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individually, and on behalf of other similarly
situated employees and aggrieved employees
pursuant to the California Private Attorneys
General Act

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

YINAN ZHANG, individually, and on behalf of
other similarly situated employees and aggrieved
employees pursuant to the California Private
Attorneys General Act,

Plaintiff,

vs.

HALREC, INC. dba STEVENS CREEK
TOYOTA; and DOES 1 through 25, inclusive,

Defendants.

Case No.: 25CV463865

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

- (1) Violation of Cal. Labor Code §§ 1194, 1197, and 1197.1 (Minimum Wages)
- (2) Conversion
- (3) Breach Of Contract
- (4) Violation of Cal. Labor Code §§ 510 and 1198 (Unpaid Overtime)
- (5) Violation of Cal. Labor Codes §§ 551 and 552 (Failure to Provide One Day's Rest in Seven)
- (6) Violation of Cal. Labor Code §§ 226.7 and 512(a) (Meal Break Violations)
- (7) Violation of Cal. Labor Code § 226.7 (Rest Break Violations)
- (8) Violation of Cal. Labor Code §§ 204 and 210 (Wages Not Timely Paid During Employment)
- (9) Violation of Cal. Labor Code § 226(a) (Wage Statement Violations)

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- (10) Violation of Cal. Labor Code §§ 201, 202, and 203 (Untimely Final Wages)**
- (11) Violation of Cal. Labor Code §§ 2800 and 2802 (Failure to Reimburse Necessary Business Expenses)**
- (12) Violation of Cal. Business & Professions Code §§ 17200, *et seq.***
- (13) Violation of Cal. Labor Code §§ 2698, *et seq.* (California Labor Code Private Attorneys General Act of 2004)**

DEMAND FOR JURY TRIAL

1 Plaintiff YINAN ZHANG (“Plaintiff”), individually, and on behalf of other similarly situated
2 employees and aggrieved employees pursuant to the California Private Attorneys General Act
3 (“PAGA”), alleges as follows against Defendant HALREC, INC. dba STEVENS CREEK TOYOTA,
4 and DOES 1 through 25, inclusive (collectively, “Defendants”):

5 **INTRODUCTION**

6 1. This is a class action to recover damages on behalf of Plaintiff and all current and
7 former hourly-paid and/or non-exempt employees who worked for Defendants in the State of
8 California at any time during the period from four years prior to the date of the filing of the original
9 Complaint through final judgment (“Class Members”).

10 2. This is also an enforcement action under PAGA to recover civil penalties on behalf of
11 Plaintiff, the State of California, and all current and former hourly-paid and/or non-exempt employees
12 who worked for Defendants in the State of California at any time from one year prior to Plaintiff’s
13 submission of written notice of Defendants’ alleged violations of the California Labor Code to the
14 Labor & Workforce Development Agency (“LWDA”) through final judgment (“Aggrieved
15 Employees”).

16 3. Plaintiff alleges that Defendants hired Plaintiff, Class Members, and Aggrieved
17 Employees but, among other things, failed to properly pay them all wages owed for all time worked
18 (including minimum wages, straight time wages, and overtime wages), failed to pay all accrued
19 commission wages and exercised unlawful dominion and control over commission wages, failed to
20 provide one day’s rest in seven, failed to provide them with all meal periods and rest periods and
21 associated premium wages to which they were entitled, failed to timely pay them all wages due during
22 their employment, failed to timely pay them all wages due upon termination of their employment,
23 failed to provide them with accurate itemized wage statements, failed to reimburse them for necessary
24 business expenses, and breached Agreements Defendants made with Plaintiff and the other Class
25 Members, especially concerning commission wages.

26 4. As a result, Defendants violated, *inter alia*, California Labor Code sections 201, 202,
27 203, 204, 204.1, 221, 226(a), 226.7, 510, 512(a), 551, 552, 1194, 1197, 1197.1, 1198, 2751, 2800, and
28 2802, and the applicable Industrial Welfare Commission (“IWC”) Wage Order. Through this action,

1 Plaintiff seeks to recover all available remedies including but not limited to actual and liquidated
2 damages and attorney's fees and costs.

3 **JURISDICTION AND VENUE**

4 5. This is a class action lawsuit brought pursuant to California Code of Civil Procedure
5 section 382 and a PAGA action brought pursuant to California Labor Code sections 2698, *et seq.*

6 6. The monetary damages, restitution, statutory penalties, and other applicable legal and
7 equitable relief sought by Plaintiff exceed the minimal jurisdiction limits of the Superior Court and
8 will be established according to proof at trial.

9 7. This Court has jurisdiction over this action pursuant to the California Constitution,
10 Article VI, section 10, which grants the superior court "original jurisdiction in all other causes" except
11 those given by statute to other courts. The statutes under which this action is brought do not specify
12 any other basis for jurisdiction.

13 8. This Court has jurisdiction over all Defendants because, upon information and belief,
14 Defendants are either citizens of California, have sufficient minimum contacts in California, and/or
15 otherwise intentionally avail themselves of the California market so as to render the exercise of
16 jurisdiction over them by the California courts consistent with traditional notions of fair play and
17 substantial justice. Further, no federal question is at issue because the claims asserted herein are based
18 solely on California law.

19 9. Venue is proper in this Court because, upon information and belief, Defendants
20 maintain offices, have agents, employ individuals, and/or transact business in the State of California,
21 County of Santa Clara, including at 4202 Stevens Creek Blvd, San Jose, California 95129. Many of
22 the acts, events, and violations alleged herein relating to Plaintiff occurred throughout the State of
23 California, including in the County of Santa Clara.

24 **THE PARTIES**

25 10. At all times herein mentioned, Plaintiff YINAN ZHANG is and was an individual
26 residing in Santa Clara County in the State of California.

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1 11. At all times herein mentioned, Defendant HALREC, INC. dba STEVENS CREEK
2 TOYOTA is and was an employer who does business in California, with locations throughout the
3 State of California, and whose employees are engaged throughout Santa Clara County and the State
4 of California, including at 4202 Stevens Creek Blvd, San Jose, California 95129.

5 12. Plaintiff is unaware of the true names or capacities of the Defendants sued herein under
6 the fictitious names DOES 1 through 25 but will seek leave of this Court to amend the Complaint and
7 serve such fictitiously named Defendants once their names and capacities become known.

8 13. Plaintiff is informed and believes, and thereon alleges, that the acts and omissions
9 alleged herein were performed by, or are attributable to defendant HALREC, INC. dba STEVENS
10 CREEK TOYOTA and/or DOES 1 through 25, each acting as the agent, employee, alter ego, and/or
11 joint venturer of, or working in concert with, each of the other co-Defendants and within the course
12 and scope of such agency, employment, joint venture, or concerted activity with legal authority to act
13 on the others' behalf. The acts of Defendants represent and were in accordance with Defendants'
14 official policies.

15 14. At all relevant times, Defendants were the employers of Plaintiff within the meaning
16 of all applicable state laws and statutes. Defendants directly or indirectly controlled or affected the
17 working conditions, wages, working hours, and conditions of employment of Plaintiff so as to make
18 each of said Defendants employers and employers liable under the statutory provisions set forth herein.

19 15. Defendants had the authority to hire and terminate Plaintiff and the other Class
20 Members, to set work rules and conditions governing Plaintiff and the other Class Members'
21 employment, and to supervise their daily employment activities.

22 16. Defendants exercised sufficient authority over the terms and conditions of Plaintiff
23 and the other Class Members' employment for them to be joint employers of Plaintiff and the other
24 Class Members.

25 17. Defendants directly hired and paid wages to Plaintiff and the other Class Members.

26 18. Defendants continue to employ hourly paid and/or non-exempt employees within the
27 State of California.

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19. At all relevant times, Defendants, and each of them, ratified each act or omission complained of herein. At all relevant times, Defendants, and each of them, aided and abetted the acts and omissions of each and all the other Defendants in proximately causing the damages herein alleged.

20. Plaintiff is informed and believes, and thereon alleges, that each Defendant is in some manner intentionally, negligently, or otherwise responsible for the acts, omissions, occurrences, and transactions alleged herein.

GENERAL ALLEGATIONS

21. Plaintiff worked for Defendants from approximately June 2024 through approximately March 2025 as a Sales Consultant. Defendants jointly and severally employed Plaintiff at their location in San Jose, California. Plaintiff performed various duties for Defendants including, among other things, selling cars.

22. Plaintiff is informed and believes, and thereon alleges, that Defendants engaged in a pattern and practice of wage abuse against their hourly-paid and/or non-exempt employees. As set forth in more detail below, this pattern and practice of wage abuse involved, *inter alia*, requiring Plaintiff and the other Class Members to work off-the-clock without compensation, failing to properly pay wages for all hours worked, failing to pay all accrued commission wages and exercising unlawful dominion and control over commission wages, breaching employment Agreements Defendants made with Plaintiff and the other Class Members, especially concerning commission wages, failing to provide one day's rest in seven, failing to provide all meal and rest breaks to which they were entitled and failing to pay meal and rest break premiums when due, failing to timely pay wages during employment and upon termination of employment, failing to provide accurate wage statements, failing to reimburse necessary business-related expenses, and failing to adhere to other related protections afforded by the California Labor Code and the applicable IWC Wage Order.

