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ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

7/16/2025 3:44:05 PM

Clerk of the Superior Court
By J. Tinajero ,Deputy Clerk

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

JOSE GARCIA, on behalf of all other similarly-
situated employees of Defendants in the State of
California and the State of California under the
Private Attorneys General Act,

Plaintiffs,

vs.

MARATHON GENERAL, INC. and DOES 1
through 50, inclusive,

Defendants.

Case No. 25CU037577C

Judge:
Department:

**REPRESENTATIVE ACTION
COMPLAINT**

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

Action Filed:

1 Plaintiff JOSE GARCIA, on behalf of all other similarly-situated employees of Defendants in
2 the State of California and the State of California under the Private Attorneys General Act (“PAGA”
3 (“Plaintiff”) brings this REPRESENTATIVE ACTION COMPLAINT against Defendants
4 MARATHON GENERAL, INC. and DOES 1 through 50, inclusive (collectively “Defendants”),
5 alleging as follows:

6 **INTRODUCTION**

7 1. This is a representative action complaint brought under the California Private Attorneys
8 General Act (Labor Code sections 2968 et seq.).

9 2. Defendants failed to provide, authorize, and/or permit Plaintiff and the aggrieved
10 employees to take compliant meal and rest periods to which they were entitled. Yet, Defendants did
11 not pay Plaintiff and the aggrieved employees for all meal and rest period premiums.

12 3. Defendants failed to reimburse Plaintiff and aggrieved employees for necessary
13 expenses incurred in furtherance of the aggrieved employees’ job duties.

14 4. Defendants’ employment policies, practices, and payroll administration systems
15 enabled and facilitated these violations on a company-wide basis with respect to the aggrieved
16 employees.

17 5. Defendants are further liable for derivative claims for wage statements, untimely
18 payment, and other associated violations.

19 6. Plaintiff seeks to recover the underpaid damages, plus associated penalties, interests,
20 attorney’s fees and costs.

21 **JURISDICTION & VENUE**

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

24 8. The monetary damages and restitution sought exceed the minimal jurisdiction limits of
25 the Superior Court.

26 9. This Court has jurisdiction over Defendants because, upon information and belief,
27 Defendants have sufficient minimum contacts in California, or otherwise intentionally avail
28

1 themselves to the California economy so as to render the exercise of jurisdiction over them by the
2 California courts consistent with traditional notions of fair play and substantial justice.

3 10. Venue is proper in this Court under Code of Civil Procedure sections 393(a), 395,
4 and/or 395.5 because, upon information and belief, Defendants conducted business and committed
5 some of the alleged violations in this County.

6 **PARTIES**

7 **A. Plaintiff Jose Garcia**

8 11. Plaintiff Garcia is an individual over 18 years of age who worked for Defendants in
9 California as a non-exempt employee from about October 2024 to December 2024. Plaintiff worked
10 as a Laborer and Driver.

11 12. The State of California, via the Labor and Workforce Development Agency
12 (“LWDA”), is the real party in interest in this action. (*Kim v. Reins Int’l California, Inc.* (2020) 9
13 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff files suit is always the real party
14 in interest.”]). To the extent permitted by law, including pursuant *Balderas v. Fresh Start Harvesting,*
15 *Inc.* (2024) 101 Cal. App. 5th 533 and *Rodriguez v. Packers Sanitation Services Ltd.* (Feb. 26, 2025,
16 D083400) ___ Cal.Rptr.3d ___ [2025 WL 615064], the PAGA claim is brought exclusively as a
17 representative action and does not include arbitrable claims.

18 **B. Defendants**

19 13. Defendant Marathon General, Inc. is a California corporation that maintains operations
20 and conducts business throughout the State of California, including in this county.

21 14. The true names and capacities, whether individual, corporate, or otherwise, of the
22 parties sued as DOES 1 through 50, are presently unknown, unascertainable, or uncertain, and are sued
23 by such fictitious names under Code of Civil Procedure section 474. Upon information and belief,
24 each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some
25 manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their
26 true names and capacities once ascertained.

