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**SUPERIOR COURT OF THE STATE OF CALIFORNIA**

**FOR THE COUNTY OF ORANGE**

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|---|---|
| EDWIN GUZMAN individually, and on behalf of all others similarly situated, and on behalf of the State of California and other aggrieved persons,<br><br>*Plaintiff*,<br><br>v.<br><br>SAL ASSET MANAGEMENT, LLC dba BEACH TERRACE MEMORY CARE, a Delaware Limited Liability Company; OASIS OUTSOURCING III, LLC, a Florida Limited Liability Company; NORTHSTAR SENIOR LIVING, INC. dba BEACH TERRACE MEMORY CARE, a Delaware Limited Liability Company; and DOES 1 through 10, inclusive,<br><br>*Defendants*. | Case No.: 30-2025-01484954-CU-OE-CXC<br><br>**CLASS & PAGA REPRESENTATIVE ACTION**<br><br>**FIRST AMENDED COMPLAINT**<br><br>**DEMAND FOR JURY TRIAL**<br><br>Judge: Hon. Layne H. Melzer<br>Dept:CX102<br><br>Complaint filed: May 22, 2025<br>Trial Date: Not Yet Set |

Plaintiff Edwin Guzman ("Plaintiff"), individually and on behalf of all others similarly situated, and on behalf of the State of California and other aggrieved persons, on information and belief, alleges as follows:

## I. INTRODUCTION & PRELIMINARY STATEMENT

1. Plaintiff brings this action against Defendants SAL Asset Management, LLC dba Beach Terrace Memory Care ("SAL"), Oasis Outsourcing III, LLC ("Oasis"), Northstar Senior Living, Inc. ("Northstar") and DOES 1 through 10 (collectively, "Defendants") for California Labor Code violations and unfair business practices stemming from Defendants' failure to pay for all hours worked (minimum, straight time, and overtime wages), failure to provide meal periods, failure to authorize and permit rest periods, failure to timely pay final wages, failure to furnish accurate wage statements, and failure to indemnify employees for expenditures.

2. Plaintiff brings the First through Eighth Causes of Action individually and as a class action on behalf of Plaintiff and certain current and former employees of Defendants (collectively, the "Class" or "Class Members," and defined more fully below). The Class consists of Plaintiff and all other persons who have been employed by any Defendant in California as an hourly-paid or non-exempt employee during the statute of limitations period applicable to the claims pleaded here.

3. Plaintiff brings the Ninth Cause of Action individually and on behalf of the Aggrieved Employees, meaning all persons who worked for Defendants in California as an hourly paid or non-exempt employee during the statute of limitations period applicable to the claim pleaded herein.

4. Defendants own and operate an industry, business, and establishment within the State of California, including Orange County. As such and based upon all the facts and circumstances incident to Defendants' business in California, Defendants are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission (IWC), and the California Business and Professions Code.

5. Despite these requirements, throughout the statutory period, Defendants have, at times:

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(a) Failed to pay employees for all hours worked, including all minimum, straight time, and overtime wages in compliance with the California Labor Code and IWC Wage Orders;

(b) Failed to provide employees with timely and duty-free meal periods in compliance with the California Labor Code and IWC Wage Orders, failed to maintain accurate records of all meal periods taken or missed, and failed to pay an additional hour's pay for each workday a meal period violation occurred;

(c) Failed to authorize and permit employees to take timely and duty-free rest periods in compliance with the California Labor Code and IWC Wage Orders, and failed to pay an additional hour's pay for each workday a rest period violation occurred;

(d) Willfully failed to pay employees all minimum wage, straight time wages, overtime wages, meal period premium wages, and rest period premium wages due within the time period specified by California law when employment terminates;

(e) Failed to provide employees with accurate, itemized wage statements containing all the information required by the California Labor Code and IWC Wage Orders; and

(f) Failed to indemnify employees for expenditures incurred in direct discharge of duties of employment.

6. On information and belief, Defendants were on actual and constructive notice of the improprieties alleged herein and intentionally refused to rectify their unlawful conduct. Defendants' violations, as alleged above, during all relevant times herein were willful and deliberate.

7. At all relevant times, Defendants were and are legally responsible for all of the unlawful conduct, policies, acts and omissions as described in each and all of the foregoing paragraphs as the employers of Plaintiff, the Class, and the Aggrieved Employees. Further, Defendants are responsible for each of the unlawful acts or omissions complained of herein under the doctrine of respondeat superior.

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## II. THE PARTIES

### A. Plaintiff

8. Plaintiff is a resident of Pasadena, California who worked for Defendants in Orange County, California as an hourly-paid, non-exempt employee from approximately May 2024 to approximately March 2025.

9. Plaintiff reserves the right to seek leave to amend this complaint to add new Plaintiffs, if necessary, to establish suitable representative(s) pursuant to *La Sala v. American Savings and Loan Association* (1971) 5 Cal.3d 864, 872, and other applicable law.

### B. Defendants

10. Plaintiff is informed and believes, and based upon that information and belief alleges, that SAL, and at all times herein mentioned, was:

(a) A business entity conducting business in numerous counties throughout the State of California, including Orange County; and,

(b) The former employer of Plaintiff, and the current and/or former employer of the putative Class because SAL, suffered and permitted Plaintiff, the Class, and the Aggrieved Employees to work; and/or exercised control over their wages, hours, or working conditions; and/or engaged Plaintiff, the Class, and the Aggrieved Employees, thereby creating a common law employment relationship.

11. Plaintiff is informed and believes, and based upon that information and belief alleges, that Oasis, and at all times herein mentioned, was:

(a) A business entity conducting business in numerous counties throughout the State of California, including Orange County; and,

(b) The former employer of Plaintiff, and the current and/or former employer of the putative Class because Oasis, suffered and permitted Plaintiff, the Class, and the Aggrieved Employees to work; and/or exercised control over their wages, hours, or working conditions; and/or engaged Plaintiff, the Class, and the Aggrieved Employees, thereby creating a common law employment relationship.

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12. Plaintiff is informed and believes, and based upon that information and belief alleges, that Northstar, and at all times herein mentioned, was:

(a) A business entity conducting business in numerous counties throughout the State of California, including Orange County; and,

(b) The former employer of Plaintiff, and the current and/or former employer of the putative Class because Northstar, suffered and permitted Plaintiff, the Class, and the Aggrieved Employees to work; and/or exercised control over their wages, hours, or working conditions; and/or engaged Plaintiff, the Class, and the Aggrieved Employees, thereby creating a common law employment relationship.

13. Plaintiff does not know the true names or capacities of the persons or entities sued herein as DOES 1 through 10, inclusive, and therefore sues said Defendants by such fictitious names. Each of the Doe Defendants was in some manner legally responsible for the damages suffered by Plaintiff, the Class, and the Aggrieved Employees as alleged herein. Plaintiff will amend this complaint to set forth the true names and capacities of these Defendants when they have been ascertained, together with appropriate charging allegations, as may be necessary.

14. At all times mentioned herein, the Defendants named as DOES 1 through 10, inclusive, and each of them, were residents of, doing business in, availed themselves of the jurisdiction of, and/or injured a significant number of the Plaintiff, the Class, and the Aggrieved Employees in the State of California.

15. Plaintiff is informed and believes and thereon alleges that at all relevant times each Defendant, directly or indirectly, or through agents or other persons, employed Plaintiff and the other employees described in the class definitions below, and exercised control over their wages, hours, and working conditions. Plaintiff is informed and believes and thereon alleges that, at all relevant times, each Defendant was the principal, agent, partner, joint venturer, joint employer, officer, director, controlling shareholder, subsidiary, affiliate, parent corporation, successor in interest and/or predecessor in interest of some or all of the other Defendants, and was engaged with some or all of the other Defendants in a joint enterprise for profit, and bore such other relationships to some or all of the other Defendants so as to be liable for their conduct with respect to the matters

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alleged below. Plaintiff is informed and believes and thereon alleges that each Defendant acted pursuant to and within the scope of the relationships alleged above, that each Defendant knew or should have known about, and authorized, ratified, adopted, approved, controlled, aided, and abetted the conduct of all other Defendants.

## III. JURISDICTION & VENUE

16. This Court has subject matter jurisdiction over this action pursuant to California Code of Civil Procedure section 410.10.

17. The Court has personal jurisdiction over Defendants because the claims of Plaintiff, the Class Members', and the Aggrieved Employees arise out of Defendants' business activities conducted in the State of California.

18. At all times mentioned herein, Defendants, inclusive, and each of them, were residents of, doing business in, availed themselves of the jurisdiction of, and/or injured Plaintiff, the Class, and the Aggrieved Employees in the State of California.

19. Venue is appropriate in Orange County, California because many of the acts and omissions that give rise to the claims for relief alleged in this action took place in Orange County.

## IV. ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

20. Plaintiff worked for Defendants in Orange County, California as an hourly-paid, non-exempt employee from approximately May 1, 2024, to approximately March 2, 2025. During Plaintiff's employment for Defendants, Defendants paid Plaintiff an hourly wage and classified Plaintiff as non-exempt from overtime. Defendants repeatedly and frequently scheduled Plaintiff to work at least four days in a workweek and at least eight hours per day, but Plaintiff also worked more than eight hours in a workday and more than 40 hours in a workweek.

21. Throughout Plaintiff's employment, Defendants, at times, maintained a policy and practice of not paying Plaintiff for all hours worked (including minimum, straight time, and overtime wages), failed to provide Plaintiff with legally compliant meal periods, failed to authorize and permit Plaintiff to take rest periods, failed to timely pay all final wages to Plaintiff when Defendants terminated Plaintiff's employment, failed to furnish accurate wage statements to Plaintiff, and failed to indemnify Plaintiff for expenditures.

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22. Throughout the statutory period, Defendants, at times, failed to pay Plaintiff, the Class, and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendants would, at times, manufacture time keeping records to falsely show that Plaintiff, the Class, and the Aggrieved Employees took meal periods when in fact they worked "off-the-clock," uncompensated. The effect is that Plaintiff, the Class, and the Aggrieved Employees worked through meal periods "off-the-clock," and continued to work after they had clocked out for the workday. Defendants paid Plaintiff, the Class, and the Aggrieved Employees less than all their work time. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendants also failed to maintain accurate records of the hours Plaintiff, the Class, and the Aggrieved Employees worked.

23. Throughout the statutory period, Defendants wrongfully failed to provide Plaintiff, the Class, and the Aggrieved Employees with legally compliant meal periods. Defendants regularly required Plaintiff, the Class, and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff, the Class, and the Aggrieved Employees for all missed meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendants continued to assert control over Plaintiff, the Class, and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff, the Class, and the Aggrieved Employees permission to take a meal period. Defendants also failed, at times, to permit Plaintiff, the Class, and the Aggrieved Employees to take a second meal period when they worked at least ten hours of work in a workday. As described above, Defendants would manufacture time keeping records to falsely show that Plaintiff, the Class, and the Aggrieved Employees took meal periods by the fifth hour of work or took meal periods when in fact they worked "off-the-clock", uncompensated. Accordingly, Defendants failed to provide meal periods to Plaintiff, the Class, and the Aggrieved Employees in compliance with California law.

