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MARIA CASTRO & RACHEL JURIC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

MARIA CASTRO, individually, and on behalf of other members of the general public similarly situated; RACHEL JURIC, individually, and on behalf of other members of the general public similarly situated;

Plaintiffs,

vs.

HBX, LLC, a California Limited Liability Company; CROW ENTERPRISES LLC, a California Limited Liability Company; PEYTON'S PLACE VOCATIONAL LLC, a California Limited Liability Company; and DOES 1-50, inclusive,

Defendants.

Case No.: CVRI2503707

FIRST AMENDED CLASS ACTION COMPLAINT & ENFORCEMENT ACTION UNDER THE PRIVATE ATTORNEYS GENERAL ACT, CALIFORNIA LABOR CODE §§ 2698, *ET SEQ.*

(1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
(2) Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 (Unpaid Minimum Wages);
(3) Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 (Failure to Provide Meal Periods);
(4) Violation of California Labor Code §§ 226.7, 516, and 1198 (Failure to Authorize and Permit Rest Periods);
(5) Violation of California Labor Code § 558 (Failure to Pay Split Shift Premiums);
(6) Violation of California Labor Code §§ 226(a), 1174(d), and 1198 (Non-Compliant Wage Statements and Failure to Maintain Payroll Records);
(7) Violation of California Labor Code §§ 201 and 202 (Wages Not Timely Paid Upon Termination);
(8) Violation of California Labor Code § 204 (Failure to Timely Pay Wages During Employment);
(9) Violation of California Labor Code § 2802

(Unreimbursed Business Expenses);
(10) Civil Penalities for Violations of California Labor Code, Pursuant to PAGA §§ 2698, *et seq,*;
(11) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unlawful Business Practices); and
(12) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unfair Business Practices)

Jury Trial Demanded

Plaintiff Maria Castro, individually and on behalf of all other members of the public similarly situated, and as an aggrieved employee and on behalf of all aggrieved employees, and Plaintiff Rachel Juric, individually and on behalf of all other members of the public similarly situated, and as an aggrieved employee and on behalf of all aggrieved employees, allege as follows:

JURISDICTION AND VENUE

1. This class action is brought pursuant to California Code of Civil Procedure section 382 and California Labor Code sections 2698, et seq. ("PAGA") to recover civil penalties and any other available relief on behalf of Plaintiffs, the State of California, and other current and former employees who worked for Defendants in California as non-exempt, hourly paid employees and received at least one wage statement and against whom one or more violations of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any provision regulating hours and days of work in the applicable Industrial Welfare Commission ("IWC") Wage Order were committed, as set forth in this complaint. The monetary damages, penalties, and restitution sought by Plaintiffs exceed the minimal jurisdiction limits of the Superior Court and will be established according to proof at trial. This Court has jurisdiction over this action pursuant to the California Constitution, Article VI, section 10. The statutes under which this action is brought do not specify any other basis for jurisdiction. Plaintiffs' share of damages, penalties, and other relief sought in this action does not exceed $75,000.

2. This Court has jurisdiction over Defendants because Defendants are either citizens of California, have sufficient minimum contacts in California, or otherwise intentionally avail

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

3. Venue is proper in this Court because Defendants employ persons in this county, and employed Plaintiffs in this county, and thus a substantial portion of the transactions and occurrences related to this action occurred in this county.

THE PARTIES

4. Plaintiff Maria Castro is a resident of Corona in Riverside County, California. Defendants employed Plaintiff Castro as an hourly paid, non-exempt employee from approximately September 2023 to approximately July 2, 2024. Plaintiff Castro worked for Defendants as a driver for handicapped patients. During her employment, Plaintiff Castro typically worked eight (8) to twelve (12) hours per day and five (5) to six (6) days per week. Plaintiff Castro's primary job duties included, without limitation, safely operating vehicles, assisting passengers, and ensuring timely, secure, and respectful transport while maintaining required logs and vehicle safety.

5. Plaintiff Rachel Juric is a resident of Corona in Riverside County, California. Defendants employed Plaintiff Juric as an hourly paid, non-exempt employee from approximately early 2023 to approximately early 2024. Plaintiff Juric worked for Defendants as a driver for handicapped patients. During her employment, Plaintiff Juric typically worked six (6) to twelve (12) hours per day and five (5) days per week. Plaintiff Juric's primary job duties included, without limitation, safely operating vehicles, assisting passengers, and ensuring timely, secure, and respectful transport while maintaining required logs and vehicle safety.