27 15. Upon information and belief, Defendants in this action are employers, co-employers,
28 joint employers, and/or part of an integrated employer enterprise, as each of the Defendants exercised

control over the wages, hours, and working conditions of the employees, suffered and permitted them to work, and otherwise engaged them as employees under California law.

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

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

GENERAL ALLEGATIONS

18. Plaintiff and the aggrieved employees worked for Defendants as non-exempt employees and were compensated on an hourly basis.

19. In the instant matter, Defendants failed to provide Plaintiff and other aggrieved employees with a compliant 30-minute meal period within the first 5 hours of work as required under the California law.

20. Regularly, Plaintiff and the aggrieved employees worked without a meal break for more than six hours. Defendants also failed to provide a second meal break on shifts longer than 10 hours.

21. Despite failing to provide compliant meal breaks, Defendants did not pay one additional hour of pay at his regular rate of compensation pursuant to Labor Code Sections 226.7 and 512.

22. Defendants failed to provide all rest periods.

23. Specifically, Defendants prevented Plaintiff and the aggrieved employees from being relieved of all duties during their rest periods. For example, Plaintiff worked as a Laborer and his responsibilities included loading asphalt. Loading asphalt requires a waiting period. Defendants required Plaintiff and the aggrieved employees to use this waiting period as their rest period. However, Plaintiff and the aggrieved employees were prevented from leaving the general area near the asphalt truck during this rest period. California requires employees to be relieved of all duties during their rest

1 periods. Therefore, Plaintiff and the aggrieved employees often experienced non-compliant rest
2 periods.

3 24. When Defendants failed to provide compliant rest periods, they also failed to pay all
4 rest period premiums owed.

5 25. Defendants required Plaintiff and the aggrieved employees to incur costs for work-
6 related purposes without full reimbursement.

7 26. In direct consequence of their job duties, Plaintiff and the aggrieved employees
8 unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and
9 practice. First, Defendants required Plaintiff and the aggrieved employees to use their personal
10 cellphones to communicate with supervisors and other drivers and to map driving routes. Second,
11 Defendants required Plaintiff and the aggrieved employees to use their personal vehicles to get to job
12 sites when company trucks were unavailable. Defendants failed to reimburse Plaintiff and the
13 aggrieved employees for their cellphone and personal vehicle related costs, resulting in unreimbursed
14 business expenses.

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

17 28. Defendants failed to provide accurate itemized wage statements to the aggrieved
18 employees each pay period as a result of the policies and practices set forth in this notice. Defendants
19 violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net
20 wages earned,” as the employees earned wages and premiums that were not paid, resulting in an
21 inaccurate reflection, and recording of “gross wages earned” on those wage statements.

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

27 30. Plaintiff and other aggrieved employees cannot promptly and easily determine from the
28 wage statement alone the wages paid or earned without reference to other documents or information.

1 Indeed, these wage statement violations are significant because they sow confusion among Plaintiff
2 and other aggrieved employees with respect to what amounts were owed and paid, at what rates, the
3 number of hours worked, and how those amounts were or should be calculated. The wage statements
4 reflect a false statement of earnings and concealed the underlying problems and underpayments of
5 employee wages.

6 31. Because of these policies and practices set forth above, Defendants failed to accurately
7 maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

8 **FIRST CAUSE OF ACTION**

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

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

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

12 32. All outside paragraphs of this Complaint are incorporated into this section.

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

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

19 34. Plaintiff reserves the right to amend, supplement, or add to this description of the
20 aggrieved employees, according to proof.

21 35. The State of California, via the Labor and Workforce Development Agency
22 (“LWDA”), is the real party in interest in this action with respect to this cause of action. (*Kim v. Reins*
23 *Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The “government entity on whose behalf the plaintiff
24 files suit is always the real party in interest.”])

25 36. Labor Code section 2699(a) provides: “Notwithstanding any other provision of law,,
26 any provision of this code that provides for a civil penalty to be assessed and collected by the Labor
27 and Workforce Development Agency or any of its departments, divisions, commissions, boards,
28 agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil

1 action brought by an aggrieved employee on behalf of the employee and other current or former
2 employees against whom a violation of the same provision was committed pursuant to the procedures
3 specified in Section 2699.3. “

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

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

9 39. On or about **May 1, 2025**, Plaintiff paid the requisite PAGA filing fee and provided
10 written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of
11 Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged
12 violations.