23. Defendants knew or should have known that they had a duty to compensate Plaintiff and the other Class Members pursuant to California law. Defendants had the financial ability to pay such compensation, but willfully, knowingly, and intentionally failed to do so to increase Defendants' profits.

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1 **CLASS ACTION ALLEGATIONS**

2 24. Plaintiff brings this lawsuit as a class action on behalf of Plaintiff and all others
3 similarly situated, as members of a proposed class pursuant to California Code of Civil Procedure
4 section 382. The class satisfies the numerosity, commonality, typicality, adequacy, predominance, and
5 superiority requirements under California Code of Civil Procedure section 382.

6 25. The proposed **Class** is defined as follows:

7 **All current and former hourly-paid and/or non-exempt employees**
8 **who worked for Defendants in the State of California at any time**
9 **during the period from four years prior to the date of the filing of**
10 **the original Complaint through final judgment.**

11 26. The proposed **Former Employee Sub-Class** is defined as follows:

12 **All former hourly-paid and/or non-exempt employees who worked**
13 **for Defendants in the State of California at any time during the**
14 **period from four years prior to the date of the filing of the original**
15 **Complaint through final judgment.**

16 27. Plaintiff reserves the right to establish additional subclasses as appropriate.

17 28. There is a well-defined community of interest in this litigation and the Class is easily
18 ascertainable. While the exact number and identities of Class Members are currently unknown to
19 Plaintiff, such information can be ascertained through appropriate discovery from records maintained
20 by Defendants and their agents.

21 29. The Class is so numerous that the individual joinder of all its members is impracticable.

22 30. Common questions of fact and law exist as to all Class Members, which predominate
23 over any questions affecting only individual members of the Class. The common legal and factual
24 questions which do not vary from Class Member to Class Member, and which may be determined
25 without reference to the individual circumstances of any Class Member include the following:

- 26 i. Whether Defendants had a policy and practice of failing to pay minimum wages to
27 Plaintiff and the other Class Members for all hours worked;

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- 1 ii. Whether Defendants engaged in conversion by failing to pay their hourly-paid and non-
- 2 exempt employees and or all other employees otherwise entitled for all accrued
- 3 commission wages;
- 4 iii. Whether Defendants breached Agreements made between Defendants and Plaintiff and
- 5 the other Class Members, especially concerning commission wages;
- 6 iv. Whether Defendants had a policy and practice of failing to pay overtime wages to
- 7 Plaintiff and the other Class Members for all overtime hours worked;
- 8 v. Whether Defendants failed to provide Plaintiff and other Class Members with one day's
- 9 rest in seven;
- 10 vi. Whether Defendants paid Plaintiff and other Class Members at the appropriate
- 11 overtime or double time rate when Defendants required Plaintiff or other Class
- 12 Members to work in seven-day blocks without one day's rest, as proscribed by Cal.
- 13 Lab. Codes §§ 551 and 552;
- 14 vii. Whether Defendants' failure to provide Plaintiff and other Class Members with one
- 15 day's rest in seven was willful;
- 16 viii. Whether Defendants had a policy and practice of failing to provide meal periods to
- 17 Plaintiff and the other Class Members;
- 18 ix. Whether Defendants had a policy and practice of failing to provide rest periods to
- 19 Plaintiff and the other Class Members;
- 20 x. Whether Defendants failed to pay their hourly-paid and/or non-exempt employees in
- 21 the State of California for all hours worked, and for all missed, short, late, and/or
- 22 interrupted meal periods and rest breaks;
- 23 xi. Whether Defendants failed to timely pay all wages due to Plaintiff and the other Class
- 24 Members during their employment;
- 25 xii. Whether Defendants' failure to pay wages, without abatement or reduction, in
- 26 accordance with the California Labor Code, was willful;
- 27 xiii. Whether Defendants failed to pay all wages due to Plaintiff and the other Class
- 28 Members within the required time upon their discharge or resignation;

- xiv. Whether Defendants failed to comply with wage reporting as required by the California Labor Code, including, *inter alia*, section 226;
- xv. Whether Defendants failed to reimburse Plaintiff and the other Class Members for necessary business-related expenses and costs;
- xvi. Whether Defendants' conduct was willful or reckless;
- xvii. Whether Defendants engaged in unfair business practices in violation of California Business & Professions Code section 17200, *et seq.*;
- xviii. The appropriate amount of damages, restitution, and/or monetary penalties resulting from Defendants' violation of California law; and
- xix. Whether Plaintiff and the other Class Members are entitled to compensatory damages pursuant to the California Labor Code.

31. Plaintiff's claims are typical of the claims of the Class, and Plaintiff's interests are coincident with and not antagonistic to those of the other Class Members Plaintiff seeks to represent. Plaintiff will fairly and adequately protect the interests of the members of the Class. Plaintiff has retained attorneys experienced in the prosecution of class actions and Plaintiff intends to prosecute this action vigorously.

32. A class action is superior to other available methods for the fair and efficient adjudication of this controversy since individual litigation of the claims of all Class Members is impracticable. Even if every Class Member could afford individual litigation, the court system could not. It would be unduly burdensome on the courts in which individual litigation of numerous cases would proceed. Individualized litigation would also present the potential for varying, inconsistent, and/or contradictory judgments and would magnify the delay and expense to all parties and to the court system resulting from multiple trials of the same factual and legal issues. By contrast, the conduct of this action as a class action presents fewer management difficulties, conserves the resources of the parties and of the court system, and protects the rights of each Class Member.

33. Certification of this lawsuit as a class action will advance public policy objectives. Employers of this great state violate employment and labor laws every day. Current employees are often afraid to assert their rights out of fear of direct or indirect retaliation. However, class

actions provide the Class Members who are not named in the complaint anonymity that allows for the vindication of their rights.

PAGA ALLEGATIONS

34. PAGA is and was applicable to Defendants' employment of Plaintiff and the Aggrieved Employees.

35. PAGA provides that any provision of law under the California Labor Code that provides for a civil penalty, including unpaid wages and premium wages, to be assessed and collected by the LWDA for violations of the California Labor 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 procedures outlined in California Labor Code section 2699.3.

36. Pursuant to PAGA, a civil action may be brought by an "aggrieved employee," who is any person employed by the alleged violator and who suffered the violations alleged.

37. Plaintiff and the other non-exempt employees are "Aggrieved Employees" as defined by California Labor Code section 2699(c).

38. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved employee, including Plaintiff, may pursue a civil action arising under PAGA after the following requirements have been met:

- a. The aggrieved employee shall give written notice by certified mail (hereinafter "Employee's Notice") to the LWDA and the employer of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations.
- b. The LWDA shall provide notice ("LWDA Response") to the employer and the aggrieved employee by certified mail that it does not intend to investigate the alleged violation within sixty (60) calendar days of the postmark date of the Employee's Notice. Upon receipt of the LWDA Response, or if the LWDA Response is not provided within sixty-five (65) calendar days of the postmark date of the Employee's Notice, the aggrieved employee may commence a civil action pursuant to California Labor Code section 2699 to recover civil penalties in addition to any other penalties to

1 which the employee may be entitled.

2 39. On April 14, 2025, Plaintiff provided notice by electronic submission to the LWDA
3 and by certified mail to Defendants regarding the specific provisions of the California Labor Code
4 alleged to have been violated, including the facts and theories to support the alleged violations,
5 pursuant to California Labor Code section 2699.3. **A true and correct copy of the Employee's**
6 **Notice is attached hereto as Exhibit A.**

7 40. Plaintiff did not receive a LWDA Response within sixty-five (65) calendar days of
8 providing the Employee's Notice.

9 41. Therefore, the administrative prerequisites under California Labor Code section
10 2699.3(a) to recover civil penalties against Defendants, in addition to other remedies for violations of,
11 *inter alia*, California Labor Code sections 201, 202, 203, 204, 204.1, 221, 226(a), 226.7, 510, 512(a),
12 551, 552, 1194, 1197, 1197.1, 1198, 2751, 2800, and 2802 have been satisfied.

13 **FIRST CAUSE OF ACTION**

14 **VIOLATION OF CAL. LABOR CODE §§ 1194, 1197, AND 1197.1**

15 **Failure to Pay Minimum Wage**

16 **(Against All Defendants)**

17 42. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

18 43. California Labor Code sections 1194, 1197, and 1197.1 provide that the minimum wage
19 for employees fixed by the Industrial Welfare Commission is the minimum wage to be paid to
20 employees, and the payment of a wage less than the minimum so fixed is unlawful. Plaintiff and the
21 other Class Members were frequently suffered or permitted to work "off-the-clock" prior to clocking
22 in or after clocking out for their shifts, such that they were not paid minimum wage for all hours
23 worked.

24 44. Accordingly, Defendants regularly failed to pay at least minimum wages to Plaintiff
25 and the other Class Members for all hours they worked in violation of California Labor Code sections
26 1194, 1197, and 1197.1.

27 45. Defendants knew or should have known that Plaintiff and the other Class Members
28 were performing such work "off-the-clock" because, among other things, Defendants' management

1 witnessed, authorized, was made aware of, and/or required Plaintiff and Class Members to perform
2 such work.