24. Throughout the statutory period, Defendants have, at times, wrongfully failed to authorize and permit Plaintiff, the Class, and the Aggrieved Employees to take legally compliant

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rest periods. Defendants required Plaintiff, the Class, and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendants authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff, the Class, and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendants continued to assert control over Plaintiff, the Class, and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff, the Class, and the Aggrieved Employees permission to take a rest period. Accordingly, Defendants failed to authorize and permit Plaintiff, the Class, and the Aggrieved Employees to take rest periods in compliance with California law.

25. Throughout the statutory period, Defendants, at times, willfully failed and refused to timely pay Plaintiff, the Class, and the Aggrieved Employees all final wages due at their termination of employment. In addition, Plaintiff's final paychecks did not include payment for all expenditures, minimum wage, straight time wages, overtime wages, meal period premium wages, and rest period premium wages owed to Plaintiff by Defendants at the conclusion of Plaintiff's employment. On information and belief, Defendants' failure to timely pay Plaintiff's final wages when Plaintiff's employment terminated was not a single, isolated incident, but was instead consistent with Defendants' practices that applied, at times, to Plaintiff, the Class, and the Aggrieved Employees.

26. Throughout the statutory period, Defendants failed, at times, to furnish Plaintiff, the Class, and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law). As a result of these violations of California Labor Code section 226, subdivision (a), Plaintiff, the Class, and the Aggrieved Employees suffered injury because, among other things:

(a) the violations led them to believe that they were not entitled to be paid minimum wage, straight time wages, overtime wages, meal period premium wages, and rest period

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premium wages, even though they were entitled;

(b) the violations led them to believe that they had been paid the minimum wage, straight time wages, overtime wages, meal period premium wages, and rest period premium wages, even though they had not been;

(c) the violations led them to believe they were not entitled to be paid minimum wage, straight time wages, overtime wages, meal period premium wages, and rest period premium wages at the correct California rate even though they were entitled;

(d) the violations led them to believe they had been paid minimum wage, straight time wages, overtime wages, meal period premium wages, and rest period premium wages at the correct California rate even though they had not been;

(e) the violations hindered them from determining the amounts of minimum wage, straight time wages, overtime wages, meal period premium wages, and rest period premium wages owed to them;

(f) in connection with their employment before and during this action, and in connection with prosecuting this action, the violations caused them to have to perform mathematical computations to determine the amounts of wages owed to them, computations they would not have to make if the wage statements contained the required accurate information;

(g) by understating the wages truly due to them, the violations caused them to lose entitlement and/or accrual of the full amount of Social Security, disability, unemployment, and other governmental benefits;

(h) the wage statements inaccurately understated the wages, hours, and wage rates to which Plaintiff, the Class, and the Aggrieved Employees were entitled, and Plaintiff, the Class, and the Aggrieved Employees were paid less than the wages and wage rates to which they were entitled.

27. Thus, Plaintiff, the Class, and the Aggrieved Employees are owed the amounts provided for in California Labor Code section 226, subdivision (e).

28. Throughout the statutory period, Defendants have wrongfully required Plaintiff, the Class, and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their

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duties for Defendants. Plaintiff, the Class, and the Aggrieved Employees paid out-of-pocket for necessary employment-related expenses.

29. Plaintiff, the Class, and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendants, but Defendants failed to indemnify Plaintiff, the Class, and the Aggrieved Employees for these employment-related expenses.

## V. CLASS ACTION ALLEGATIONS

30. Plaintiff brings certain claims individually, as well as on behalf of each and all other persons similarly situated, and thus, seeks class certification under California Code of Civil Procedure section 382.

31. All claims alleged herein arise under California law for which Plaintiff seeks relief authorized by California law.

32. The proposed Class consists of and is defined as:

> All persons who worked for any Defendant in California as an hourly-paid or non-exempt employee at any time during the period beginning four years before the filing of the initial complaint in this action and ending when notice to the Class is sent.

33. At all material times, Plaintiff was a member of the Class.

34. Plaintiff undertakes this concerted activity to improve the wages and working conditions of all Class Members.

35. There is a well-defined community of interest in the litigation and the Class is readily ascertainable:

(a) Numerosity: The members of the Class (and each subclass, if any) are so numerous that joinder of all members would be unfeasible and impractical. The membership of the entire Class is unknown to Plaintiff at this time; however, the Class is estimated to be greater than 40 individuals and the identity of such membership is readily ascertainable by inspection of Defendants' records.

(b) Typicality: Plaintiff is qualified to, and will, fairly and adequately protect the interests of each Class Member with whom there is a shared, well-defined community of

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interest, and Plaintiff's claims (or defenses, if any) are typical of all Class Members' claims as demonstrated herein.

(c) Adequacy: Plaintiff is qualified to, and will, fairly and adequately protect the interests of each Class Member with whom there is a shared, well-defined community of interest and typicality of claims, as demonstrated herein. Plaintiff has no conflicts with or interests antagonistic to any Class Member. Plaintiff's attorneys, the proposed class counsel, are versed in the rules governing class action discovery, certification, and settlement. Plaintiff has incurred, and throughout the duration of this action, will continue to incur costs and attorneys' fees that have been, are, and will be necessarily expended for the prosecution of this action for the substantial benefit of each class member.

(d) Superiority: A Class Action is superior to other available methods for the fair and efficient adjudication of the controversy, including consideration of:

(1) The interests of the members of the Class in individually controlling the prosecution or defense of separate actions;

(2) The extent and nature of any litigation concerning the controversy already commenced by or against members of the Class;

(3) The desirability or undesirability of concentrating the litigation of the claims in the particular forum; and,

(4) The difficulties likely to be encountered in the management of a class action.

(e) Public Policy Considerations: The public policy of the State of California is to resolve the California Labor Code claims of many employees through a class action. Indeed, current employees are often afraid to assert their rights out of fear of direct or indirect retaliation. Former employees are also fearful of bringing actions because they believe their former employers might damage their future endeavors through negative references and/or other means. Class actions provide the class members who are not named in the complaint with a type of anonymity that allows for the vindication of their rights at the same time as their privacy is protected.

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36. There are common questions of law and fact as to the Class (and each subclass, if any) that predominate over questions affecting only individual members, including without limitation, whether, as alleged herein, Defendants have:

(a) Failed to pay Class Members for all hours worked, including minimum, straight time, and overtime wages;

(b) Failed to provide meal periods and pay meal period premium wages to Class Members;

(c) Failed to authorize and permit rest periods and pay rest period premium wages to Class Members;

(d) Failed to provide Class Members with timely final wages;

(e) Failed to provide Class Members with accurate wage statements;

(f) Failed to indemnify Class Members for expenditures; and

(g) Violated California Business and Professions Code sections 17200, *et. seq*. as a result of their illegal conduct as described above.

37. This Court should permit this action to be maintained as a class action pursuant to California Code of Civil Procedure section 382 because:

(a) The questions of law and fact common to the Class predominate over any question affecting only individual Class Members;

(b) A class action is superior to any other available method for the fair and efficient adjudication of the claims of the Class Members;

(c) The members of the Class are so numerous that it is impractical to bring all members of the class before the Court;

(d) Plaintiff, and the other members of the Class, will not be able to obtain effective and economic legal redress unless the action is maintained as a class action;

(e) There is a community of interest in obtaining appropriate legal and equitable relief for the statutory violations, and in obtaining adequate compensation for the damages and injuries for which Defendants are responsible in an amount sufficient to adequately compensate the members of the Class for the injuries sustained;

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(f) Without class certification, the prosecution of separate actions by individual members of the Class would create a risk of:

(1) Inconsistent or varying adjudications with respect to individual members of the Class which would establish incompatible standards of conduct for Defendants; and/or,

(2) Adjudications with respect to the individual members which would, as a practical matter, be dispositive of the interests of other members not parties to the adjudications, or would substantially impair or impede their ability to protect their interests, including but not limited to the potential for exhausting the funds available from those parties who are, or may be, responsible Defendants; and,

(g) Defendants have acted or refused to act on grounds generally applicable to the Class, thereby making final injunctive relief appropriate with respect to the class as a whole.

38. Plaintiff contemplates the eventual issuance of notice to the proposed members of the Class that would set forth the subject and nature of the instant action. The Defendants' own business records may be utilized for assistance in the preparation and issuance of the contemplated notices. To the extent that any further notices may be required, Plaintiff contemplates the use of additional techniques and forms commonly used in class actions, such as published notice, e-mail notice, website notice, first-class mail, or combinations thereof, or by other methods suitable to the Class and deemed necessary and/or appropriate by the Court.

## VI. CAUSES OF ACTION[1]

### FIRST CAUSE OF ACTION

**(Failure to Pay Minimum and Straight Time Wages for All Hours Worked)**

39. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 38 in this Complaint.

40. "Hours worked" is the time during which an employee is subject to the control of

[1] Unless otherwise stated, Plaintiffs assert all causes of action against all Defendants.



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an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

41. At all relevant times herein mentioned, Defendants, at times, knowingly failed to pay to Plaintiff and the Class compensation for all hours they worked. By their failure to pay compensation for each hour worked as alleged above, Defendants willfully violated the provisions of California Labor Code section 1194, and any additional applicable Wage Orders, which require such compensation to non-exempt employees.

42. Accordingly, Plaintiff and the Class are entitled to recover minimum and straight time wages for all non-overtime hours worked for Defendants.

43. By and through the conduct described above, Plaintiff and the Class have been deprived of their rights to be paid wages earned by virtue of their employment with Defendants.

44. By virtue of the Defendants' unlawful failure to pay additional compensation to Plaintiff and the Class for their non-overtime hours worked without pay, Plaintiff and the Class suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiff and the Class, and which will be ascertained according to proof at trial.

45. By failing to keep adequate time records required by California Labor Code section 1174, subdivision (d), Defendants have made it difficult to calculate the full extent of minimum wage compensation due to Plaintiff and the Class.

46. Pursuant to California Labor Code section 1194.2, Plaintiff and the Class are entitled to recover liquidated damages (double damages) for Defendants' failure to pay minimum wages.

47. California Labor Code section 204 requires employers to provide employees with all wages due and payable twice a month. Throughout the statute of limitations period applicable to this cause of action, Plaintiff and the Class were entitled to be paid twice a month at rates required by law, including minimum and straight time wages. However, Defendants failed and refused to pay Plaintiff and the Class all such wages due and failed to pay those wages twice a month.

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48. Plaintiff and the Class are also entitled to seek recovery of all unpaid minimum and straight time wages, interest, and reasonable attorneys' fees and costs pursuant to California Labor Code sections 218.5, 218.6, and 1194, subdivision (a).

**SECOND CAUSE OF ACTION**

**(Failure to Pay Overtime Wages)**

49. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 48 in this Complaint.