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

16 41. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
17 written PAGA notice from the LWDA.

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

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

25 44. As set forth in the PAGA notice attached as Exhibit 1 and incorporated into this
26 Complaint, Defendants committed the following violations and are liable for all corresponding civil
27 penalties:
28

- a. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders.
- b. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.
- c. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- d. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- e. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- f. ***Unreimbursed Employee Expenses.*** Violation of Labor Code §§ 2802, 2804.
- g. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

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

PRAYER

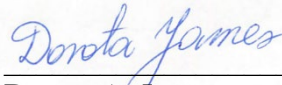
Plaintiff prays for judgment as follows:

- a. For recovery of damages in amount according to proof;
- b. For all recoverable pre- and post-judgment interest;
- c. For this action to be maintained as a representative action under the PAGA;
- d. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;
- e. For recovery of all civil penalties and other recoverable amounts under the PAGA;
- f. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699, and Code of Civil Procedure section 1021.5 and any other applicable sections; and

1 g. For such other relief the Court deems just and proper.

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3 Dated: July 16, 2025

Ferraro Vega Employment Lawyers, Inc.

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5 _____
6 Dorota A. James
7 Nicholas J. Ferraro
8 *Attorneys for Plaintiff Jose Garcia*
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EXHIBIT 1

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

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May 01, 2025

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

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

Marathon General, Inc.
1728 W Mission Road
Escondido, CA 92029

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

Dear LWDA Officer and Company Representatives:

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

MARATHON GENERAL, INC.

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period as a Laborer and Driver from about October 2024 to December 2024. During his employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

Through this notice, Plaintiff informs the LWDA of the Labor Code violations set forth herein. The “aggrieved employees” include Plaintiff and the following individuals:

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

Plaintiff reserves the right to expand or narrow the definition of the “aggrieved employees” in the forthcoming civil action. Furthermore, Plaintiff seeks all recoverable civil penalties for Defendants’ violations and reserves the right to supplement this notice as further investigation is completed and further facts, witnesses, and violations are uncovered.

- PAGA CLAIMS -

Unpaid Meal Period Premium Wages **Violation of Labor Code §§ 226.7, 512, 1198; IWC Wage Orders**

Defendants violated Labor Code sections 226.7, 512, and 1198, along with the related sections of the IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed,

short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

In the instant matter, Defendants failed to provide Plaintiff and other aggrieved employees with a compliant 30-minute meal period within the first 5 hours of work as required under the California law. Regularly, Plaintiff and the aggrieved employees worked without a meal break for more than six hours. Defendants also failed to provide a second meal break on shifts longer than 10 hours. Despite failing to provide compliant meal breaks, Defendants did not pay one additional hour of pay at his regular rate of compensation pursuant to Labor Code Sections 226.7 and 512.

EMPLOYEE TIME CARD

Name :

Week Ending:

Jose A. Garcia
November 15, 2024

Date	Start Time	Meal Start	Meal End	End Time	Reg Hours	OT Hours	Total Hours
Monday	6:30	—	—	4:00	8	1.5	9.5
Tuesday	7:45	—	—	3:45	8		8
Wednesday	6:30	—	—	1:30	8		8
Thursday	6:00	—	—	2:00	7.5		8.5
Friday	5:30	—	—	4:30	8		3 10
Saturday	6:00	—	—	8:00	8	3	11 11.5
Sunday					8	2	11
Total Hours							
JOB #	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
Dfwef							

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

Unpaid Rest Period Premium Wages

Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

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

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

Defendants failed to provide all rest periods. Specifically, Defendants prevented Plaintiff and the aggrieved employees from being relieved of all duties during their rest periods. For example, Plaintiff worked as a Laborer and his responsibilities included loading asphalt. Loading asphalt requires a waiting period. Defendants required Plaintiff and the aggrieved employees to use this waiting period as their rest period. However, Plaintiff and the aggrieved employees were prevented from leaving the general area near the asphalt truck during this rest period. California requires employees to be relieved of all duties during their rest periods. Therefore, Plaintiff and the aggrieved employees often experienced non-compliant rest periods. When Defendants failed to provide compliant rest periods, they also failed to pay all rest period premiums owed.