3 46. Defendants' failure to pay Plaintiff and the other Class Members the minimum wage
4 as required violates California Labor Code sections 1194, 1197, and 1197.1. Pursuant to those sections,
5 Plaintiff and the other Class Members are entitled to recover the unpaid balance of their minimum
6 wage compensation, as well as interest, costs, and attorney's fees.

7 47. Pursuant to California Labor Code section 1194.2, Plaintiff and the other Class
8 Members are entitled to recover liquidated damages in an amount equal to the wages unlawfully
9 unpaid and interest thereon.

10 **SECOND CAUSE OF ACTION**

11 **Conversion**

12 **(Against All Defendants)**

13 48. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

14 49. At all times herein set forth, California Labor Code sections 204.1 and 2751 regulate
15 the circumstances under which employees including Plaintiff and the other Class Members are entitled
16 to commission wages based on the sale of property or services. California Labor Code section 204.1
17 states in part: "Commission wages are compensation paid to any person for services rendered in the
18 sale of such employer's property or services and based proportionately upon the amount or value
19 thereof."

20 50. California Labor Code section 221 provides that "[i]t shall be unlawful for any
21 employer to collect or receive from an employee any part of wages theretofore paid by said employer
22 to said employee."

23 51. Defendants wrongfully exercised dominion over Plaintiff's and the other Class
24 Members' accrued commission wages through Defendants' practices of withholding commission
25 wages, wrongfully receiving commission wages, distributing commission wages to Defendants'
26 owner(s), manager(s), supervisor(s) and/or agent(s), and/or forcing Plaintiff and the other Class
27 Members to split their earned commission wages with others. As a result of the practices described
28 herein, Defendants have taken possession of and have converted commission wages that belonged to

1 Plaintiff and the other Class Members.

2 52. Plaintiffs and the other Class Members had a right to possess monies earned and paid
3 to them by Defendants following each paycheck imbued on them.

4 53. Defendants substantially interfered with Plaintiff's and the other Class Members'
5 property by knowingly and/or intentionally taking possession of the funds and distributing them to
6 Defendants' owner(s), manager(s), supervisor(s) and/or agents and/or forcing Plaintiff and the other
7 Class Members to split their earned commission wages with others.

8 54. Plaintiff and the other Class Members did not consent to the aforementioned conduct
9 by Defendants.

10 55. Plaintiff and the other Class Members were harmed by the aforementioned conduct.

11 56. Defendants' conduct was a substantial factor in causing harm to Plaintiff and the other
12 Class Members.

13 57. As a result of Defendants' conversion, Plaintiff and the other Class Members have
14 suffered injury and damage. Specifically, Plaintiff and the other Class Members have been injured by
15 Defendants' intentional conversion because Defendants have converted thousands of dollars in
16 accrued commission wages from Plaintiff and the other Class Members.

17 58. Plaintiff and the other Class Members are entitled to restitution of all monies plus
18 interest to be disgorged from Defendants in an amount according to proof at the time of trial.

19 **THIRD CAUSE OF ACTION**

20 **Breach of Contract**

21 **(Against All Defendants)**

22 59. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

23 60. Plaintiff and the other Class Members entered into oral and/or written Agreements with
24 Defendants whereby Defendants agreed to pay Plaintiff and the other Class Members commission
25 wages based upon services rendered in the sale of Defendants' property and/or services.

26 61. Plaintiff and the other Class Members performed all covenants, conditions, and
27 obligations imposed upon them pursuant to those Agreements, or were excused from performance of
28 those Agreements because of Defendants' failure to perform the terms of those Agreements.

62. Defendants breached said Agreements by, among other things, failing and refusing to pay promised commission wages, including but not limited to instituting and maintaining practices of withholding commission wages, wrongfully receiving commission wages, distributing commission wages to Defendants' owner(s), manager(s), supervisor(s) and/or agent(s), and/or forcing Plaintiff and the other Class Members to split their earned commission wages with others.

63. The acts and omissions of Defendants as described herein are in violation of the express promises, covenants, terms and conditions of the Agreements and Defendants are therefore in breach of contract.

64. Plaintiff and the other Class Members have suffered damages as a direct and proximate result of Defendants' breach of contract in an amount to be proven at trial.

FOURTH CAUSE OF ACTION

VIOLATION OF CAL. LABOR CODE §§ 510 AND 1198

Unpaid Overtime

(Against All Defendants)

65. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

66. California Labor Code section 1198 and the applicable IWC Wage Order provide that it is unlawful to employ persons for extended periods of time without compensating them at a rate of pay either time-and-one-half or two-times that person's regular rate of pay, depending on the number of hours worked by the person on a daily and/or weekly basis.

67. Specifically, the applicable IWC Wage Order provides that Defendants were required to pay Plaintiff and the other Class Members at the rate of time-and-one-half for all hours worked in excess of eight (8) hours in a day, in excess of forty (40) hours in a week, and/or in excess of the first eight (8) hours worked on the seventh consecutive day in a workweek.

68. The applicable IWC Wage Order further provides that Defendants were required to pay Plaintiff and the other Class Members overtime compensation at a rate of two (2) times their regular rate of pay for all hours worked in excess of twelve (12) hours in a day and/or for all hours worked in excess of eight (8) hours on the seventh consecutive day in a workweek.

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1 69. California Labor Code section 510 codifies the right to overtime compensation at one-
2 and-one half times the regular hourly rate for hours worked in excess of eight (8) hours in a day, in
3 excess of forty (40) hours in a week, and/or in excess of the first eight (8) hours worked on the seventh
4 consecutive day in a workweek, and to overtime compensation at twice the regular hourly rate for
5 hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on the
6 seventh day of work.

7 70. Plaintiff and the other Class Members regularly worked in excess of eight (8) hours in
8 a day, in excess of twelve (12) hours in a day, in excess of forty (40) hours in a week, and/or in excess
9 of seven (7) consecutive days in a workweek. However, Defendants did not accurately record Plaintiff
10 and the other Class Members' actual hours worked and intentionally and willfully failed to pay all
11 overtime wages owed to Plaintiff and the other Class Members. Defendants' failure to pay correct
12 overtime wages included, *inter alia*: (a) when the combined total of the off-the-clock work discussed
13 *supra* and the on-the-clock work exceed the number of hours that trigger the payment of overtime
14 wages under California Labor Code sections 510 and 1198 and/or the applicable IWC Wage Order;
15 (b) when Defendants intentionally, willfully, and/or negligently mischaracterized overtime as straight
16 time; (c) when Defendants assigned more work than could reasonably be completed in a workday or
17 workweek to Plaintiff and Class Members, but refused to authorize the overtime necessary for them
18 to complete the assigned work; and (d) when Defendants failed to include all required wages and
19 remuneration, including non-discretionary commissions, when calculating setting the overtime rate.

20 71. Defendants' failure to pay Plaintiff and the other Class Members as outlined above
21 violates California Labor Code sections 510 and 1198 and the applicable IWC Wage Order and is
22 therefore unlawful.

23 72. Pursuant to California Labor Code section 1194, Plaintiff and the other Class Members
24 are entitled to recover their unpaid overtime compensation, and interest, costs, and attorneys' fees.

25 **FIFTH CAUSE OF ACTION**

26 **VIOLATION OF CAL. LABOR CODE §§ 551 AND 552**

27 **Failure to Provide One Day's Rest in Seven**

28 **(Against All Defendants)**

73. Plaintiff incorporates herein by specific reference, as though fully set forth, the allegations in all preceding paragraphs.

74. California Labor Code § 551 states that “[e]very person employed in any occupation of labor is entitled to one day’s rest therefrom in seven.” Cal. Lab. Code § 552 prohibits and employer from “caus[ing] his employees to work more than six days in seven.”

75. Further, the California Code of Regulations, Title 8 (“Cal. Code Regs.”) provides for the amounts at which employees should be paid when working on the seventh day in the manner proscribed by Cal. Lab. Codes 551 and 552. For example, Cal. Code Reg. § 11170 for miscellaneous employees § 4 provides:

4. Daily Overtime - General Provisions

The following overtime provisions are applicable to employees eighteen (18) years of age or over and to employees 16 or 17 years of age who are not required by law to attend school, and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

(A) One and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and

(B) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.

(C) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.

76. Plaintiff and other Class Members were subjected to numerous work periods where they were not afforded one day’s rest in seven.

77. During the relevant time period, Defendants intentionally and willfully required Plaintiff and other Class Members to work for periods of seven days straight without one day of rest without properly compensating Plaintiff or the other Class Members, as prescribed by California law, at either the time-and-a-half rate or the double time rate, depending on hours worked during the

seventh day.

78. Defendants' conduct violates California law such as the applicable IWC Wage Orders and California Labor Codes sections 551 and 552.

79. Pursuant to the applicable IWC Wage Orders and California Labor Code sections 551 and 552, Plaintiff and other Class Members are entitled to recover from Defendants time-and-a-half for all hours worked up through the end of the eighth hour, or double time for all hours worked in excess of eight hours on the seventh day during the relevant time period.

80. Plaintiff and other Class Members have been damaged in an amount according to proof at the time of trial, and are entitled to recovery of such amounts, plus penalties, interest, attorneys' fees, expenses and costs.