50. California Labor Code section 510 provides that employees in California shall not be employed more than eight hours in any workday or 40 hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

51. California Labor Code sections1194 and 1198 provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, California Labor Code section 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

52. At all times relevant hereto, Plaintiff and the Class have, at times, worked more than eight hours in a workday and/or more than 40 hours in a workweek, as employees of Defendants.

53. At all times relevant hereto, Defendants failed to pay Plaintiff and the Class overtime compensation for the hours they have worked in excess of the maximum hours permissible by law as required by California Labor Code sections 510 and 1198.

54. By virtue of Defendants' unlawful failure to pay additional premium rate compensation to the Plaintiff and the Class for their overtime hours worked, Plaintiff and the Class have suffered, and will continue to suffer, damages in amounts which are presently unknown to them, but which exceed the jurisdictional minimum of this Court and which will be ascertained according to proof at trial.

55. By failing to keep adequate time records required by Labor Code section 1174 subdivision (d), Defendants have made it difficult to calculate the full extent of overtime compensation due to Plaintiff and the Class.

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56. Plaintiff and the Class also request recovery of overtime compensation according to proof, interest, attorneys' fees and costs pursuant to California Labor Code section 1194, subdivision (a), as well as the assessment of any statutory penalties against Defendants, in a sum as provided by the California Labor Code and/or other statutes.

57. California Labor Code section 204 requires employers to provide employees with all wages due and payable twice a month. The Wage Orders also provide that every employer shall pay to each employee, on the established payday for the period involved, overtime wages for all overtime hours worked in the payroll period. Defendants failed to provide Plaintiff and the Class with all compensation due, in violation of California Labor Code section 204.

## THIRD CAUSE OF ACTION

**(Failure to Provide Meal Periods)**

58. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 57 in this Complaint.

59. Under California law, Defendants have an affirmative obligation to relieve the Plaintiff and the Class of all duty in order to take their first daily meal periods no later than at the end of Plaintiff and the Class's fifth hour of work in a workday, and to take their second meal periods no later than at the end of the tenth hour of work in the workday. California Labor Code section 512, and Section 11 of the applicable Wage Orders require that an employer provide unpaid meal periods of at least 30 minutes for each five-hour period worked. It is a violation of California Labor Code section 226.7 for an employer to require any employee to work during any meal period mandated under any Wage Order.

60. Despite these legal requirements, Defendants, at times, failed to provide Plaintiff and the Class with both meal periods as required by California law. By their failure to permit and authorize Plaintiff and the Class to take all meal periods as alleged above (or due to the fact that Defendants, at times, made it impossible or impracticable to take these uninterrupted meal periods), Defendants willfully violated the provisions of California Labor Code section 226.7 and the applicable Wage Orders.

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61. Under California law, Plaintiff and the Class are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s), plus interest thereon.

**FOURTH CAUSE OF ACTION**

**(Failure to Authorize and Permit Rest Periods)**

62. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 61 in this Complaint.

63. Defendants are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). California Labor Code section 512, the applicable Wage Orders require that the employer permit and authorize all employees to take paid rest periods of ten minutes each for each 4-hour period worked. Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws. It is a violation of California Labor Code section 226.7 for an employer to require any employee to work during any rest period mandated under any Wage Order.

64. Despite these legal requirements, Defendants at times failed to authorize Plaintiff and the Class to take rest breaks, regardless of whether employees worked more than four hours in a workday. By their failure to permit and authorize Plaintiff and the Class to take rest periods as alleged above (or due to the fact that Defendants, at times, made it impossible or impracticable to take these uninterrupted rest periods), Defendants willfully violated the provisions of California Labor Code section 226.7 and the applicable Wage Orders.

65. Under California law, Plaintiff and the Class are entitled to be paid one hour of premium wages rate for each workday they were not provided with all required rest breaks, plus interest thereon.

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## FIFTH CAUSE OF ACTION

**(Failure to Pay Wages of Discharged Employees – Waiting Time Penalties)**

66. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 65 in this Complaint.

67. At all times herein set forth, 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 that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous 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.

68. Within the applicable statute of limitations, the employment of many other members of the Class ended, i.e., was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendants, at times, failed, and continue to fail, to pay terminated Class Members, without abatement, all wages required to be paid by California Labor Code sections 201 and 202 either at the time of discharge, or within 72 hours of their leaving Defendants' employ. Plaintiff does not allege that all of the Class Members were so harmed.

69. Defendants' failure to pay Class members who are no longer employed by Defendants their wages earned and unpaid at the time of discharge, or within 72 hours of their leaving Defendants' employ, is in violation of California Labor Code sections 201 and 202.

70. California Labor Code section 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than 30 days.

71. Pursuant to California Labor Code section 203, the Class is entitled to recover from Defendants their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum.

72. Pursuant to California Labor Code sections 218.5, 218.6 and 1194, the Class is also entitled to an award of reasonable attorneys' fees, interest, expenses, and costs incurred in this

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action.

## SIXTH CAUSE OF ACTION

### (Failure to Provide and Maintain Accurate and Compliant Wage Records)

73. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 72 in this Complaint.

74. At all material times set forth herein, California Labor Code section 226, subdivision (a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (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 the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

75. Defendants have, at times, intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify the gross wages earned by Plaintiff and the Class, the failure to list the true "total hours worked by the employee," and the failure to list the true net wages earned. Plaintiff does not allege that all of the Class Members were so harmed.

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

77. Specifically, Plaintiff and the Class have been injured by Defendants' intentional violation of California Labor Code subdivision 226, subdivision (a) because Plaintiff and the Class were denied both their legal right to receive, and their protected interest in receiving, accurate, itemized wage statements under California Labor Code subdivision 226, subdivision (a).

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78. Calculation of the true wage entitlement for Plaintiff and the Class is difficult and time consuming. As a result of this unlawful burden, Plaintiff and the Class were also injured as a result of having to bring this action to attempt to obtain correct wage information following Defendants' refusal to comply with many of the mandates of California's Labor Code and related laws and regulations.

79. Plaintiff and the Class are entitled to recover from Defendants the greater of their actual damages caused by Defendants' failure to comply with California Labor Code section 226, subdivision (a), or an aggregate penalty not exceeding $4,000 per employee.

80. Plaintiff and the Class are also entitled to injunctive relief, as well as an award of attorney's fees and costs to ensure compliance with this section, pursuant to California Labor Code section 226, subdivision (h).

## SEVENTH CAUSE OF ACTION

### (Failure to Indemnify Employees for Expenditures)

81. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 80 in this Complaint.

82. As set forth above, Plaintiff and the Class were required to incur substantial necessary expenditures and losses in direct consequence of the discharge of their duties or of their obedience to directions of Defendants.

83. Defendants violated California Labor Code section 2802, by failing to pay and indemnify Plaintiff and the Class for necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of Defendants.

84. As a result, Plaintiff and the Class were damaged at least in the amounts of the expenses they paid, or which were deducted by Defendants from their wages.

85. Plaintiff and the Class are entitled to reasonable attorney's fees, expenses, and costs of suit pursuant to California Labor Code section 2802, subdivision (c) and interest pursuant to California Labor Code section 2802, subdivision (b).

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## EIGHTH CAUSE OF ACTION

**(Violation of California Business & Professions Code §§ 17200, *et seq*.)**

86. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 85 in this Complaint.

87. Defendants, and each of them, are "persons" as defined under California Business and Professions Code section 17201.

88. Defendants' conduct, as alleged herein, has been, and continues to be, unfair, unlawful, and harmful to Plaintiff, other Class Members, and to the general public. Plaintiff seeks to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure section 1021.5.

89. Defendants' activities, as alleged herein, are violations of California law, and constitute unlawful business acts and practices in violation of California Business and Professions Code sections 17200, *et seq*.

90. A violation of California Business and Professions Code sections 17200, *et seq*. may be predicated on the violation of any state or federal law. All the acts described herein as violations of, among other things, the California Labor Code, are unlawful and in violation of public policy; and in addition are immoral, unethical, oppressive, fraudulent and unscrupulous, and thereby constitute unfair, unlawful and/or fraudulent business practices in violation of California Business and Professions Code sections 17200, *et seq*.

**Failure to Pay Minimum and Straight Time Wages**

91. Defendants' failure to pay minimum and straight time wages, and other benefits in violation of the California Labor Code constitutes unlawful and/or unfair activity prohibited by California Business and Professions Code sections 17200, *et seq*.

**Failure to Pay Overtime Wages**

92. Defendants' failure to pay overtime compensation and other benefits in violation of California Labor Code sections 510, 1194, and 1198 constitutes unlawful and/or unfair activity prohibited by California Business and Professions Code sections 17200, *et seq*.

**Failure to Provide Meal Periods**

93. Defendants' failure to provide meal periods in accordance with California Labor Code sections 226.7 and 512, and the IWC Wage Orders, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Business and Professions Code sections 17200, *et seq*.

**Failure to Authorize and Permit Rest Periods**

94. Defendants' failure to authorize and permit rest periods in accordance with California Labor Code section 226.7 and the IWC Wage Orders, as alleged above, constitutes unlawful and/or unfair activity prohibited by Business and Professions Code sections 17200, *et seq*.

**Failure to Indemnify Business Expenses**

95. Defendants' failure to reimburse expenses incurred in accordance with California Labor Code section 2802, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Business and Professions Code sections 17200, *et seq*.

96. By and through their unfair, unlawful and/or fraudulent business practices described herein, Defendants, have obtained valuable property, money and services from Plaintiff, and all persons similarly situated, and have deprived Plaintiff, and all persons similarly situated, of valuable rights and benefits guaranteed by law, all to their detriment.

97. Plaintiff and the Class Members suffered monetary injury as a direct result of Defendants' wrongful conduct.

98. Plaintiff, individually, and on behalf of members of the putative Class, is entitled to, and does, seek such relief as may be necessary to disgorge money and/or property which the Defendants have wrongfully acquired, or of which Plaintiff and the Class have been deprived, by means of the above-described unfair, unlawful and/or fraudulent business practices. Plaintiff and the Class are not obligated to establish individual knowledge of the wrongful practices of Defendants in order to recover restitution.

99. Plaintiff, individually, and on behalf of members of the putative class, is further entitled to, and does, seek a declaration that the above-described business practices are unfair,

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unlawful and/or fraudulent, and injunctive relief restraining the Defendants, and each of them, from engaging in any of the above-described unfair, unlawful and/or fraudulent business practices in the future.

100. Plaintiff, individually, and on behalf of members of the putative class, has no plain, speedy, and/or adequate remedy at law to redress the injuries which the Class Members suffered as a consequence of the Defendants' unfair, unlawful and/or fraudulent business practices. As a result of the unfair, unlawful and/or fraudulent business practices described above, Plaintiff, individually, and on behalf of members of the putative Class, has suffered and will continue to suffer irreparable harm unless the Defendants are restrained from continuing to engage in said unfair, unlawful and/or fraudulent business practices.

