalf of himself and other similarly aggrieved employees, brings this PAGA
28 representative action against Defendants to recover the civil penalties due to Plaintiff, other similarly

aggrieved employees, and the State of California according to proof pursuant to Labor Code § 2699 (a) and (f) including, but not limited to (1) \$100 for each initial violation and (2) \$200 for each subsequent violation per employee per pay period for those violations of the Labor Code for which no civil penalty is specifically provided based on the following Labor Code violations:

a) Failing to pay Plaintiff and other similarly Aggrieved Employees all overtime and sick pay wages at the appropriate premium rates in violation of Labor Code §§ 246, 510, 1194, 1197;

b) Failing to provide Plaintiff and other similarly Aggrieved Employees with all of their statutorily mandated meal periods in violation of Labor Code §§ 204, 510, 1194 and 1198;

c) Failing to authorize and permit Plaintiff and other similarly Aggrieved employees with all of their statutorily mandated rest periods in violation of Labor Code §§ 226.7 and 516;

d) Failing to furnish Plaintiff and other similarly situated employees with complete, accurate, itemized wage statements in violations of Labor Code § 226(a) and applicable Wage Orders; and

e) Failing to reimburse Plaintiff and other aggrieved employees with all necessary business expenditures in violation of Labor Code §§ 2802-2804 and applicable Wage Orders.

86. On or about April 16, 2025, Plaintiff notified Defendants HRI Properties, LLC; HRI Hospitality, LLC; and HRI Lodging, LLC (collectively “Defendants”) and the California Labor and Workforce Development Agency (“LWDA”) via email of Defendant’s violations of the California Labor Code § 2698 *et seq.*, with respect to violations of the California Labor Code identified in Paragraph 85 (a)-(e). Now that the sixty-five days have passed from Plaintiff notifying Defendants of these violations, Plaintiff has exhausted her administrative requirements for bringing a claim under the Private Attorneys General Act with respect to these violations.

87. Plaintiff was compelled to retain the services of counsel to file this court action to protect her interests and the interests of similarly aggrieved employees, and to assess and collect the civil penalties owed by Defendants. Plaintiff has hereby incurred attorneys’ fees and costs, which she is entitled to receive under California Labor Code § 2699.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment for herself and all others on whose behalf this

1 suit is brought against Defendants, as follows:

- 2 1. For an order certifying the proposed Classes;
- 3 2. For an order appointing Plaintiff as representative of the Classes;
- 4 3. For an order appointing Counsel for Plaintiff as Counsel for the Classes;
- 5 4. Upon the First Cause of Action for compensatory, consequential, general, and
6 special damages according to proof pursuant to Labor Code §§ 204, 210, 510, 1194, and 1198 and
7 reasonable attorneys' fees and costs;
- 8 5. Upon the Second Cause of Action, for compensatory, consequential, general, and
9 special damages according to proof pursuant to Labor Code §§ 204, 210, 510, 1194, 1197, and 1198
10 and reasonable attorneys' fees and costs;
- 11 6. Upon the Second Cause of Action, for compensatory, consequential, general, and
12 special damages according to proof pursuant to Labor Code §§ 226.7 and 512;
- 13 7. Upon the Third Cause of Action, for compensatory, consequential, general, and
14 special damages according to proof pursuant to Labor Code §§ 226.7 and 516;
- 15 8. Upon the Fourth Cause of Action, for compensatory, consequential, general, and
16 special damages according to proof pursuant to Labor Code §§ 246, 558, 1194.2, 1198, and 1199;
- 17 9. Upon the Fifth Cause of Action, penalties pursuant to Labor Code § 226(a), and
18 reasonable costs and attorney's fees;
- 19 10. Upon the Sixth Cause of Action, for unreimbursed expenses, interest, and attorney's
20 fees and costs pursuant to Labor Code § 2802;
- 21 11. Upon the Seventh Cause of Action, for restitution to Plaintiff and members of the
22 Classes of all money and/or property unlawfully acquired by Defendants by means of any acts or
23 practices declared by this Court to be in violation of Business and Professions Code § 17200 *et seq.*;
- 24 12. Upon the Eight Cause of Action, for civil penalties due to Plaintiff, other similarly
25 Aggrieved Employees, and the State of California according to proof pursuant to Labor Code § 2699
26 (a) and (f) including, but not limited to: (1) \$100.00 for each initial violation and \$200 for each
27 subsequent violation per employee per pay period for those violations of the Labor Code for which
28 no civil penalty is specifically provided under the Labor Code, and for reasonable attorneys' fees and

1 costs;

2 13. Prejudgment interest on all due and unpaid wages pursuant to California Labor Code
3 § 218.6 and Civil Code §§ 3287 and 3289;

4 14. On all causes of action, for attorneys' fees and costs as provided by Labor Code §§
5 218.5, 226, 1194, Code of Civil Procedure § 1021.5; and

6 15. For such other relief that the Court may deem just and proper.

7
8 Dated: September 4, 2025

FALAKASSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.

9
10
11 By: _____

Joshua Falakassa, Esq.

Mehrdad Bokhour, Esq.

Attorneys for Plaintiff and the Putative Classes

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen years and not a party to the action; my business address is 1901 Avenue of the Stars, Suite 920, Los Angeles, California 90067.

On September 4, 2025, I served the following document(s) described as **SECOND AMENDED CLASS AND PAGA ACTION COMPLAINT** on the interested parties in this action:

Amy E. Beverlin, Esq.
Kerri H. Sakaue, Esq.
Matthew P. Eaton, Esq.
BAKER & HOSTETLER LLP
1900 Avenue of the Stars, Suite 2700
Los Angeles, CA 90067

Counsel for defendants
HRI PROPERTIES, LLC, HRI HOSPITALITY,
LLC, AND HRI LODGIGN, LLC

BY ELECTRONIC SERVICE: I transmitted the above-referenced document(s) via electronic service provider First Legal to the person(s) identified above at the email address(es) indicated and did not, within a reasonable time after transmission, receive any message or communication indicating that delivery failed or that any other error had occurred which would delay or caused failure in transmission and delivery of the document and/or any attachments thereto.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 4, 2025, at Los Angeles, California.

/s/ Carlos Garcia
Carlos Garcia