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

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

Defendants violated Labor Code sections 204 and/or 204b and 210, as applicable, with respect to Plaintiff and the aggrieved employees.

Labor Code section 204(a) requires payment of “all wages” for non-exempt employees at least twice each calendar month. Labor Code section 204(d) states all wages due must be paid “not more than seven calendar days following the close of the payroll period.” Labor Code section 204b applies to employees paid on a weekly basis and also requires the payment for all labor within the required pay periods. Labor Code section 210 provides “every person who fails to pay the wages of an employee as provided in Section ... 204 ... shall be subject to a civil penalty” of \$100 for an initial violation and \$200 plus 25% of the amount unlawfully withheld for a subsequent violation.

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

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

Untimely Payment of Wages Upon Separation of Employment
Violation of Labor Code §§ 201, 202, 203, 256

Defendants violated Labor Code sections 201, 202, and 203 with respect to the aggrieved employees by failing to pay all wages and premiums owed upon termination of employment.

Labor Code section 201 requires that if an employer fires an employee, the wages must be paid immediately. Labor Code section 202 requires that if an employee quits without providing 72 hours' notice, his or her wages must be paid no later than 72 hours thereafter. Labor Code section 202 states that if an employee provides 72 hours' notice, the final wages are payable upon his or her final day of employment. Labor Code section 203 requires an employer who fails to comply with Labor Code sections 201 or 202 to pay a waiting time penalty for each employee, up to a period of 30 days additional compensation.

Defendants failed to pay all wages and premiums owed to aggrieved employees during their employment as set forth in this notice, and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203.

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

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

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

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

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

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

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

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

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

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

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

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

Defendants required Plaintiff and the aggrieved employees to incur costs for work-related purposes without full reimbursement. In direct consequence of their job duties, Plaintiff and the aggrieved employees unavoidably and necessarily incurred these losses, expenditures, costs, and as a matter of policy and practice. First, Defendants required Plaintiff and the aggrieved employees to use their personal cellphones to communicate with supervisors and other drivers and to map driving routes. Second, Defendants required Plaintiff and the

aggrieved employees to use their personal vehicles to get to job sites when company trucks were unavailable. Defendants failed to reimburse Plaintiff and the aggrieved employees for their cellphone and personal vehicle related costs, resulting in unreimbursed business expenses.

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

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

Defendants violated Labor Code sections 1174 and the IWC Wage Orders by failing to maintain accurate employee payroll records with respect to Plaintiff and other aggrieved employees.

Labor Code section 1174 requires that employers maintain accurate “payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments.” Section 7(A) of the IWC Wage Orders, which may be enforced through Labor Code section 1198, mandates similar recordkeeping obligations.

Because of the policies and practices set forth in this notice, including the failure to accurately account for wages earned or hours worked, Defendants failed to accurately maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

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

Attorneys’ Fees and Costs
Labor Code § 2699(k)(1)

Plaintiff has been compelled to retain the services of counsel to protect the interests of other aggrieved employees and the State of California. Plaintiff continues to incur attorneys’ fees and costs, which are recoverable under California law, including Labor Code section 2699(k)(1).

- LITIGATION HOLD NOTICE -

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants’

written employment and payroll policies and handbooks; the aggrieved employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronically data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

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

- CONCLUSION -

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

Please advise if the LWDA intends to investigate any of the factual or legal allegations set forth in this notice. Defendants may contact Plaintiff's counsel with any questions regarding this letter or the forthcoming lawsuit.

Sincerely,

A handwritten signature in black ink that reads "Dorota James". The script is cursive and fluid.

Dorota James

Cc Plaintiff Jose Garcia

Defense Counsel - Lisa Aguiar, laguiar@sullivanattorneys.com

lmp

EXHIBIT 1

Notice of Labor Code Violations