101. Plaintiff also alleges that if Defendants are not enjoined from the conduct set forth herein above, they will continue to avoid paying the appropriate taxes, insurance and other withholdings.

102. Pursuant to California Business and Professions Code sections 17200, *et seq*., Plaintiff and putative Class Members are entitled to restitution of the wages withheld and retained by Defendants during a period that commences four years prior to the filing of this complaint; a permanent injunction requiring Defendants to pay all outstanding wages due to Plaintiff and Class Members; an award of attorneys' fees pursuant to California Code of Civil Procedure section 1021.5 and other applicable laws; and an award of costs.

**NINTH CAUSE OF ACTION**

**(Civil Penalties Under the Private Attorneys General Act of 2004,**

**Cal. Lab. Code, §§ 2698, *et seq.*)**

103. Plaintiff incorporates by reference and re-alleges as if fully stated herein paragraphs 1 through 102 in this Complaint.

104. At all times herein mentioned, Defendants were subject to the California Labor Code and the applicable IWC Wage Orders.

105. California Labor Code section 2699, subdivision (a) specifically provides for a private right of action to recover penalties for violations of the California Labor Code:

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"Notwithstanding any other provision of law, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of the employee and other current or former employees against whom a violation of the same provision was committed pursuant to the procedures specified in Section 2699.3."

106. Plaintiff has exhausted his administrative remedies pursuant to California Labor Code section 2699.3. On or about May 13, 2025, Plaintiff gave written notice by online filing to the Labor and Workforce Development Agency and by certified mail to Defendants of the specific provisions of the California Labor Code that Defendants have violated against Plaintiff and current and former Aggrieved Employees, including the facts and theories to support the violations. Plaintiff also paid the filing fee on or about May 13, 2025. Plaintiff's PAGA case numbers are: LWDA-CM-1098409-25, LWDA-CM-1098336-25, and LWDA-CM-1098415-25.

(a) Attached hereto as **Exhibit 1** is a true and correct copy of Plaintiff's May 13, 2025, notice to the Labor and Workforce Department and SAL.

(b) Attached hereto as **Exhibit 2** is a true and correct copy of Plaintiff's May 13, 2025, notice to the Labor and Workforce Department and Oasis.

(c) Attached hereto as **Exhibit 3** is a true and correct copy of Plaintiff's May 13, 2025, notice to the Labor and Workforce Department and Northstar.

107. More than 65 days has elapsed since Plaintiff provided notice, but the Labor and Workforce Development Agency has not indicated that it intends to investigate Defendants' Labor Code violations discussed in the notices. Accordingly, Plaintiff may commence a civil action to recover penalties under California Labor Code section 2699 pursuant to section 2699.3 for the violations of the Labor Code described in this Complaint. Thus, pursuant to California Labor Code section 2699, subdivision (a), Plaintiff for himself and all current and former Aggrieved Employees, seeks recovery of any and all applicable civil penalties for Defendants' violation of California Labor Code sections 226, 226.3, 226.7, 558, 1197.1, 2699, 2800, and 2802.

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108. In addition, Plaintiff seeks penalties for Defendants' violation of California Labor Code section 1174, subdivision (d). Pursuant to California Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code section 1174 is subject to a penalty under section 1174.5. Pursuant to the applicable IWC Order section 7, subdivision (A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods, and total hours worked daily shall also be recorded. Additionally, pursuant to the applicable IWC Order section 7, subdivision (A)(5), every employer shall keep total hours worked in the payroll period and applicable rates of pay.

109. During the time period of employment for Plaintiff and the Aggrieved Employees, Defendants failed to maintain records pursuant to the California Labor Code and IWC Orders by failing to maintain accurate records showing meal periods, and accurate records showing when employees begin and end each work period. Defendants' failure to provide and maintain records required by the California Labor Code and IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendants' records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendants. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendants to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. Because of Defendants' knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

110. Based on the conduct described in this Complaint, Plaintiff is entitled to an award of civil penalties on behalf of the State of California and similarly Aggrieved Employees of

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Defendants. The exact amount of the applicable penalties, in all, is in an amount to be shown according to proof at trial. These penalties are in addition to all other remedies permitted by law.

111. In addition, Plaintiff seeks an award of reasonable attorney's fees and costs pursuant to California Labor Code section 2699, subdivision (g)(1) which states, "Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs."

## VII. PRAYER FOR RELIEF

Plaintiff, individually, and on behalf of all others similarly situated only with respect to the class claims, prays for relief and judgment against Defendants, jointly and severally, as follows:

Class Certification

1. That this action be certified as a class action with respect to the First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Causes of Action;

2. That Plaintiff be appointed as the representative of the Class; and,

3. That counsel for Plaintiff be appointed as Class Counsel.

As to the First Cause of Action

4. That the Court declare, adjudge, and decree that Defendants violated California Labor Code section 204 and 1194 and applicable IWC Wage Orders by willfully failing to pay all minimum and straight time wages due;

5. For unpaid wages as may be appropriate;

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

7. For penalties, restitution, and liquidated damages pursuant to California Labor Code section 1197.1;

8. For liquidated damages;

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

10. For such other and further relief as the Court may deem equitable and appropriate.

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As to the Second Cause of Action

11. That the Court declare, adjudge, and decree that Defendants violated California Labor Code sections 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all overtime wages due;

12. For unpaid wages at overtime wage rates as may be appropriate;

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

14. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to California Labor Code section 1194, subdivision (a); and,

15. For such other and further relief as the Court may deem equitable and appropriate.

As to the Third Cause of Action

16. That the Court declare, adjudge, and decree that Defendants violated California Labor Code sections 226.7 and 512, and the IWC Wage Orders;

17. For unpaid meal period premium wages as may be appropriate;

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

19. For reasonable attorneys' fees under California Code of Civil Procedure section 1021.5, and for costs of suit incurred herein; and,

20. For such other and further relief as the Court may deem equitable and appropriate.

As to the Fourth Cause of Action

21. That the Court declare, adjudge, and decree that Defendants violated California Labor Code sections 226.7 and 512, and the IWC Wage Orders;

22. For unpaid rest period premium wages as may be appropriate;

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

24. For reasonable attorneys' fees under California Code of Civil Procedure section 1021.5, and for costs of suit incurred herein; and,

25. For such other and further relief as the Court may deem equitable and appropriate.

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As to the Fifth Cause of Action

26. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 201, 202, and 203 by willfully failing to pay all compensation owed at the time of termination of the employment;

27. For statutory wage penalties pursuant to California Labor Code section 203 for former employees who have left Defendants' employ;

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

29. For reasonable attorneys' fees and for costs of suit incurred herein; and,

30. For such other and further relief as the Court may deem equitable and appropriate.

As to the Sixth Cause of Action

31. That the Court declare, adjudge, and decree that Defendants violated the record keeping provisions of California Labor Code section 226(a) and applicable IWC Wage Orders, and willfully failed to provide accurate itemized wage statements thereto;

32. For all actual damages, according to proof;

33. For statutory penalties pursuant to California Labor Code section 226, subdivision (e);

34. For injunctive relief to ensure compliance with this section, pursuant to California Labor Code section 226, subdivision (h);

35. For reasonable attorneys' fees and for costs of suit incurred herein; and,

36. For such other and further relief as the Court may deem equitable and appropriate.

As to the Seventh Cause of Action

37. That the Court declare, adjudge, and decree that Defendants violated California Labor Code section 2802 by willfully failing to indemnify employees for expenditures;

38. For unpaid wages or unreimbursed business expenses as may be appropriate;

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

40. For reasonable attorneys' fees and for costs of suit incurred herein; and,

41. For such other and further relief as the Court may deem equitable and appropriate.

As to the Eighth Cause of Action

42. That the Court declare, adjudge, and decree that Defendants violated California Business and Professions Code sections 17200, *et seq*. by failing to pay for all hours worked (minimum, straight time, and overtime wages), failing to provide meal periods, and failing to authorize and permit rest periods;

43. For restitution of unpaid wages to Plaintiff and all Class Members and prejudgment interest from the day such amounts were due and payable;

44. 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 violations of California Business and Professions Code sections 17200, *et seq*.;

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

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

47. For such other and further relief as the Court may deem equitable and appropriate.

As to the Ninth Cause of Action

48. That the Court declare, adjudge, and decree that Defendants violated the California Labor Code by failing to pay wages for all hours worked (including minimum, straight time, and overtime wages), failing to provide meal periods, failing to authorize and permit rest periods, failing to furnish accurate wage statements, and failing to indemnify employees for expenditures;

49. For all civil penalties pursuant to California Labor Code sections 2699, et seq., and all other applicable Labor Code provisions;

50. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Labor Code section 2699; and

51. For such other and further relief as the Court may deem equitable and appropriate.

As to all Causes of Action

52. For any additional relief that the Court deems just and proper.

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Dated: July 21, 2025

Respectfully submitted,

**WILSHIRE LAW FIRM, PLC**

*/s/ Lauren M. Lendzion*
Thiago M. Coelho
Lauren M. Lendzion
Jesenia A. Martinez
Jesse S. Chen

*Attorneys for Plaintiff and the Putative Class*

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## DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury as to all causes of action triable by jury.

Dated: July 21, 2025

Respectfully submitted,

**WILSHIRE LAW FIRM, PLC**

*/s/ Lauren M. Lendzion*

Thiago M. Coelho
Lauren M. Lendzion
Jesenia A. Martinez
Jesse S. Chen

*Attorneys for Plaintiff and the Putative Class*

EXHIBIT 1

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May 13, 2025

LWDA
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612
(***Via Online Submission***)

SAL Asset Management, LLC dba
Beach Terrace Memory Care
16192 Coastal Highway
Lewes, DE 19958
(***Via U.S. Certified Mail,***
***Return Receipt Requested***)
**#9489-0090-0027-6638-7861-83**

SAL Asset Management, LLC dba
Beach Terrace Memory Care
c/o Agent for Service of Process
Allen Othman
8031 Main Street
Stanton, CA 90680
(***Via U.S. Certified Mail,***
***Return Receipt Requested***)
**#9489-0090-0027-6638-7861-90**

**Re:** ***Edwin Guzman v. SAL Asset Management dba Beach Terrace Memory Care, et al.***
**Notice of California Labor Code Violations and PAGA Penalties**

To Whom It May Concern:

Please be advised that my office has been retained by Edwin Guzman to pursue a representative action under the California Labor Code Private Attorneys General Act of 2004 (PAGA), California Labor Code[1] section 2699, *et seq.* against Mr. Guzman's former employer, SAL Asset Management dba Beach Terrace Memory Care ("SAL" or "Employer").The purpose of this letter is to comply with PAGA and set forth the facts and theories of Labor Code violations which Mr. Guzman alleges SAL engaged in with respect to Mr. Guzman and potentially all SAL's current and former employees.

Mr. Guzman wishes to pursue this action on behalf of SAL's current and former employees, on behalf of the State of California, as well as on behalf of all other persons who worked for SAL in California as non-exempt or hourly-paid employees at any time within the applicable statutory period collectively referred to as, "Aggrieved Employees").