6. HBX, LLC was and is, upon information and belief, a California Limited Liability Company, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

7. CROW ENTERPRISES LLC was and is, upon information and belief, a California Limited Liability Company, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

8. PEYTON'S PLACE VOCATIONAL LLC was and is, upon information and belief,

a California Limited Liability Company, and at all times hereinafter mentioned, an employer whose employees are engaged throughout this county and the State of California.

9. Plaintiffs are unaware of the true names or capacities of the Defendants sued herein under the fictitious names DOES 1 through 10, but will seek leave of this Court to amend the complaint and serve such fictitiously named Defendants once their names and capacities become known.

10. Plaintiffs are informed and believe, and thereon allege, that DOES 1 through 10 were the partners, agents, owners, or managers of HBX, LLC; CROW ENTERPRISES LLC; and PEYTON'S PLACE VOCATIONAL LLC at all relevant times.

11. Plaintiffs are informed and believe, and thereon allege, that each and all of the acts and omissions alleged herein was performed by, or is attributable to HBX, LLC; CROW ENTERPRISES LLC; PEYTON'S PLACE VOCATIONAL LLC; and/or DOES 1 through 10 (collectively, "Defendants" or "HBX"), each acting as the agent, employee, alter ego, and/or joint venturer of, or working in concert with, each of the other co-Defendants and was acting within the course and scope of such agency, employment, joint venture, or concerted activity with legal authority to act on the others' behalf. The acts of any and all Defendants were in accordance with, and represent, the official policy of Defendants.

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

13. Plaintiffs are informed and believe, and thereon allege, that each of said Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts, omissions, occurrences, and transactions alleged herein.

14. Under California law, Defendants are jointly and severally liable as employers for the violations alleged herein because they have each exercised sufficient control over the wages, hours, working conditions, and employment status of Plaintiffs and class members. Each Defendant had the power to hire and fire Plaintiffs and class members, supervised and controlled

their work schedule and/or conditions of employment, determined their rate of pay, and maintained their employment records. Defendants suffered or permitted Plaintiffs and class members to work and/or "engaged" Plaintiffs and class members so as to create a common-law employment relationship. As joint employers of Plaintiffs and class members, Defendants are jointly and severally liable for the civil penalties and all other relief available to Plaintiffs and class members under the law.

15. Plaintiffs are informed and believe, and thereon allege, that at all relevant times, Defendants, and each of them, have acted as joint employers with respect to Plaintiffs and class members because Defendants have:

(a) jointly exercised meaningful control over the work performed by Plaintiffs and class members;

(b) jointly exercised meaningful control over Plaintiffs' and class members' wages, hours, and working conditions, including the quantity, quality standards, speed, scheduling, and operative details of the tasks performed by Plaintiffs and class members;

(c) jointly required that Plaintiffs and class members perform work which is an integral part of Defendants' businesses; and

(d) jointly exercised control over Plaintiffs and class members as a matter of economic reality in that Plaintiffs and class members were dependent on Defendants, who shared the power to set the wages of Plaintiffs and class members and determined their working conditions, and who jointly reaped the benefits from the underpayment of their wages and noncompliance with other statutory provisions governing their employment.

16. Plaintiffs are informed and believe, and thereon allege, that at all relevant times there has existed a unity of interest and ownership between Defendants such that any individuality and separateness between the entities has ceased.

17. HBX, LLC; CROW ENTERPRISES LLC; PEYTON'S PLACE VOCATIONAL LLC; and DOES 1 through 10 are therefore alter egos of each other.

18. Adherence to the fiction of the separate existence of Defendants would permit an abuse of the corporate privilege, and would promote injustice by protecting Defendants from liability for the wrongful acts committed by them under the name HBX.

GENERAL ALLEGATIONS

19. Defendants provide services of medical transportation for mentally handicapped adults. Upon information and belief, Defendants maintain a single, centralized Human Resources ("HR") department at their company headquarters in Temecula, California, which is responsible for the recruiting and hiring of new employees, and communicating and implementing Defendants' company-wide policies, including timekeeping policies and meal and rest period policies, to employees throughout California.