SIXTH CAUSE OF ACTION

VIOLATION OF CAL. LABOR CODE §§ 226.7 AND 512(a)

Meal Break Violations

(Against All Defendants)

81. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

82. California Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order govern Plaintiff and the other Class Members' employment by Defendants.

83. California Labor Code section 226.7 provides that no employer shall require an employee to work during any meal period mandated by an applicable IWC Order.

84. The applicable IWC Wage Order and California Labor Code section 512(a) provide that an employer may not require, cause, or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee.

85. The applicable IWC Wage Order and California Labor Code section 512(a) further provide that an employer may not require, cause, or permit an employee to work a work period of more than ten (10) hours per day without providing the employee with a second uninterrupted meal period of not less than thirty (30) minutes, except if the total hours worked is no more than twelve (12)

1 hours, the second meal period may be waived by mutual consent of the employer and the employee
2 only if the first meal period was not waived.

3 86. Plaintiff and the other Class Members who were scheduled to work for shifts no longer
4 than six (6) hours, and who did not waive their legally mandated meal periods by mutual consent, were
5 required to work for periods longer than five (5) hours without an uninterrupted meal period of not
6 less than thirty (30) minutes.

7 87. Plaintiff and the other Class Members who were scheduled to work for shifts in excess
8 of ten (10) hours but no longer than twelve (12) hours, and who did not waive their legally-mandated
9 meal periods by mutual consent, were required to work for periods longer than ten (10) hours without
10 a second uninterrupted meal period of not less than thirty (30) minutes.

11 88. Defendants intentionally and willfully required Plaintiff and the other Class Members
12 to work during meal periods and failed to compensate Plaintiff and the other Class Members for work
13 performed during meal periods. This includes, among other things, requiring Plaintiff and Class
14 Members to work through their lunch breaks, permitting and/or requiring Plaintiff and Class Members
15 to take late lunch breaks, permitting and/or requiring Plaintiff and Class Members to take short lunch
16 breaks, interrupting and/or allowing others to interrupt Plaintiff and Class Members during their lunch
17 breaks, failing to relieve Plaintiff and Class Members of all duties during their lunch breaks, and
18 restricting Plaintiff and Class Members from leaving the premises during their lunch breaks.

19 89. Defendants adjusted Plaintiff's and the other Class Members' timesheets and/or
20 required Plaintiff and the other Class Members to adjust their timesheets to appear as if compliant
21 meal periods were taken. Defendants required Plaintiff and the other Class Members to clock-out for
22 purported meal periods but continue working to appear as if compliant meal periods were taken.

23 90. During the relevant time period, Defendants failed to pay Plaintiff and the other Class
24 Members all meal period premiums due pursuant to California Labor Code section 226.7 and 512 and
25 the applicable IWC Wage Order. Defendants failed to include all required wages and remuneration,
26 including non-discretionary commissions, non-discretionary bonuses, and non-discretionary
27 performance pay, when calculating regular rates of pay for meal period premiums and/or merely using
28 straight time pay to calculate regular rates of pay for meal period premiums.

1 91. Defendants' conduct therefore violates the applicable IWC Wage Order and California
2 Labor Code sections 226.7 and 512(a).

3 92. Pursuant to the applicable IWC Wage Order and California Labor Code section
4 226.7(b), Plaintiff and the other Class Members are entitled to recover from Defendants one additional
5 hour of pay at their regular rate of compensation for each workday that a compliant meal
6 period was not provided as well as interest thereon.

7 **SEVENTH CAUSE OF ACTION**

8 **VIOLATION OF CAL. LABOR CODE § 226.7**

9 **Rest Break Violations**

10 **(Against All Defendants)**

11 93. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

12 94. California Labor Code section 226.7 and the applicable IWC Wage Order govern
13 Plaintiff and the other Class Members' employment by Defendants.

14 95. California Labor Code section 226.7 provides that no employer shall require an
15 employee to work during any rest period mandated by an applicable order of the California IWC.

16 96. The applicable IWC Wage Order provides that "[e]very employer shall authorize and
17 permit all employees to take rest periods, which insofar as practicable shall be in the middle of each
18 work period" and that the "rest period time shall be based on the total hours worked daily at the rate
19 of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily
20 work time is less than three and one-half (3½) hours."

21 97. Defendants routinely required Plaintiff and the other Class Members to work three and
22 one-half (3 ½) or more hours without authorizing or permitting a compliant ten (10) minute rest period
23 per each four (4) hour period, or major fraction thereof, worked.

24 98. Moreover, Defendants willfully required, suffered, and permitted Plaintiff and the other
25 Class Members to work during what should have been their rest periods. Defendants also failed to
26 relieve Plaintiff and the other Class Members of all duties for ten (10) minutes as required for
27 compliant rest breaks.

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99. As a result, Plaintiff worked through rest periods, took late rest periods, took interrupted rest periods, and/or took short rest periods, if at all.

100. Pursuant to the applicable IWC Wage Order and California Labor Code section 226.7(b), Plaintiff and the other Class Members were entitled to recover from Defendants one (1) additional hour of pay at their regular hourly rate of compensation for each workday that compliant rest period(s) were not provided.

101. Defendants had no policy or practice to pay a premium when rest periods were missed, short, late, and/or interrupted, or otherwise failed to comply with California law, and thus Defendants failed to pay Plaintiff and the other Class Members the full rest period premium due to them in violation of California Labor Code section 226.7 and the applicable IWC Wage Order. Defendants failed to include all required wages and remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay, when calculating regular rates of pay for rest period premiums and/or merely using straight time pay to calculate regular rates of pay for rest period premiums.

102. Pursuant to the applicable IWC Wage Order and California Labor Code section 226.7(c), Plaintiff and the other Class Members are entitled to recover from Defendants one additional hour of pay at their regular rate of compensation for each workday compliant rest period(s) were not provided as well as interest thereon.

EIGHTH CAUSE OF ACTION

VIOLATION OF CAL. LABOR CODE §§ 204 AND 210

Wages Not Timely Paid During Employment

(Against All Defendants)

103. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

104. California Labor Code section 204 provides that all wages earned by any person in any employment between the 1st and 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and 26th day of the month during which the labor was performed.

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105. California Labor Code section 204 provides that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

106. California Labor Code section 204 provides that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

107. As a result of the violations set forth in detail above (failure to pay overtime, failure to pay minimum wages, failure to pay all accrued commission wages, meal break violations, and rest break violations), Defendants intentionally and willfully failed to timely pay Plaintiff and the other Class Members all wages due to them within the period permissible under California Labor Code section 204.

108. Plaintiff and the other Class Members are entitled to recover all available remedies for Defendants' violations of California Labor Code section 204, including statutory penalties pursuant to California Labor Code section 210(b).

NINTH CAUSE OF ACTION

VIOLATION OF CAL. LABOR CODE § 226(a)

Wage Statement Violations

(Against All Defendants)

109. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

110. At all material times set forth herein, California Labor Code section 226(a) provides that every employer shall furnish each of its employees an accurate itemized wage statement in writing, including, but not limited to, the name and address of the legal entity that is the employer, total hours worked, and all applicable hourly rates.

111. As a result of the violations set forth in detail above (failure to pay overtime, failure to pay minimum wages, failure to pay all accrued commission wages, meal break violations, and rest break violations), Defendants intentionally and willfully failed to provide Plaintiff and the other Class Members with complete and accurate wage statements. The deficiencies include, among other things, the failure to state all hours worked, the failure to state the actual gross wages earned including all

1 accrued commission wages, the failure to include meal and rest break premiums, and the failure to
2 include correct rates of pay. Accordingly, Defendants violated California Labor Code 226(a).

3 112. As a result of Defendants' violation of California Labor Code section 226(a), Plaintiff
4 and the other Class Members have suffered injury and damage to their statutorily protected rights.

5 113. Specifically, Plaintiff and the other Class Members have been injured by Defendants'
6 intentional violation of California Labor Code section 226(a) because they were denied both their legal
7 right to receive, and their protected interest in receiving accurate, itemized wage statements under
8 California Labor Code section 226(a). In addition, because Defendants failed to provide the accurate
9 number of total hours worked on wage statements, Plaintiff and the other Class Members have been
10 prevented by Defendants from determining if all hours worked were paid and the extent of the
11 underpayment. Plaintiff had to file this lawsuit, and will further have to conduct discovery, reconstruct
12 time records, and perform computations in order to analyze whether in fact Plaintiff and the other
13 Class Members were paid correctly and the extent of the underpayment, thereby causing Plaintiff to
14 incur expenses and lost time. Plaintiff would not have had to engage in these efforts and incur these
15 costs had Defendants provided the accurate number of total hours worked. This has also delayed
16 Plaintiff's ability to demand and recover the underpayment of wages from Defendants.

17 114. Plaintiff and the other Class Members are entitled to recover from Defendants the
18 greater of their actual damages caused by Defendants' failure to comply with California Labor Code
19 section 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000).