Mr. Guzman and Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

**Mr. Guzman's Employment with SAL**

SAL is a facility focused on providing memory care services for individuals with Alzheimer's disease and other forms of dementia. SAL owns and operates an industry business, and establishment within the State of

[1] Unless otherwise stated, all references to "Labor Code" are meant to reference the California Labor Code.

California. Therefore, and based on all the facts and circumstances incident to SAL's business in California, SAL is subject to the Labor Code, the Industrial Wage Commission's (IWC) Wage Orders, and the California Business and Professions Code.

Mr. Guzman is a resident of Pasadena, California who worked for SAL in Orange County, California, as an hourly-paid, non-exempt employee from approximately May 2024 to March 2025. Mr. Guzman worked as a Memory Care Director. Mr. Guzman's primary job function was to oversee all aspects of the memory care facility, including staffing, resident care, programming, and compliance with regulations.

During Mr. Guzman's employment with SAL, SAL paid Mr. Guzman an hourly wage and classified Mr. Guzman as non-exempt from overtime. SAL typically scheduled Mr. Guzman to work at least 5 days in a workweek and at least 8 hours per day but Mr. Guzman also worked more than 8 hours in a workday and more than 40 hours in a workweek.

In performing Mr. Guzman's duties, Mr. Guzman was regularly required to perform work "off the clock" and without compensation, including but not limited to responding to complaints by patients' family members or assisting state inspectors performing licensing inspections. Due to understaffing and high workloads, Mr. Guzman was also frequently deprived of an opportunity to take legally compliant meal and rest breaks because the few meal and rest breaks Mr. Guzman took were often cut short or interrupted.

SAL did not provide Mr. Guzman and Aggrieved Employees with the meal and rest break premiums as required by the Labor Code, and Mr. Guzman does not recall ever receiving any meal and rest break premiums. Additionally, Mr. Guzman necessarily incurred business-related expenses, including but not limited to using his personal cellphone to respond to phone calls and using his personal vehicle to drive to assessments, but SAL did not reimburse such business expenses. These are just non-exhaustive examples of the facts and theories Mr. Guzman asserts, which are later described in more detail.

Throughout Mr. Guzman's employment, SAL did not (1) pay for all hours worked (including minimum, straight time, and overtime wages); (2) provide Mr. Guzman with legally compliant meal periods; (3) authorize and permit Mr. Guzman to take rest periods; (4) timely pay all final wages to Mr. Guzman when SAL terminated Mr. Guzman's employment; (5) furnish accurate wage statements to Mr. Guzman; and (6) indemnify Mr. Guzman for business expenditures. As will be further discussed, Mr. Guzman's experience working for SAL was typical and illustrative.

**Failure to Pay for All Hours Worked, Including Minimum, Straight, and Overtime Wages**

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of the employer and including the time the employee is suffered or permitted to work, whether required to do so.

In addition, Labor Code section 510 provides that employees in California shall not be employed for more than 8 hours on any workday or 40 hours in a workweek unless they receive additional compensation plus their regular wages in amounts specified by law.

Labor Code sections 1194 and 1198 also provide that employees in California shall not be employed more than 8 hours in any workday or 40 hours in a workweek unless they receive the additional compensation as required by law. Further, Section 1198 declares unlawful the employment of an employee for hours longer than those fixed by the IWC.

Throughout the statutory period, SAL did not pay Mr. Guzman and Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. At times, SAL required Mr. Guzman and Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated by, for example, requiring Mr. Guzman and Aggrieved Employees to perform work during uncompensated meal and rest breaks, and requiring Mr. Guzman and Aggrieved Employees to perform work before clocking in or after clocking out. As one example, SAL required Mr. Guzman to respond to patient family member questions or updates. As another example, Mr. Guzman would have to respond to state inspectors performing licensing inspections. Some of this unpaid work should have been paid at the overtime rate. California Labor Code section 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over 8 hours per day, 40 hours per week, or when employees work up to 8 hours on any seventh day of a workweek. SAL failed to properly calculate Mr. Guzman's regular rate of pay when paying overtime, by failing to include all compensation in Mr. Guzman's overtime calculations, including hours worked off-the-clock. In failing to pay for all hours worked, SAL also did not maintain accurate records of the hours Mr. Guzman and the Aggrieved Employees, or some of them, worked.

As a result, SAL is liable to Mr. Guzman and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210, 1197.1, and 2699, subdivision (f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

**Failure to Provide Meal Breaks**

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal break no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid 1 hour of additional wages for each workday they were not provided with all required meal breaks. Despite these legal requirements, SAL at times wrongfully failed to provide Mr. Guzman and Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal break in a manner required by law (and also including but not limited to failing at times to provide Mr. Guzman and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal breaks). For example, Mr. Guzman was frequently deprived of an opportunity to take legally compliant meal breaks, including because the very few meal breaks Mr. Guzman could take were often cut short or interrupted. SAL required Mr. Guzman and others to respond to coworkers or supervisors asking for updates on patients or other matters in lieu of taking a meal period, including but not limited to being told that Mr. Guzman must be ready with both of his phones (work and personal) at all times to answer right away.

SAL also continued to assert control over Mr. Guzman and Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal breaks, or by denying Mr. Guzman and Aggrieved Employees, or some of them, permission to take a meal break under the conditions required by law, and without properly compensating Mr. Guzman and Aggrieved Employees, or some of them, for meal breaks that were not provided as required by law. SAL also did not inform Mr. Guzman of Mr. Guzman's right to, nor permitted Mr. Guzman to take, all of Mr. Guzman's second meal breaks when Mr. Guzman worked at least 10 hours of work in a workday and otherwise unlawfully pressured Mr. Guzman to waive such breaks. Accordingly, SAL at times failed to provide meal breaks to Mr. Guzman and Aggrieved Employees, or some of them, in compliance with California law.

Mr. Guzman and the Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not provided with all required meal breaks. SAL, however, at times failed to pay Mr. Guzman and Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal breaks that were not provided. Mr. Guzman does not recall ever receiving any meal and rest break premiums.

Thus, SAL is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to provide meal breaks and pay meal period premium wages.

**Failure to Authorize and Permit Rest Breaks**

Per California law, employers are required to authorize and permit breaks of 10 uninterrupted minutes for each 4 hours of work or major fraction of 4 hours (*i.e.*, more than 2 hours). Thus, for example, if an employee's work time is 6 hours and 10 minutes, the employee is entitled to 2 breaks. Each failure to authorize rest breaks as required is itself a violation of California's rest break laws.

Throughout the statutory period, SAL at times has wrongfully failed to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, to take legally compliant rest breaks in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest breaks). SAL at times required Mr. Guzman and Aggrieved Employees, or some of them, to work in excess of 4 consecutive hours a day without SAL's authorizing and permitting Mr. Guzman to take a 10-minute, uninterrupted, duty-free rest period for every 4 hours of work (or major fraction of 4 hours), or without compensating Mr. Guzman and Aggrieved Employees, or some of them, for rest breaks that were not authorized or permitted.

Instead, SAL at times continued to assert control over Mr. Guzman and Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest breaks, or at times by denying Mr. Guzman and Aggrieved Employees, or some of them, permission to take a rest break. For example, at times, it was impossible for Mr. Guzman and others to take rest breaks due to being understaffed. SAL required Mr. Guzman and others to answer questions regarding staffing, resident care, programming, or compliance during rest breaks, including but not limited to answering calendaring questions or questions from patient family members.

Accordingly, SAL at times failed to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, to take rest breaks in compliance with California law. Mr. Guzman and Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not authorized and permitted to take all required rest breaks. SAL, however, at times failed to pay Mr. Guzman and Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest breaks that they were not authorized and permitted to take.

As a result, SAL is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

**Failure to Pay All Earned Wages Twice Per Month**

Based on SAL's failure at times to pay Mr. Guzman and Aggrieved Employees, or some of them, for all wages as discussed above, SAL also violated Labor Code section 204.

Section 204 requires employers to pay employees all earned wages twice per month. Throughout the applicable statute of limitations period, employees were entitled to be paid twice a month at their regular rates, including all meal and rest break premium wages owed and wages owed for overtime hours worked. However, at times, SAL failed and refused to pay Mr. Guzman all wages due, and failed to pay those wages twice a month, in that Mr. Guzman was not paid all wages for all meal periods not provided by SAL, all wages for all rest periods not authorized and permitted by SAL, and all wages for all hours worked. As a result, SAL owes Mr. Guzman the legally required wages for unpaid wages, and Mr. Guzman and Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, SAL is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 210 for failing to pay all earned wages twice per month.

**Failure to Maintain Accurate Records of Hours Worked and Meal Breaks**

Mr. Guzman seeks penalties under Labor Code section 1174, subdivision (d). Per Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by section 1174 is subject to a penalty under section 1174.5. Under the applicable IWC Order section 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal breaks and total hours worked daily shall also be recorded.

SAL, however, at times failed to maintain accurate records of hours worked and all meal breaks taken or missed by Mr. Guzman and Aggrieved Employees, or some of them.

SAL's failure to provide and maintain records required by the Labor Code and the applicable IWC Wage Orders deprived Mr. Guzman and Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal breaks, and the accuracy of their hours worked stated in SAL's records. Therefore, Mr. Guzman and Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to SAL. As a direct result, Mr. Guzman and Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel SAL to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of SAL's knowing failure, at times, to comply with the Labor Code and applicable IWC Wage Orders, Mr. Guzman and Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

**Failure to Furnish Accurate Wage Statements**

Labor Code section 226, subdivision (a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish each of its employees an accurate itemized wage statement in writing showing 9 pieces of information, including: (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 the last four digits of their Social Security number or an employee identification number other than a Social Security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Cal. Lab. Code, § 226, subd. (e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Cal. Lab. Code, § 226, subd. (e)(1).)

Throughout the statutory period, SAL at times failed, and continues at times to fail, to timely furnish Mr. Guzman and Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal breaks that were not provided in accordance with California law, and correct wages for rest breaks that were not authorized and permitted to take in accordance with California law).

Because SAL at times violated Labor Code section 226, Mr. Guzman and Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Mr. Guzman and similarly Aggrieved Employees, or some of them, are entitled to recover from SAL the greater of their actual damages caused by SAL's failure to comply with Labor Code section 226, subdivision (a), or an aggregate penalty not exceeding $4,000 per employee. Moreover, SAL is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 226.3 for failing to timely furnish accurate itemized wage statements.

**Recordkeeping Requirement Violations**

Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by employees. For all applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal breaks were provided each day.

Based on information and belief, SAL at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Mr. Guzman and other Aggrieved Employees began and ended each work period, time records of meal breaks, and accurate itemized wage statements.

Based on information and belief, SAL at times failed and continues at times to fail to keep accurate and complete records showing total hours worked by Mr. Guzman and Aggrieved Employees, or some of them, by virtue of SAL's time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. SAL failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of SAL's failure to relieve Mr. Guzman and Aggrieved Employees, or some of them, of all duties and SAL's control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, SAL further failed at times, and continue at times to fail, to record the true start and end times of Mr. Guzman's and Aggrieved Employees' meal periods, or some of them.