20 **TENTH CAUSE OF ACTION**

21 **VIOLATION OF CAL. LABOR CODE §§ 201, 202, AND 203**

22 **Untimely Final Wages**

23 **(Against All Defendants)**

24 115. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

25 116. Pursuant to California Labor Code sections 201, 202, and 203, Defendants are required
26 to timely pay all earned and unpaid wages to an employee who is discharged. California Labor Code
27 section 201 mandates that if an employer discharges an employee, the employee's wages accrued and
28 unpaid at the time of discharge are due and payable immediately. California Labor Code section 202

1 mandates that if an employee quits, his or her wages shall become due and payable not later than
2 seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of
3 his or her intention to quit, in which case the employee is entitled to his or her wages at the time of
4 quitting.

5 117. California Labor Code section 203 provides that if an employer willfully fails to pay,
6 in accordance with California Labor Code sections 201 and 202, any wages of an employee who is
7 discharged or who quits, the wages of the employee shall continue as a penalty from the due date
8 thereof at the same rate until paid or until an action therefore is commenced; but the wages shall not
9 continue for more than thirty (30) days.

10 118. As a result of the violations set forth in detail above (failure to pay overtime, failure to
11 pay minimum wages, all accrued commission wages, meal break violations, and rest break violations),
12 at the time that Plaintiff and the other Class Members' employment with Defendants ended,
13 Defendants knowingly and willfully failed to pay them all wages owed to them pursuant to California
14 Labor Code sections 201 and 202, including, without limitation, overtime wages, minimum wages, all
15 accrued commission wages, meal period premium wages, and rest period premium wages, and all
16 wages due to Plaintiff and Class Members as they became due, as required per California Labor Code
17 section 204.

18 119. As a result, Plaintiff and the other Class Members are entitled to all available
19 statutory penalties, including the waiting time penalties provided in California Labor Code section
20 203, together with interest thereon, as well as other available remedies.

21 **ELEVENTH CAUSE OF ACTION**

22 **VIOLATION OF CAL. LABOR CODE §§ 2800 AND 2802**

23 **Failure to Reimburse Necessary Business Expenses**

24 **(Against All Defendants)**

25 120. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

26 121. Pursuant to California Labor Code sections 2800 and 2802, an employer must
27 reimburse its employees for all necessary expenditures incurred by the employee in direct consequence
28 of the discharge of the employee's job duties or in direct consequence of the employee's job duties or

1 in direct consequence of the employee's obedience to the directions of the employer.

2 122. Plaintiff and the other Class Members incurred necessary business-related expenses
3 and costs that were not fully reimbursed by Defendants.

4 123. Defendants intentionally and willfully failed to reimburse Plaintiff and the other Class
5 Members for all necessary business-related expenses and costs. Plaintiff and the other Class Members
6 are entitled to recover from Defendants their business-related expenses and costs incurred during the
7 course and scope of employment, plus interest accrued from the date on which Plaintiff and the other
8 Class Members incurred the necessary expenditures at the same rate as judgments in civil actions in
9 the State of California.

10 **TWELFTH CAUSE OF ACTION**

11 **VIOLATION OF CAL. BUSINESS & PROFESSIONS CODE §§ 17200, *ET. SEQ.***

12 **Unfair and Unlawful Business Practices**

13 **(Against All Defendants)**

14 124. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

15 125. Each and every one of Defendants' acts and omissions in violation of the California
16 Labor Code and/or the applicable IWC Wage Order as alleged in this Complaint, including but not
17 limited to Defendants' failure and refusal to pay overtime compensation, Defendants' failure and
18 refusal to provide one day's rest in seven, Defendants' failure and refusal to pay minimum wages,
19 Defendants' failure and refusal to pay all accrued commission wages and unlawful dominion and
20 control over commission wages to the point of conversion of wages, Defendants' failure and refusal
21 to provide required meal periods and/or pay meal period premiums, Defendants' failure and refusal to
22 provide required rest periods and/or pay the required rest break premiums, Defendants' failure and
23 refusal to timely pay wages at the correct rate during employment, Defendants' failure and refusal to
24 furnish accurate itemized wage statements, Defendants' failure and refusal to reimburse business-
25 related expenses and costs, and Defendants' failure and refusal to timely pay wages upon termination
26 constitutes unfair and unlawful business practices under California Business and Professions Code
27 sections 17200, *et seq.*

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1 126. Defendants' violations of California wage and hour laws constitute unfair and unlawful
2 business practices because, among other things, they were done repeatedly over a significant period
3 of time, and in a systematic manner, to the detriment of Plaintiff and the other Class Members.

4 127. Defendants have avoided payment of overtime wages (including overtime wages
5 required for requiring Plaintiff and other Class Members to work on the seventh day in a row),
6 minimum wages, meal period premiums, rest period premiums, timely wages at the correct rate of
7 pay, and other benefits as required by the California Labor Code, the California Code of Regulations,
8 and the applicable IWC Wage Order. Further, Defendants have failed to record, report, and pay the
9 correct sums of assessment to the state authorities under the California Labor Code and other
10 applicable regulations.

11 128. As a result of Defendants' unfair and unlawful business practices, Defendants have
12 reaped unfair and illegal profits during Plaintiff and the other Class Members' tenure at the expense
13 of Plaintiff, the other Class Members, and members of the public. Defendants should be made to
14 disgorge their ill-gotten gains and to restore them to Plaintiff and the other Class Members.

15 129. Defendants' unfair and unlawful business practices entitle Plaintiff and the other Class
16 Members to seek preliminary and permanent injunctive relief, including but not limited to orders that
17 Defendants account for, disgorge, and restore to Plaintiff and the other Class Members the wages and
18 other compensation unlawfully withheld from them. Plaintiff and the other Class Members are entitled
19 to restitution of all monies to be disgorged from Defendants in an amount according to proof at the
20 time of trial.

21 **THIRTEENTH CAUSE OF ACTION**

22 **VIOLATION OF CAL. LABOR CODE §§ 2698, *ET SEQ.***

23 **California Labor Code Private Attorneys General Act of 2004**

24 **(Against All Defendants)**

25 130. Plaintiff incorporates by reference the allegations in all preceding paragraphs.

26 131. Plaintiff brings this action on a representative basis on behalf of other Aggrieved
27 Employees and the State of California, in Plaintiff's capacity as a private attorney general pursuant to
28 the Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.*

1 132. PAGA expressly provides for a private right of action to recover civil penalties for
2 violations of the California Labor Code as follows: “*Notwithstanding any other provision of law, any*
3 *provision of this code that provides for a civil penalty to be assessed and collected by the Labor and*
4 *Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies,*
5 *or employees, for a violation of this code, may, as an alternative, be recovered through a civil action*
6 *brought by an aggrieved employee on behalf of himself or herself and other current or former*
7 *employees pursuant to the procedures specified in Section 2699.3.*” Cal. Lab. Code § 2699(a).

8 133. Whenever the LWDA, or any of its departments, divisions, commissions, boards,
9 agencies, or employees has discretion to assess a civil penalty, a court in a civil action is authorized to
10 exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.

11 134. Plaintiff and the other hourly-paid and/or non-exempt employees are “Aggrieved
12 Employees” as defined by California Labor Code section 2699(c).

13 135. Defendants’ conduct, as alleged herein, violates numerous sections of the California
14 Labor Code, including, but not limited to, the following:

- 15 a. Violation of California Labor Code sections 510 and 1198 for failure to pay overtime
16 wages, as set forth more fully above;
- 17 b. Violation of California Labor Code sections 1194, 1197, and 1197.1 for failure to pay
18 minimum wages, as set forth more fully above;
- 19 c. Violation of California Labor Code sections 551 and 552 for failure to provide one
20 day’s rest in seven, as set forth more fully above;
- 21 d. Violation of California Labor Code section 221 for failure to pay all earned
22 commission wages, as set forth more fully above;
- 23 e. Violation of California Labor Code sections 226.7 and 512(a) for failure to provide
24 legally required meal periods, as set forth more fully above;
- 25 f. Violation of California Labor Code sections 226.7 and 512(a) for failure to pay
26 required meal period premiums, as set forth more fully above;
- 27 g. Violation of California Labor Code section 226.7 for failure to provide legally
28 required rest periods, as set forth more fully above;

- h. Violation of California Labor Code section 226.7 for failure to pay required rest period premiums, as set forth more fully above;
- i. Violation of California Labor Code section 204 for failure to timely pay wages to Plaintiff and Aggrieved Employees during employment, as set forth more fully above;
- j. Violation of California Labor Code sections 201, 202, and 203 for failure to pay all wages at time of discharge from employment, as set forth more fully above;
- k. Violation of California Labor Code section 226(a) for failure to provide accurate wage statements to Plaintiff and Aggrieved Employees, as set forth more fully above;
- l. Violation of California Labor Code section 1174(d) for failure to keep complete and accurate payroll records relating to Plaintiff and Aggrieved Employees; and
- m. Violation of California Labor Code sections 2800 and 2802 for failure to reimburse Plaintiff and Aggrieved Employees for necessary business-related expenses, as set forth more fully above.

136. Pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3, and 2699.5, Plaintiff, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for Plaintiff, all Aggrieved Employees, and the State of California against Defendants for violations of California Labor Code sections set forth herein, including penalties under California Labor Code sections 2699, 558, 210, 1197.1, 226, 226.3, 1174.5, and 1197.1, penalties under the applicable IWC Wage Order, and any and all additional penalties and remedies as provided by the California Labor Code and/or other statutes.

137. Pursuant to California Labor Code section 2699(m), civil penalties recovered by the Aggrieved Employees shall be distributed as follows: sixty-five percent (65%) to the LWDA for the enforcement of labor laws and education of employers and employees about their rights and responsibilities and thirty-five (35%) to the Aggrieved Employees.

138. Plaintiff retained counsel to file this court action, and to assess and collect the civil penalties owed by Defendants. Plaintiff therefore seeks an award of reasonable attorneys' fees and costs pursuant to California Labor Code sections 210, 218.5, and 2699(g)(1), and any other applicable statute.

1 **PRAYER FOR RELIEF**

2 Plaintiff, on behalf of all others similarly situated, prays for relief and judgment against
3 Defendants, jointly and severally, as follows:

4 **Class Certification**

- 5 1. That this action be certified as a class action;
6 2. That Plaintiff be appointed as the representative of the Class;
7 3. That counsel for Plaintiff be appointed as Class Counsel; and
8 4. That Defendants provide to Class Counsel the names and most current/last known
9 contact information (addresses, e-mails, and telephone numbers) of all Class Members.

10 **As to the First Cause of Action**

11 5. That the Court declare, adjudge, and decree that Defendants violated California Labor
12 Code sections 1194, 1197, and 1197.1 by willfully failing to pay minimum wages to Plaintiff and the
13 other Class Members;

14 6. For general unpaid wages and such general and special damages as may be appropriate;

15 7. For statutory wage penalties pursuant to California Labor Code section 1197.1 for
16 Plaintiff and the other Class Members in the amount as may be established according to proof at trial;

17 8. For pre-judgment interest on any unpaid compensation from the date such amounts
18 were due;

19 9. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California
20 Labor Code section 1194(a);

21 10. For liquidated damages pursuant to California Labor Code section 1194.2; and

22 11. For such other and further relief as the Court may deem just and proper.

23 **As to the Second Cause of Action**

24 12. That the Court declare, adjudge and decree that Defendants took possession of earned
25 wages previously paid to Plaintiff and the other Class Members by Defendants as wages, namely,
26 accrued commission wages;

27 13. For restitution of collected wages to Plaintiff and the other Class Members and all pre-
28 judgment interest from the day such amounts were due and payable;

1 14. For the appointment of a receiver to receive, manage and distribute any and all funds
2 disgorged from Defendants and determined to have been wrongfully acquired by Defendants as a result
3 of violation of California Business and Professions Code sections 17200, *et seq.*;

4 15. For recovery of their attorneys' fees and costs as authorized by the California Labor
5 Code sections 210, 218.5; and

6 16. For injunctive relief to ensure compliance with this section, pursuant to California
7 Business and Professions Code sections 17200, *et seq.*

8 **As to the Third Cause of Action**

9 17. That the Court declare, adjudge, and decree that Defendants breached Agreements
10 made between Defendants and Plaintiff and the other Class Members, especially concerning
11 commission wages;

12 18. For all actual, consequential, and incidental losses and damages, according to proof;

13 19. For pre-judgment interest on any unpaid wages from the date such amounts were due;

14 20. For reasonable attorneys' fees and costs of suit incurred herein; and

15 21. For such other and further relief as the Court may deem just and proper.

16 **As to the Fourth Cause of Action**

17 22. That the Court declare, adjudge, and decree that Defendants violated California Labor
18 Code sections 510 and 1198 and the applicable IWC Wage Order by willfully failing to pay all
19 overtime wages due to Plaintiff and the other Class Members;

20 23. For general unpaid wages at overtime wage rates and such general and special damages
21 as may be appropriate;

22 24. For pre-judgment interest on any unpaid overtime compensation commencing from the
23 date such amounts were due;

24 25. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California
25 Labor Code section 1194(a); and

26 26. For such other and further relief as the Court may deem just and proper.

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As to the Fifth Cause of Action

27. That the Court declare, adjudge and decree that Defendants violated California Labor Code §§ 551 and 552 by willfully failing to provide Plaintiff or the Class Members one day's rest in seven;

28. That the Court declare, adjudge and decree that Defendants willfully failed to pay Plaintiff or the Class Members appropriately for working on the seventh day in the manner required per the appropriate IWC Wage Order;

29. For general unpaid wages at overtime wage rates and such general and special damages as may be appropriate;

30. For pre-judgment interest on any unpaid overtime compensation commencing from the date such amounts were due;

31. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Labor Code § 1194; and

32. For such other and further relief as the Court may deem just and proper.

As to the Sixth Cause of Action

33. That the Court declare, adjudge, and decree that Defendants violated California Labor Code sections 226.7 and 512 and the applicable IWC Wage Order by willfully failing to provide all meal periods (including second meal periods) to Plaintiff and the other Class Members;

34. For premium wages pursuant to California Labor Code section 226.7(c);

35. For all actual, consequential, and incidental losses and damages, according to proof;

36. For pre-judgment interest on any unpaid wages from the date such amounts were due;

37. For reasonable attorneys' fees and costs of suit incurred herein; and

38. For such other and further relief as the Court may deem just and proper.

As to the Seventh Cause Action

39. That the Court declare, adjudge, and decree that Defendants violated California Labor Code section 226.7 and the applicable IWC Wage Order by willfully failing to provide all rest periods to Plaintiff and the other Class Members;

40. For premium wages pursuant to California Labor Code section 226.7(c);

- 1 41. For all actual, consequential, and incidental losses and damages, according to proof;
2 42. For pre-judgment interest on any unpaid wages from the date such amounts were due;
3 and
4 43. For such other and further relief as the Court may deem just and proper.

5 **As to the Eighth Cause of Action**

6 44. That the Court declare, adjudge, and decree that Defendants violated California Labor
7 Code section 204 by willfully failing to pay all compensation owed at the time required by California
8 Labor Code section 204 to Plaintiff and the other Class Members;

9 45. For statutory penalties pursuant to California Labor Code section 210; and

10 46. For such other and further relief as the Court deems just and proper.

11 **As to the Ninth Cause of Action**

12 47. That the Court declare, adjudge, and decree that Defendants violated the provisions of
13 California Labor Code section 226(a) as to Plaintiff and the other Class Members, and willfully failed
14 to provide accurate itemized wage statements to them;

15 48. For actual, consequential, and incidental losses and damages, according to proof;

16 49. For statutory penalties pursuant to California Labor Code section 226(e);

17 50. For injunctive relief to ensure compliance with this section, pursuant to
18 California Labor Code section 226(h); and

19 51. For such other and further relief as the Court may deem just and proper.

20 **As to the Tenth Cause of Action**

21 52. That the Court declare, adjudge, and decree that Defendants violated California Labor
22 Code sections 201, 202, and 203 by willfully failing to pay all compensation owed at the time of
23 termination of the employment of Plaintiff and the other Class Members no longer employed by
24 Defendants;

25 53. For all actual, consequential, and incidental losses and damages, according to proof;

26 54. For statutory wage penalties pursuant to California Labor Code section 203 for Plaintiff
27 and the other Class Members who have left Defendants' employ;

28 55. For pre-judgment interest on any unpaid compensation from the date due; and

56. For such other and further relief as the Court may deem just and proper.

As to the Eleventh Cause of Action

57. That the Court declare, adjudge, and decree that Defendants violated California Labor Code sections 2800 and 2802 by willfully failing to reimburse Plaintiff and the other Class Members for all necessary business-related expenses as required by California Labor Code sections 2800 and 2802;

58. For actual, consequential, and incidental losses and damages, according to proof;

59. For the imposition of civil penalties and/or statutory penalties;

60. For reasonable attorneys' fees and costs of suit incurred herein; and

61. For such other and further relief as the Court may deem just and proper.

As to the Twelfth Cause of Action

62. That the Court declare, adjudge, and decree that Defendants violated the following California Labor Code sections as to Plaintiff and the other Class Members: 1194, 1197, and 1197.1 (by failing to pay minimum wages); 510 and 1198 (by failing to pay overtime wages); 551 and 552 (by failing to provide one day's rest in seven); 226.7 and 512(a) (by failing to provide meal and rest periods or compensation in lieu thereof); 204 (by failing to timely pay wages during employment); 226(a) (by failing to provide accurate wage statements); 201, 202, and 203 (by failing to pay all wages owed upon termination); and 2800 and 2802 (by failing to reimburse business-related expenses);

63. That the Court declare, adjudge, and decree that Defendants engaged in conversion;

64. For restitution of unpaid wages to Plaintiff and all the other Class Members and all pre-judgment interest from the day such amounts were due and payable;

65. For the appointment of a receiver to receive, manage, and distribute any and all funds disgorged from Defendants and determined to have been wrongfully acquired by Defendants as a result of violation of California Business and Professions Code sections 17200, *et seq.*;

66. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Code of Civil Procedure section 1021.5; and

67. For injunctive relief to ensure compliance with this section, pursuant to California Business and Professions Code sections 17200, *et seq.*

As to the Thirteenth Cause of Action

68. For the imposition of civil penalties pursuant to California Labor Code sections 2699, 210, 558, 226, 226.3, 1174.5, and 1197.1 and all other penalties allowed by the California Labor Code and/or other applicable statutes;

69. For injunctive relief;

70. For statutory attorneys' fees and costs pursuant to sections 210, 218.5, and 2699(g)(1) of the California Labor Code; and

71. For such other and further relief as the Court may deem proper.

Dated: June 2, 2026

BLACKSTONE LAW, APC

By: Theodore R. Tang
Ryan A. Quadrel, Esq.
Shelby L. Miner, Esq.
Alexandra Rose, Esq.
Theodore R. Tang, Esq.