Based on further information and belief, SAL further failed at times and continue at times to fail, to record the true start and end times of Mr. Guzman's and Aggrieved Employees' work shifts, or some of them.

Additionally, SAL at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Mr. Guzman and Aggrieved Employees, or some of them. SAL's failure to keep "accurate and complete" payroll records for Mr. Guzman and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject SAL to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.[2]

**Failure to Indemnify Necessary Expenditures**

Labor Code section 2802, subdivision (a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of their duties. Throughout the applicable statute of limitations period, SAL at times wrongfully required Mr. Guzman and Aggrieved Employees, or some of them, to pay expenses they incurred in direct discharge of their duties for SAL including but not limited to travel to patient homes or other clinics for assessments and use of his personal cell phone. Mr. Guzman and Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Mr. Guzman and Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for SAL but SAL failed to indemnify Mr. Guzman and Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, SAL is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 2802 and 2699, subdivision (f)(2) for failing to indemnify Mr. Guzman and Aggrieved Employees, or some of them, for necessary business expenditures.

**Action for PAGA Civil Penalties**

In light of the above, Mr. Guzman alleges that SAL violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code sections 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to provide meal breaks;
3. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to authorize and permit rest breaks;
4. Labor Code section 204 by failing at times to pay all earned wages twice per month;
5. Labor Code section 1174.5 and applicable IWC Wage Orders by failing at times to maintain accurate records of hours worked and meal breaks taken or missed;
6. Labor Code section 226 by failing at times to provide accurate itemized wage statements;
7. Labor Code section 1174 by failing at times to keep accurate and complete payroll records; and
8. Labor Code section 2802 by failing at times to indemnify for necessary expenditures;

Therefore, on behalf of potentially Aggrieved Employees, Mr. Guzman seeks applicable penalties related to the violations alleged above per PAGA. These include, but are not limited to, penalties under Labor Code sections 210, 226.3, 1174.5, 1197.1, and 2699.

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[2] *See* Labor Code § 2699, subdivision (f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Mr. Guzman has placed SAL on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Lauren Lendzion

Lauren M. Lendzion
Wilshire Law Firm, PLC

# EXHIBIT 2

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May 13, 2025

LWDA
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612
(***Via Online Submission***)

Oasis Outsourcing III, LLC
2054 Vista Parkway, Suite 300
West Palm Beach, FL 33411
(***Via U.S. Certified Mail, Return Receipt Requested***)
**#9489-0090-0027-6638-7863-67**

Oasis Outsourcing III, LLC
c/o Agent for Service of Process
CT Corporation System
330 N. Brand Blvd., Suite 700
Glendale, CA 91203
(***Via U.S. Certified Mail, Return Receipt Requested***)
**#9489-0090-0027-6638-7863-50**

**Re:** ***Edwin Guzman v. Oasis Outsourcing III, LLC, et al.***
**Notice of California Labor Code Violations and PAGA Penalties**

To Whom It May Concern:

Please be advised that my office has been retained by Edwin Guzman to pursue a representative action under the California Labor Code Private Attorneys General Act of 2004 (PAGA), California Labor Code[1] section 2699, *et seq.* against Mr. Guzman's former employer, Oasis Outsourcing III, LLC ("Oasis" or "Employer").The purpose of this letter is to comply with PAGA and set forth the facts and theories of Labor Code violations which Mr. Guzman alleges Oasis engaged in with respect to Mr. Guzman and potentially all Oasis's current and former employees.

Mr. Guzman wishes to pursue this action on behalf of Oasis's current and former employees, on behalf of the State of California, as well as on behalf of all other persons who worked for Oasis in California as non-exempt or hourly-paid employees at any time within the applicable statutory period collectively referred to as, "Aggrieved Employees").

Mr. Guzman and Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

**Mr. Guzman's Employment with Oasis**

Oasis is a facility focused on providing memory care services for individuals with Alzheimer's disease and other forms of dementia. Oasis owns and operates an industry business, and establishment within the State of California. Therefore, and based on all the facts and circumstances incident to Oasis's business in California,

[1] Unless otherwise stated, all references to "Labor Code" are meant to reference the California Labor Code.

Oasis is subject to the Labor Code, the Industrial Wage Commission's (IWC) Wage Orders, and the California Business and Professions Code.

Mr. Guzman is a resident of Pasadena, California who worked for Oasis in Orange County, California, as an hourly-paid, non-exempt employee from approximately May 2024 to March 2025. Mr. Guzman worked as a Memory Care Director. Mr. Guzman's primary job function was to oversee all aspects of the memory care facility, including staffing, resident care, programming, and compliance with regulations.

During Mr. Guzman's employment with Oasis, Oasis paid Mr. Guzman an hourly wage and classified Mr. Guzman as non-exempt from overtime. Oasis typically scheduled Mr. Guzman to work at least 5 days in a workweek and at least 8 hours per day but Mr. Guzman also worked more than 8 hours in a workday and more than 40 hours in a workweek.

In performing Mr. Guzman's duties, Mr. Guzman was regularly required to perform work "off the clock" and without compensation, including but not limited to responding to complaints by patients' family members or assisting state inspectors performing licensing inspections. Due to understaffing and high workloads, Mr. Guzman was also frequently deprived of an opportunity to take legally compliant meal and rest breaks because the few meal and rest breaks Mr. Guzman took were often cut short or interrupted.

Oasis did not provide Mr. Guzman and Aggrieved Employees with the meal and rest break premiums as required by the Labor Code, and Mr. Guzman does not recall ever receiving any meal and rest break premiums. Additionally, Mr. Guzman necessarily incurred business-related expenses, including but not limited to using his personal cellphone to respond to phone calls and using his personal vehicle to drive to assessments, but Oasis did not reimburse such business expenses. These are just non-exhaustive examples of the facts and theories Mr. Guzman asserts, which are later described in more detail.

Throughout Mr. Guzman's employment, Oasis did not (1) pay for all hours worked (including minimum, straight time, and overtime wages); (2) provide Mr. Guzman with legally compliant meal periods; (3) authorize and permit Mr. Guzman to take rest periods; (4) timely pay all final wages to Mr. Guzman when Oasis terminated Mr. Guzman's employment; (5) furnish accurate wage statements to Mr. Guzman; and (6) indemnify Mr. Guzman for business expenditures. As will be further discussed, Mr. Guzman's experience working for Oasis was typical and illustrative.

**Failure to Pay for All Hours Worked, Including Minimum, Straight, and Overtime Wages**

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of the employer and including the time the employee is suffered or permitted to work, whether required to do so.

In addition, Labor Code section 510 provides that employees in California shall not be employed for more than 8 hours on any workday or 40 hours in a workweek unless they receive additional compensation plus their regular wages in amounts specified by law.

Labor Code sections 1194 and 1198 also provide that employees in California shall not be employed more than 8 hours in any workday or 40 hours in a workweek unless they receive the additional compensation as required by law. Further, Section 1198 declares unlawful the employment of an employee for hours longer than those fixed by the IWC.

Throughout the statutory period, Oasis did not pay Mr. Guzman and Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. At times, Oasis required Mr. Guzman and Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated by, for example, requiring Mr. Guzman and Aggrieved Employees to perform work during uncompensated meal and rest breaks, and requiring Mr. Guzman and Aggrieved Employees to perform work before clocking in or after clocking out. As one example, Oasis required Mr. Guzman to respond to patient family member questions or updates. As another example, Mr. Guzman would have to respond to state inspectors performing licensing inspections. Some of this unpaid work should have been paid at the overtime rate. California Labor Code section 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over 8 hours per day, 40 hours per week, or when employees work up to 8 hours on any seventh day of a workweek. Oasis failed to properly calculate Mr. Guzman's regular rate of pay when paying overtime, by failing to include all compensation in Mr. Guzman's overtime calculations, including hours worked off-the-clock. In failing to pay for all hours worked, Oasis also did not maintain accurate records of the hours Mr. Guzman and the Aggrieved Employees, or some of them, worked.

As a result, Oasis is liable to Mr. Guzman and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210, 1197.1, and 2699, subdivision (f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

**Failure to Provide Meal Breaks**

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal break no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid 1 hour of additional wages for each workday they were not provided with all required meal breaks. Despite these legal requirements, Oasis at times wrongfully failed to provide Mr. Guzman and Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal break in a manner required by law (and also including but not limited to failing at times to provide Mr. Guzman and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal breaks). For example, Mr. Guzman was frequently deprived of an opportunity to take legally compliant meal breaks, including because the very few meal breaks Mr. Guzman could take were often cut short or interrupted. Oasis required Mr. Guzman and others to respond to coworkers or supervisors asking for updates on patients or other matters in lieu of taking a meal period, including but not limited to being told that Mr. Guzman must be ready with both of his phones (work and personal) at all times to answer right away.

Oasis also continued to assert control over Mr. Guzman and Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal breaks, or by denying Mr. Guzman and Aggrieved Employees, or some of them, permission to take a meal break under the conditions required by law, and without properly compensating Mr. Guzman and Aggrieved Employees, or some of them, for meal breaks that were not provided as required by law. Oasis also did not inform Mr. Guzman of Mr. Guzman's right to, nor permitted Mr. Guzman to take, all of Mr. Guzman's second meal breaks when Mr. Guzman worked at least 10 hours of work in a workday and otherwise unlawfully pressured Mr. Guzman to waive such breaks. Accordingly, Oasis at times failed to provide meal breaks to Mr. Guzman and Aggrieved Employees, or some of them, in compliance with California law.

Mr. Guzman and the Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not provided with all required meal breaks. Oasis, however, at times failed to pay Mr. Guzman and Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal breaks that were not provided. Mr. Guzman does not recall ever receiving any meal and rest break premiums.

Thus, Oasis is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to provide meal breaks and pay meal period premium wages.

**Failure to Authorize and Permit Rest Breaks**

Per California law, employers are required to authorize and permit breaks of 10 uninterrupted minutes for each 4 hours of work or major fraction of 4 hours (*i.e*., more than 2 hours). Thus, for example, if an employee's work time is 6 hours and 10 minutes, the employee is entitled to 2 breaks. Each failure to authorize rest breaks as required is itself a violation of California's rest break laws.

Throughout the statutory period, Oasis at times has wrongfully failed to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, to take legally compliant rest breaks in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest breaks). Oasis at times required Mr. Guzman and Aggrieved Employees, or some of them, to work in excess of 4 consecutive hours a day without Oasis's authorizing and permitting Mr. Guzman to take a 10-minute, uninterrupted, duty-free rest period for every 4 hours of work (or major fraction of 4 hours), or without compensating Mr. Guzman and Aggrieved Employees, or some of them, for rest breaks that were not authorized or permitted.

Instead, Oasis at times continued to assert control over Mr. Guzman and Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest breaks, or at times by denying Mr. Guzman and Aggrieved Employees, or some of them, permission to take a rest break. For example, at times, it was impossible for Mr. Guzman and others to take rest breaks due to being understaffed. Oasis required Mr. Guzman and others to answer questions regarding staffing, resident care, programming, or compliance during rest breaks, including but not limited to answering calendaring questions or questions from patient family members.

Accordingly, Oasis at times failed to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, to take rest breaks in compliance with California law. Mr. Guzman and Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not authorized and permitted to take all required rest breaks. Oasis, however, at times failed to pay Mr. Guzman and Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest breaks that they were not authorized and permitted to take.

As a result, Oasis is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

**Failure to Pay All Earned Wages Twice Per Month**

Based on Oasis's failure at times to pay Mr. Guzman and Aggrieved Employees, or some of them, for all wages as discussed above, Oasis also violated Labor Code section 204.

Section 204 requires employers to pay employees all earned wages twice per month. Throughout the applicable statute of limitations period, employees were entitled to be paid twice a month at their regular rates, including all meal and rest break premium wages owed and wages owed for overtime hours worked. However, at times, Oasis failed and refused to pay Mr. Guzman all wages due, and failed to pay those wages twice a month, in that Mr. Guzman was not paid all wages for all meal periods not provided by Oasis, all wages for all rest periods not authorized and permitted by Oasis, and all wages for all hours worked. As a result, Oasis owes Mr. Guzman the legally required wages for unpaid wages, and Mr. Guzman and Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Oasis is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 210 for failing to pay all earned wages twice per month.

**Failure to Maintain Accurate Records of Hours Worked and Meal Breaks**

Mr. Guzman seeks penalties under Labor Code section 1174, subdivision (d). Per Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by section 1174 is subject to a penalty under section 1174.5. Under the applicable IWC Order section 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal breaks and total hours worked daily shall also be recorded.

Oasis, however, at times failed to maintain accurate records of hours worked and all meal breaks taken or missed by Mr. Guzman and Aggrieved Employees, or some of them.

Oasis's failure to provide and maintain records required by the Labor Code and the applicable IWC Wage Orders deprived Mr. Guzman and Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal breaks, and the accuracy of their hours worked stated in Oasis's records. Therefore, Mr. Guzman and Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Oasis. As a direct result, Mr. Guzman and Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Oasis to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Oasis's knowing failure, at times, to comply with the Labor Code and applicable IWC Wage Orders, Mr. Guzman and Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

**Failure to Furnish Accurate Wage Statements**

Labor Code section 226, subdivision (a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish each of its employees an accurate itemized wage statement in writing showing 9 pieces of information, including: (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 the last four digits of their Social Security number or an employee identification number other than a Social Security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Cal. Lab. Code, § 226, subd. (e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Cal. Lab. Code, § 226, subd. (e)(1).)

Throughout the statutory period, Oasis at times failed, and continues at times to fail, to timely furnish Mr. Guzman and Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal breaks that were not provided in accordance with California law, and correct wages for rest breaks that were not authorized and permitted to take in accordance with California law).

Because Oasis at times violated Labor Code section 226, Mr. Guzman and Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Mr. Guzman and similarly Aggrieved Employees, or some of them, are entitled to recover from Oasis the greater of their actual damages caused by Oasis's failure to comply with Labor Code section 226, subdivision (a), or an aggregate penalty not exceeding $4,000 per employee. Moreover, Oasis is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 226.3 for failing to timely furnish accurate itemized wage statements.

**Recordkeeping Requirement Violations**

Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by employees. For all applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal breaks were provided each day.

Based on information and belief, Oasis at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Mr. Guzman and other Aggrieved Employees began and ended each work period, time records of meal breaks, and accurate itemized wage statements.

Based on information and belief, Oasis at times failed and continues at times to fail to keep accurate and complete records showing total hours worked by Mr. Guzman and Aggrieved Employees, or some of them, by virtue of Oasis's time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. Oasis failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Oasis's failure to relieve Mr. Guzman and Aggrieved Employees, or some of them, of all duties and Oasis's control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Oasis further failed at times, and continue at times to fail, to record the true start and end times of Mr. Guzman's and Aggrieved Employees' meal periods, or some of them.

Based on further information and belief, Oasis further failed at times and continue at times to fail, to record the true start and end times of Mr. Guzman's and Aggrieved Employees' work shifts, or some of them.

Additionally, Oasis at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Mr. Guzman and Aggrieved Employees, or some of them. Oasis's failure to keep "accurate and complete" payroll records for Mr. Guzman and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Oasis to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.[2]

**Failure to Indemnify Necessary Expenditures**

Labor Code section 2802, subdivision (a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of their duties. Throughout the applicable statute of limitations period, Oasis at times wrongfully required Mr. Guzman and Aggrieved Employees, or some of them, to pay expenses they incurred in direct discharge of their duties for Oasis including but not limited to travel to patient homes or other clinics for assessments and use of his personal cell phone. Mr. Guzman and Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Mr. Guzman and Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Oasis but Oasis failed to indemnify Mr. Guzman and Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Oasis is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 2802 and 2699, subdivision (f)(2) for failing to indemnify Mr. Guzman and Aggrieved Employees, or some of them, for necessary business expenditures.

**Action for PAGA Civil Penalties**

In light of the above, Mr. Guzman alleges that Oasis violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code sections 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to provide meal breaks;
3. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to authorize and permit rest breaks;
4. Labor Code section 204 by failing at times to pay all earned wages twice per month;
5. Labor Code section 1174.5 and applicable IWC Wage Orders by failing at times to maintain accurate records of hours worked and meal breaks taken or missed;
6. Labor Code section 226 by failing at times to provide accurate itemized wage statements;
7. Labor Code section 1174 by failing at times to keep accurate and complete payroll records; and
8. Labor Code section 2802 by failing at times to indemnify for necessary expenditures;

Therefore, on behalf of potentially Aggrieved Employees, Mr. Guzman seeks applicable penalties related to the violations alleged above per PAGA. These include, but are not limited to, penalties under Labor Code sections 210, 226.3, 1174.5, 1197.1, and 2699.

[2] *See* Labor Code § 2699, subdivision (f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Mr. Guzman has placed Oasis on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Lauren Lendzion

Lauren M. Lendzion
Wilshire Law Firm, PLC

# EXHIBIT 3

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May 13, 2025

LWDA
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612
(***Via Online Submission***)

Northstar Senior Living, Inc. dba
Beach Terrace Memory Care
2334 Washington Ave., Suite A
Redding, CA 96001
(***Via U.S. Certified Mail,***
***Return Receipt Requested***)
**#9489-0090-0027-6638-7861-69**

Northstar Senior Living, Inc. dba
Beach Terrace Memory Care
c/o Agent for Service of Process
CT Corporation System
330 N. Brand Blvd., Suite 700
Glendale, CA 91203
(***Via U.S. Certified Mail,***
***Return Receipt Requested***)
**#9489-0090-0027-6638-7861-76**

**Re:** ***Edwin Guzman v. Northstar Senior Living, Inc. dba Beach Terrace Memory Care, et al.***
**Notice of California Labor Code Violations and PAGA Penalties**

To Whom It May Concern:

Please be advised that my office has been retained by Edwin Guzman to pursue a representative action under the California Labor Code Private Attorneys General Act of 2004 (PAGA), California Labor Code[1] section 2699, *et seq.* against Mr. Guzman's former employer, Northstar Senior Living, Inc. dba Beach Terrace Memory Care ("Northstar" or "Employer").The purpose of this letter is to comply with PAGA and set forth the facts and theories of Labor Code violations which Mr. Guzman alleges Northstar engaged in with respect to Mr. Guzman and potentially all Northstar's current and former employees.

Mr. Guzman wishes to pursue this action on behalf of Northstar's current and former employees, on behalf of the State of California, as well as on behalf of all other persons who worked for Northstar in California as non-exempt or hourly-paid employees at any time within the applicable statutory period collectively referred to as, "Aggrieved Employees").

Mr. Guzman and Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

**Mr. Guzman's Employment with Northstar**

Northstar is a facility focused on providing memory care services for individuals with Alzheimer's disease and other forms of dementia. Northstar owns and operates an industry business, and establishment within the State

[1] Unless otherwise stated, all references to "Labor Code" are meant to reference the California Labor Code.

of California. Therefore, and based on all the facts and circumstances incident to Northstar's business in California, Northstar is subject to the Labor Code, the Industrial Wage Commission's (IWC) Wage Orders, and the California Business and Professions Code.

Mr. Guzman is a resident of Pasadena, California who worked for Northstar in Orange County, California, as an hourly-paid, non-exempt employee from approximately May 2024 to March 2025. Mr. Guzman worked as a Memory Care Director. Mr. Guzman's primary job function was to oversee all aspects of the memory care facility, including staffing, resident care, programming, and compliance with regulations.

During Mr. Guzman's employment with Northstar, Northstar paid Mr. Guzman an hourly wage and classified Mr. Guzman as non-exempt from overtime. Northstar typically scheduled Mr. Guzman to work at least 5 days in a workweek and at least 8 hours per day but Mr. Guzman also worked more than 8 hours in a workday and more than 40 hours in a workweek.

In performing Mr. Guzman's duties, Mr. Guzman was regularly required to perform work "off the clock" and without compensation, including but not limited to responding to complaints by patients' family members or assisting state inspectors performing licensing inspections. Due to understaffing and high workloads, Mr. Guzman was also frequently deprived of an opportunity to take legally compliant meal and rest breaks because the few meal and rest breaks Mr. Guzman took were often cut short or interrupted.

Northstar did not provide Mr. Guzman and Aggrieved Employees with the meal and rest break premiums as required by the Labor Code, and Mr. Guzman does not recall ever receiving any meal and rest break premiums. Additionally, Mr. Guzman necessarily incurred business-related expenses, including but not limited to using his personal cellphone to respond to phone calls and using his personal vehicle to drive to assessments, but Northstar did not reimburse such business expenses. These are just non-exhaustive examples of the facts and theories Mr. Guzman asserts, which are later described in more detail.

Throughout Mr. Guzman's employment, Northstar did not (1) pay for all hours worked (including minimum, straight time, and overtime wages); (2) provide Mr. Guzman with legally compliant meal periods; (3) authorize and permit Mr. Guzman to take rest periods; (4) timely pay all final wages to Mr. Guzman when Northstar terminated Mr. Guzman's employment; (5) furnish accurate wage statements to Mr. Guzman; and (6) indemnify Mr. Guzman for business expenditures. As will be further discussed, Mr. Guzman's experience working for Northstar was typical and illustrative.

**Failure to Pay for All Hours Worked, Including Minimum, Straight, and Overtime Wages**

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of the employer and including the time the employee is suffered or permitted to work, whether required to do so.

In addition, Labor Code section 510 provides that employees in California shall not be employed for more than 8 hours on any workday or 40 hours in a workweek unless they receive additional compensation plus their regular wages in amounts specified by law.