Attorney for Plaintiff YINAN ZHANG,
individually, and on behalf of other similarly
situated employees and aggrieved employees
pursuant to the California Private Attorneys
General Act

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EXHIBIT A



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Beverly Hills, CA 90211
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Ryan Quadrel, Esq.
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April 14, 2025

PAGA Claim Notice Via Online Electronic Submission

California Labor & Workforce Development Agency

800 Capitol Mall, Suite 5000 (MIC-55)

Sacramento, CA 95814

<https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>

RE: *Yinan Zhang v. Halrec, Inc. dba Stevens Creek Toyota*

To Whom It May Concern:

This office represents Yinan Zhang (“Claimant”) with respect to their claims under the California Labor Code against Halrec, Inc. dba Stevens Creek Toyota (including all affiliates, subsidiaries, parents, directors, and officers) (collectively referred to herein as “Employers”). This letter is being sent simultaneously to Employers by certified mail.

Employers employed Yinan Zhang from approximately June 2024 to March 2025 as a non-exempt, hourly-paid employee. Yinan Zhang worked as a Sales Consultant for Employers and was based out of Employers’ facility located at 4202 Stevens Creek Blvd, San Jose, CA 95129.

Claimant intends to bring a representative action seeking penalties for violations of the California Labor Code which are recoverable under the Labor Code Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”). Claimant is seeking penalties on behalf of themselves and in a representative capacity on behalf of the State of California and all current and former hourly-paid and/or non-exempt employees who worked for Employers in the State of California during the relevant statutory period who suffered the violations alleged (“Aggrieved Employees”). This letter is being sent in compliance with California Labor Code section 2699.3 and shall serve as Claimant’s notice of the provisions of the California Labor Code alleged to have been violated, including the facts and theories in support thereof.

As detailed below, Employers violated several of California’s wage and hour laws during Claimant’s employment, including but not limited to California Labor Code sections 201, 202, 203, 204, 221, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the applicable Industrial Welfare Commission Wage Order (“IWC Wage Order”). Employers’ conduct giving rise to the violations detailed below was malicious, fraudulent, and/or oppressive within the meaning of PAGA.

The claims made on behalf of Claimant and Aggrieved Employees are based upon the

following facts and theories:

1. FAILURE TO PAY FOR ALL TIME WORKED AT CORRECT RATES OF PAY, INCLUDING MINIMUM WAGES, STRAIGHT TIME WAGES, OVERTIME COMPENSATION AND COMMISSIONS

Employers engaged in numerous unlawful practices which resulted in the failure to pay Claimant and other Aggrieved Employees for all time worked at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation.

California Labor Code sections 1194, 1197, and 1197.1 and the applicable IWC Wage Order require employers to pay at least the legal minimum wage to their employees. California Labor Code sections 510 and 1198 and the applicable IWC Wage Order further require employers to pay no less than one and one-half times an employee's regular rate of pay for hours worked in excess of eight (8) hours in one workday, for hours worked in excess of forty (40) hours in one workweek, and for the first eight (8) hours worked on the seventh day of work in any one workweek, and to pay no less than twice an employee's regular rate of pay of the employee for hours worked in excess of twelve (12) hours in one workday and for any work in excess of eight (8) hours on any seventh day of a workweek.

Employers regularly required Claimant and other Aggrieved Employees to perform work off-the-clock. Employers failed to compensate Claimant and other Aggrieved Employees for any of this off-the-clock work, in violation of California law.

This uncompensated work often resulted in the total number of hours worked by Claimant and other Aggrieved Employees exceeding the daily and/or weekly triggers for overtime wages, yet Employers failed to pay Claimant and Aggrieved Employees applicable overtime rate(s) for these hours.

Employers also failed to accurately record the actual time worked by Claimant and Aggrieved Employees.

Employers also failed to pay overtime to Claimant and Aggrieved Employees for all overtime hours worked based on regular rates of pay correctly calculated to include all applicable remuneration, including non-discretionary commissions, non-discretionary bonuses, and non-discretionary performance pay.

As a result of the foregoing practices, Employers failed to pay Claimant and other Aggrieved Employees for all wages earned at the correct rates of pay, including minimum wages, straight time wages, and overtime compensation. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 204, 510, 1194, 1197, 1197.1 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558, 1197.1, and 1199; injunctive relief; and attorneys' fees and costs.

2. FAILURE TO PAY EARNED WAGES

California Labor Code section 221 provides that “[i]t shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee.”

Employers paid wages based on commissions on the gross profit generated from finance and lease transactions minus “chargebacks” for customer cancellations or other similar activities. These “chargebacks” were incorrectly and improperly deducted from Claimant’s and the Aggrieved Employees’ pay. Employers unlawfully diverted and/or deducted portions of Claimant’s and the Aggrieved Employees’ earned commissions and/or required Claimant and the Aggrieved Employees to split their earned commissions with others.

Employers’ failure to pay Claimant and the Aggrieved Employees proper earned wages, including earned commissions, violates the provisions of California Labor Code sections 204 and 221, and is therefore unlawful.

Based on these violations, Claimant will seek civil penalties under PAGA, Labor Code section 2698, et seq., on behalf of the LWDA, and injunctive relief against Employers, if authorized to file a representative action on behalf of the State of California.

3. FAILURE TO PROVIDE ONE DAY’S REST IN SEVEN

California Labor Code section 551 states that “[e]very person employed in any occupation of labor is entitled to one day’s rest therefrom in seven.” California Labor Code section 552 prohibits and employer from “caus[ing] his employees to work more than six days in seven.”

Further, the California Code of Regulations, Title 8 (“Cal. Code Regs.”) provide for the amounts at which employees should be paid when working on the seventh day in the manner proscribed by Cal. Lab. Codes 551 and 552. For example, Cal. Code Reg. section 11170 for miscellaneous employees section 4 provides:

4. Daily Overtime - General Provisions

The following overtime provisions are applicable to employees eighteen (18) years of age or over and to employees 16 or 17 years of age who are not required by law to attend school, and are not otherwise prohibited by law from engaging in the subject work. Such employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day's work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

(A) One and one-half (1 1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and

(B) Double the employee's regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.

(C) The overtime rate of compensation required to be paid to a nonexempt full-time salaried employee shall be computed by using the employee's regular hourly salary as one-fortieth (1/40) of the employee's weekly salary.

During the relevant time period, Claimant and other Aggrieved Employees were subjected to numerous work periods where they were not afforded one day's rest in seven. Therefore, Employers failed to provide Claimant and other Aggrieved Employees the legally-mandated rest days as required by California law, and in violation of California Labor Code sections 551 and 552.

Based on these violations, Claimant will seek civil penalties under PAGA, Labor Code section 2698, *et seq.*, on behalf of the LWDA, and injunctive relief against Employers, if authorized to file a representative action on behalf of the State of California.

4. MEAL BREAK VIOLATIONS

California law requires employers to provide employees with an opportunity to take an uninterrupted meal period of no less than thirty (30) minutes before the end of the fifth hour of work when an employee works more than five (5) hours in a day. Cal. Lab. Code §§ 226.7 & 512(a). Employers must provide a second meal period of no less than thirty (30) minutes before the end of the tenth hour of work when an employee works more than ten (10) hours in a day. *Id.* For each day that an employer fails to provide compliant meal period(s), the employer must pay the employee a meal penalty equal to one hour of pay at the employee's regular rate of compensation. *Id.*

Employers failed to provide Claimant and other Aggrieved Employees with legally compliant 30-minute meal periods. Claimant and other Aggrieved Employees were required by Employers to work more than five (5) hours per day but were not provided with uninterrupted 30-minute meal periods. Further, Claimant and other Aggrieved Employees were not provided with a second uninterrupted 30-minute meal period when they worked over ten (10) hours per day. Employers regularly required Claimant and other Aggrieved Employees to work through their first and second meal periods, to take their first meal period after their fifth (5th) hour of work, and/or to take their second meal periods after their tenth (10th) hour of work. Meal breaks, when provided, were oftentimes interrupted and/or cut short.

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely, complete and duty-free meal periods because, amongst other reasons: (1) Employers did not have legally-

compliant policies regarding the provision and timing of meal periods or systematically disregarded their own purported meal period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant meal period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free meal periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant meal periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free meal periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during meal periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free meal periods because of the priority placed on maximizing profits over employees' right to receive timely, uninterrupted, and duty-free meal periods.

Employers fraudulently adjusted Claimant's and other Aggrieved Employees' timesheets and/or required Claimant and other Aggrieved Employees to adjust their timesheets to appear as if compliant meal periods were taken. Employers fraudulently required Claimant and other Aggrieved Employees to clock-out for purported meal periods but continue working to appear as if compliant meal periods were taken.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for each day a compliant meal period was not provided to them in compliance with California law.

Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7, 512(a) and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; penalties pursuant to California Labor Code sections 558 and 1199; injunctive relief; and attorneys' fees and costs.

5. REST BREAK VIOLATIONS

California law requires employers to authorize and permit employees to take an uninterrupted rest period of no less than ten (10) minutes for every four (4) hours, or major fraction thereof, worked. Cal. Lab. Code § 226.7. For each day that an employer fails to authorize and permit a compliant rest period, the employer owes the employee one hour of pay at the employee's regular rate of compensation. Cal. Lab. Code § 226.7(c).

Employers failed to authorize and permit Claimant and other Aggrieved Employees to take compliant 10-minute rest periods. Employers required Claimant and other Aggrieved Employees to work through rest periods. Claimant and Aggrieved Employees were not provided with uninterrupted, duty-free rest periods when they worked more than four (4) hours or a major fraction thereof. Further, Claimant and other Aggrieved Employees were not provided with a

second uninterrupted, duty-free rest period when they worked more than six (6) hours in a day, or a third uninterrupted, duty-free rest period after working more than ten (10) hours in day. In the rare event that a rest period was taken, it was frequently interrupted or cut short. Moreover, Claimant and other Aggrieved Employees were not completely relieved of duty as required by *Augustus v. ABM Security Services, Inc.*, 2 Cal.5th 257 (2016).

Employers' policies, practices, and procedures were responsible for the violations alleged above and prevented Claimant and other Aggrieved Employees from taking timely and complete rest periods because, amongst other reasons: (1) Employers did not have legally-compliant policies regarding the provision and timing of rest periods or systematically disregarded its own purported rest period policies; (2) Employers' management at various levels failed and refused to implement and enforce legally compliant rest period policies and practices; (3) Employers failed to adequately inform and train Claimant and other Aggrieved Employees regarding their right to take timely, uninterrupted, and duty-free rest periods; (4) Employers failed to adequately inform and train Claimant and other Aggrieved Employees about their right to premium wages for non-compliant rest periods; (5) Employers failed to ensure that there was adequate staffing to allow Claimant and other Aggrieved Employees to take timely, uninterrupted, and duty-free rest periods; (6) Employers required Claimant and other Aggrieved Employees to respond to work-related requests at all times, including during rest periods; and (7) Employers' policy and culture prevented Claimant and other Aggrieved Employees from taking timely, uninterrupted, and duty-free rest periods because of the priority placed on completing job requirements over employees' right to receive rest periods.

Claimant and other Aggrieved Employees did not receive an extra hour of wages at their regular rate of pay for each day a rest period was not provided to them in compliance with California law. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 226.7 and 1198.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to the applicable IWC Wage Orders; Labor Code sections 558 and 1199 penalties; injunctive relief; and attorneys' fees and costs.

6. FAILURE TO TIMELY PAY WAGES DURING EMPLOYMENT

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Employers willfully and intentionally failed to timely pay all wages earned because Claimant and other Aggrieved Employees were not paid all the wages they

were owed including, *inter alia*, overtime compensation, straight time wages, minimum wages, commissions, and meal and rest period premiums. Accordingly, Employers violated California Labor Code section 204(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to Labor Code section 2699; penalties pursuant to California Labor Code sections 210 and 1199; injunctive relief; and attorneys' fees and costs.

7. FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

California Labor Code section 226(a) requires an employer semimonthly or at the time of each payment of wages to furnish wage statements to its employees setting forth, *inter alia*, (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, and (8) the name and address of the legal entity that is the employer.

As a result of the practices described above, the wage statements provided to Claimant and other Aggrieved Employees failed to include the actual hours worked (including time spent working off-the-clock), the actual gross wages earned (including wages owed for time spent working off the clock and meal and rest period premiums), and the correct rates of pay. Employers' failure to provide accurate itemized wage statements was knowing and intentional. Accordingly, Employers violated California Labor Code section 226(a).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties; penalties pursuant to California Labor Code section 226.3; injunctive relief; and attorneys' fees and costs.

8. FAILURE TO MAINTAIN ACCURATE RECORDS

California Labor Code section 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than three years. During the relevant time period, Employers have failed to maintain accurate records relating to Claimant and other Aggrieved Employees' work periods, meal periods, total daily hours worked, and total hours worked per payroll period. Accordingly, Employers violated the applicable IWC Wage Order and California Labor Code sections 1198.5 and 1174(d).

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to penalties paragraph of the applicable IWC Wage Orders; California Labor Code section 1174.5 penalties; injunctive relief; and

attorneys' fees and costs.

9. FAILURE TO REIMBURSE NECESSARY EXPENDITURES

California Labor Code sections 2800 and 2802 require an employer to reimburse its employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. The applicable IWC Wage Order requires employers to provide employees with the tools or equipment necessary for the performance of their job. During the relevant time period, Claimant and Aggrieved Employees incurred necessary business-related expenses and costs that were not fully reimbursed by Employers.

Accordingly, Employers violated the applicable IWC Order **¡Error! No se encuentra el origen de la referencia.** and California Labor Code sections 2800 and 2802. Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to paragraph of the applicable IWC Wage Orders; injunctive relief; and attorneys' fees and costs.

10. FAILURE TO TIMELY PAY ALL WAGES UPON TERMINATION

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

During the relevant time period, upon the termination of employment (including but not limited to when they were temporarily laid off, laid off, discharged, and/or resigned), Employers failed to pay all wages due to their employees within twenty-four (24) hours of termination or even within seventy-two (72) hours for those who resigned. Specifically, as a result of Employers' practices of requiring Claimant and Aggrieved Employees to work off-the-clock without compensation, failing to pay proper non-discretionary commissions, failing to pay proper overtime compensation, failure to properly calculate regular rates, and failure to accurately record all hours actually worked, Employers failed to pay Claimant and Aggrieved Employees for all straight time wage, minimum wages, commissions, and overtime compensation owed to them upon termination of their employment. Employers also failed to pay Claimant and Aggrieved Employees for meal period premiums and rest period premiums they were owed, amongst other wages. Accordingly, Employers violated California Labor Code sections 201 and 202.

Claimant and Aggrieved Employees will therefore seek PAGA default penalties pursuant to California Labor Code section 2699; penalties pursuant to California Labor Code sections 203 and 1199; and attorneys' fees and costs.

11. CONCLUSION



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Claimant hereby provides notice to the LWDA under the California Labor Code Private Attorneys General Act of 2004, California Labor Code Sections 2698, *et seq.*, and specifically asks for an investigation, or if the agency does not intend to investigate the alleged violations, a letter confirming the same so that Claimant may allege a cause of action under PAGA against Employers for the violations discussed in this letter.

This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3. By law, an employee alleging a violation of one of the above referenced sections must notify his or her employer and the Labor and Workforce Development Agency (LWDA) before he or she can invoke the provisions of Sections 2699, *et seq.*, by seeking redress in court. Cal. Lab. Code § 2699.3(a)(1). The LWDA must then notify the employer and the employee within 60 calendar days regarding whether it intends to investigate the alleged violation. Cal. Lab. Code § 2699.3(a)(2)(B). If the LWDA advises it will not investigate, or if no notice is provided within 65 calendar days, the employee may file a lawsuit invoking the provisions under Labor Code § 2699. Cal. Lab. Code § 2699.3(a)(2)(A). It is Claimant's intention to file a civil complaint and to bring the appropriate claims under California Labor Code § 2699 on behalf of themselves, the State of California and all Aggrieved Employees should your office not address Employers' alleged violations within this timeframe.

If you have any questions or require additional information, please do not hesitate to contact my office. Thank you for your attention to this matter.

BLACKSTONE LAW

Ryan Quadrel
Ryan Quadrel, Esq.

cc: By U.S. Certified Mail, Return Receipt Requested

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SANTA CLARA

I, Lorena Bautista, certify and declare as follows:

I am over eighteen years of age and not a party to the within action; my business address is 8383 Wilshire Blvd, Suite 745, Beverly Hills, California 90211. On June 2, 2026, I served a copy of the following document(s):

• **FIRST AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT**

on the interested parties as follows:

Michael R. Goldstein
m.goldstein@musickpeeler.com
Michael Mauge
m.mauge@musickpeeler.com
Musick, Peeler & Garrett LLP
2801 Townsgate Road, Suite 200
Westlake Village, CA 91361
Tel: (805) 418-3100
Fax: (805) 418-3101

Attorneys for Defendant

☒ **BY ELECTRONIC MAIL (E-MAIL):** I caused said document(s) to be delivered electronically to be delivered to the above referenced addressee(s) via email from email address lbautista@blackstonepc.com pursuant to California Code of Civil Procedure section 1010.6(e)(1). I did not receive any electronic message or other indication that the transmission was unsuccessful.

☒ **BY ONLINE SUBMISSION:** The above-referenced documents were transmitted to the California Labor and Workforce Development Agency through the online system established for the submission of notices and documents, in conformity with California Labor Code section 2699(I). I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

☒ **STATE:** I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on June 2, 2026 at Beverly Hills, California.

/s/ Lorena Bautista
Lorena Bautista