Labor Code sections 1194 and 1198 also provide that employees in California shall not be employed more than 8 hours in any workday or 40 hours in a workweek unless they receive the additional compensation as required by law. Further, Section 1198 declares unlawful the employment of an employee for hours longer than those fixed by the IWC.

Throughout the statutory period, Northstar did not pay Mr. Guzman and Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. At times, Northstar required Mr. Guzman and Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated by, for example, requiring Mr. Guzman and Aggrieved Employees to perform work during uncompensated meal and rest breaks, and requiring Mr. Guzman and Aggrieved Employees to perform work before clocking in or after clocking out. As one example, Northstar required Mr. Guzman to respond to patient family member questions or updates. As another example, Mr. Guzman would have to respond to state inspectors performing licensing inspections. Some of this unpaid work should have been paid at the overtime rate. California Labor Code section 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over 8 hours per day, 40 hours per week, or when employees work up to 8 hours on any seventh day of a workweek. Northstar failed to properly calculate Mr. Guzman's regular rate of pay when paying overtime, by failing to include all compensation in Mr. Guzman's overtime calculations, including hours worked off-the-clock. In failing to pay for all hours worked, Northstar also did not maintain accurate records of the hours Mr. Guzman and the Aggrieved Employees, or some of them, worked.

As a result, Northstar is liable to Mr. Guzman and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210, 1197.1, and 2699, subdivision (f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

**Failure to Provide Meal Breaks**

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal break no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid 1 hour of additional wages for each workday they were not provided with all required meal breaks. Despite these legal requirements, Northstar at times wrongfully failed to provide Mr. Guzman and Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal break in a manner required by law (and also including but not limited to failing at times to provide Mr. Guzman and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal breaks). For example, Mr. Guzman was frequently deprived of an opportunity to take legally compliant meal breaks, including because the very few meal breaks Mr. Guzman could take were often cut short or interrupted. Northstar required Mr. Guzman and others to respond to coworkers or supervisors asking for updates on patients or other matters in lieu of taking a meal period, including but not limited to being told that Mr. Guzman must be ready with both of his phones (work and personal) at all times to answer right away.

Northstar also continued to assert control over Mr. Guzman and Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal breaks, or by denying Mr. Guzman and Aggrieved Employees, or some of them, permission to take a meal break under the conditions required by law, and without properly compensating Mr. Guzman and Aggrieved Employees, or some of them, for meal breaks that were not provided as required by law. Northstar also did not inform Mr. Guzman of Mr. Guzman's right to, nor permitted Mr. Guzman to take, all of Mr. Guzman's second meal breaks when Mr. Guzman worked at least 10 hours of work in a workday and otherwise unlawfully pressured Mr. Guzman to waive such breaks. Accordingly, Northstar at times failed to provide meal breaks to Mr. Guzman and Aggrieved Employees, or some of them, in compliance with California law.

Mr. Guzman and the Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not provided with all required meal breaks. Northstar, however, at times failed to pay Mr. Guzman and Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal breaks that were not provided. Mr. Guzman does not recall ever receiving any meal and rest break premiums.

Thus, Northstar is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to provide meal breaks and pay meal period premium wages.

**Failure to Authorize and Permit Rest Breaks**

Per California law, employers are required to authorize and permit breaks of 10 uninterrupted minutes for each 4 hours of work or major fraction of 4 hours (*i.e.*, more than 2 hours). Thus, for example, if an employee's work time is 6 hours and 10 minutes, the employee is entitled to 2 breaks. Each failure to authorize rest breaks as required is itself a violation of California's rest break laws.

Throughout the statutory period, Northstar at times has wrongfully failed to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, to take legally compliant rest breaks in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest breaks). Northstar at times required Mr. Guzman and Aggrieved Employees, or some of them, to work in excess of 4 consecutive hours a day without Northstar's authorizing and permitting Mr. Guzman to take a 10-minute, uninterrupted, duty-free rest period for every 4 hours of work (or major fraction of 4 hours), or without compensating Mr. Guzman and Aggrieved Employees, or some of them, for rest breaks that were not authorized or permitted.

Instead, Northstar at times continued to assert control over Mr. Guzman and Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest breaks, or at times by denying Mr. Guzman and Aggrieved Employees, or some of them, permission to take a rest break. For example, at times, it was impossible for Mr. Guzman and others to take rest breaks due to being understaffed. Northstar required Mr. Guzman and others to answer questions regarding staffing, resident care, programming, or compliance during rest breaks, including but not limited to answering calendaring questions or questions from patient family members.

Accordingly, Northstar at times failed to authorize and permit Mr. Guzman and Aggrieved Employees, or some of them, to take rest breaks in compliance with California law. Mr. Guzman and Aggrieved Employees, or some of them, are thus entitled to be paid 1 hour of additional wages for each workday they were not authorized and permitted to take all required rest breaks. Northstar, however, at times failed to pay Mr. Guzman and Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest breaks that they were not authorized and permitted to take.

As a result, Northstar is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code sections 210 and 2699, subdivision (f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

**Failure to Pay All Earned Wages Twice Per Month**

Based on Northstar's failure at times to pay Mr. Guzman and Aggrieved Employees, or some of them, for all wages as discussed above, Northstar also violated Labor Code section 204.

Section 204 requires employers to pay employees all earned wages twice per month. Throughout the applicable statute of limitations period, employees were entitled to be paid twice a month at their regular rates, including all meal and rest break premium wages owed and wages owed for overtime hours worked. However, at times, Northstar failed and refused to pay Mr. Guzman all wages due, and failed to pay those wages twice a month, in that Mr. Guzman was not paid all wages for all meal periods not provided by Northstar, all wages for all rest periods not authorized and permitted by Northstar, and all wages for all hours worked. As a result, Northstar owes Mr. Guzman the legally required wages for unpaid wages, and Mr. Guzman and Aggrieved Employees, or some of them, suffered damages in those amounts.

Moreover, Northstar is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 210 for failing to pay all earned wages twice per month.

**Failure to Maintain Accurate Records of Hours Worked and Meal Breaks**

Mr. Guzman seeks penalties under Labor Code section 1174, subdivision (d). Per Labor Code section 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by section 1174 is subject to a penalty under section 1174.5. Under the applicable IWC Order section 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal breaks and total hours worked daily shall also be recorded.

Northstar, however, at times failed to maintain accurate records of hours worked and all meal breaks taken or missed by Mr. Guzman and Aggrieved Employees, or some of them.

Northstar's failure to provide and maintain records required by the Labor Code and the applicable IWC Wage Orders deprived Mr. Guzman and Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal breaks, and the accuracy of their hours worked stated in Northstar's records. Therefore, Mr. Guzman and Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Northstar. As a direct result, Mr. Guzman and Aggrieved Employees, or some of them, have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorneys' fees in seeking to compel Northstar to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Northstar's knowing failure, at times, to comply with the Labor Code and applicable IWC Wage Orders, Mr. Guzman and Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

**Failure to Furnish Accurate Wage Statements**

Labor Code section 226, subdivision (a) provides that every employer shall, semimonthly or at the time of each payment of wages, furnish each of its employees an accurate itemized wage statement in writing showing 9 pieces of information, including: (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 the last four digits of their Social Security number or an employee identification number other than a Social Security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Cal. Lab. Code, § 226, subd. (e)(2)(B)(iii).)

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney’s fees.” (Cal. Lab. Code, § 226, subd. (e)(1).)

Throughout the statutory period, Northstar at times failed, and continues at times to fail, to timely furnish Mr. Guzman and Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal breaks that were not provided in accordance with California law, and correct wages for rest breaks that were not authorized and permitted to take in accordance with California law).

Because Northstar at times violated Labor Code section 226, Mr. Guzman and Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Mr. Guzman and similarly Aggrieved Employees, or some of them, are entitled to recover from Northstar the greater of their actual damages caused by Northstar’s failure to comply with Labor Code section 226, subdivision (a), or an aggregate penalty not exceeding $4,000 per employee. Moreover, Northstar is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 226.3 for failing to timely furnish accurate itemized wage statements.

**Recordkeeping Requirement Violations**

Labor Code section 1174 requires employers to keep “accurate and complete” payroll records showing, among other things, the hours worked daily by employees. For all applicable IWC Wage Orders, section 7 similarly requires employers to keep accurate time records reflecting the times during which all owed meal breaks were provided each day.

Based on information and belief, Northstar at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Mr. Guzman and other Aggrieved Employees began and ended each work period, time records of meal breaks, and accurate itemized wage statements.

Based on information and belief, Northstar at times failed and continues at times to fail to keep accurate and complete records showing total hours worked by Mr. Guzman and Aggrieved Employees, or some of them, by virtue of Northstar’s time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices. Northstar failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Northstar’s failure to relieve Mr. Guzman and Aggrieved Employees, or some of them, of all duties and Northstar’s control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Northstar further failed at times, and continue at times to fail, to record the true start and end times of Mr. Guzman’s and Aggrieved Employees’ meal periods, or some of them.

Based on further information and belief, Northstar further failed at times and continue at times to fail, to record the true start and end times of Mr. Guzman’s and Aggrieved Employees’ work shifts, or some of them.

Additionally, Northstar at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Mr. Guzman and Aggrieved Employees, or some of them. Northstar's failure to keep "accurate and complete" payroll records for Mr. Guzman and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Northstar to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.[2]

**Failure to Indemnify Necessary Expenditures**

Labor Code section 2802, subdivision (a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of their duties. Throughout the applicable statute of limitations period, Northstar at times wrongfully required Mr. Guzman and Aggrieved Employees, or some of them, to pay expenses they incurred in direct discharge of their duties for Northstar including but not limited to travel to patient homes or other clinics for assessments and use of his personal cell phone. Mr. Guzman and Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Mr. Guzman and Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Northstar but Northstar failed to indemnify Mr. Guzman and Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Northstar is liable to Mr. Guzman and Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code section 2802 and 2699, subdivision (f)(2) for failing to indemnify Mr. Guzman and Aggrieved Employees, or some of them, for necessary business expenditures.

**Action for PAGA Civil Penalties**

In light of the above, Mr. Guzman alleges that Northstar violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code sections 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to provide meal breaks;
3. Labor Code section 226.7 and applicable IWC Wage Orders by failing at times to authorize and permit rest breaks;
4. Labor Code section 204 by failing at times to pay all earned wages twice per month;
5. Labor Code section 1174.5 and applicable IWC Wage Orders by failing at times to maintain accurate records of hours worked and meal breaks taken or missed;
6. Labor Code section 226 by failing at times to provide accurate itemized wage statements;
7. Labor Code section 1174 by failing at times to keep accurate and complete payroll records; and
8. Labor Code section 2802 by failing at times to indemnify for necessary expenditures;

[2] *See* Labor Code § 2699, subdivision (f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Therefore, on behalf of potentially Aggrieved Employees, Mr. Guzman seeks applicable penalties related to the violations alleged above per PAGA. These include, but are not limited to, penalties under Labor Code sections 210, 226.3, 1174.5, 1197.1, and 2699.

Mr. Guzman has placed Northstar on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Lauren M. Lendzion
Wilshire Law Firm, PLC