20. In particular, Plaintiffs and class members, on information and belief, received the same standardized documents and/or written policies. Upon information and belief, the usage of standardized documents and/or written policies, including new-hire documents, indicate that Defendants dictated policies at the corporate level and implemented them company-wide, regardless of their employees' assigned locations or positions. Upon information and belief, Defendants set forth uniform policies and procedures in several documents provided at an employee's time of hire.

21. Upon information and belief, Defendants maintain a centralized Payroll department at their company headquarters in Temecula, California, which processes payroll for all non-exempt, hourly paid employees working for Defendants at their various locations in California, including Plaintiffs and class members. Based upon information and belief, Defendants issue the same formatted wage statements to all non-exempt, hourly paid employees in California, irrespective of their work locations. Upon information and belief, Defendants process payroll for departing employees in the same manner throughout the State of California, regardless of the manner in which each employee's employment ends.

22. Defendants continue to employ non-exempt or hourly paid employees in California.

23. Plaintiffs are informed and believe, and thereon allege, that at all times herein mentioned, Defendants were advised by skilled lawyers and other professionals, employees and

advisors knowledgeable about California labor and wage law, employment and personnel practices, and about the requirements of California law.

24. Plaintiffs are informed and believe, and thereon allege, that Plaintiffs and class members were not paid for all hours worked because all hours worked were not recorded.

25. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that Plaintiffs and class members were entitled to receive certain wages for overtime compensation and that they were not receiving certain wages for overtime compensation.

26. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that Plaintiffs and class members were entitled to receive at least minimum wages for compensation and that they were not receiving at least minimum wages for work that was required to be done off-the-clock. In violation of the California Labor Code, Plaintiffs and class members were not paid at least minimum wages for work done off-the-clock.

27. Plaintiffs are informed and believe, and thereon alleges, that Defendants knew or should have known that Plaintiffs and class members were entitled to meal periods in accordance with the California Labor Code and applicable Industrial IWC Wage Order or payment of one (1) additional hour of pay at their regular rates of pay when they were not provided with timely, uninterrupted, thirty (30) minute meal periods and that Plaintiffs and class members were not provided with all meal periods or payment of one (1) additional hour of pay at their regular rates of pay when they did not receive a timely, uninterrupted, thirty (30) minute meal period.

28. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that Plaintiffs and class members were entitled to rest periods in accordance with the California Labor Code and applicable IWC Wage Order or payment of one (1) additional hour of pay at their regular rates of pay when they were not authorized and permitted to take a compliant rest period and that Plaintiffs and class members were not authorized and permitted to take compliant rest periods or provided with payment of one (1) additional hour of pay at their regular rates of pay when they were not authorized and permitted to take a compliant rest period.

29. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that Plaintiffs and class members were entitled to receive all split shift premium wages and that they were not receiving premium wages for scheduled split shifts.

30. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that Plaintiffs and class members were entitled to receive complete and accurate wage statements in accordance with California law. In violation of the California Labor Code, Plaintiffs and class members were not provided complete and accurate wage statements.

31. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that they had a duty to maintain accurate and complete payroll records in accordance with the California Labor Code and applicable IWC Wage Order, but willfully, knowingly, and intentionally failed to do so.

32. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that Plaintiffs and class members were entitled to timely payment of all wages earned upon termination of employment. In violation of the California Labor Code, Plaintiffs and class members did not receive payment of all wages due, including, but not limited to, overtime wages, minimum wages, and meal and rest period premiums, within permissible time periods.

33. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that Plaintiffs and class members were entitled to timely payment of wages during their employment. In violation of the California Labor Code, Plaintiffs and class members did not receive payment of all wages, including, but not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, within permissible time periods.

34. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or should have known that Plaintiffs and class members were entitled to receive full reimbursement for all business-related expenses and costs they incurred during the course and scope of their employment and that they did not receive full reimbursement of applicable business-related expenses and costs incurred.

35. Plaintiffs are informed and believe, and thereon allege, that at all times herein

mentioned, Defendants knew or should have known that Defendants had a duty to provide Plaintiffs and class members with written notice of the material terms of their employment with Defendants as required by the California Wage Theft Prevention Act, but failed to do so.

36. Plaintiffs are informed and believe, and thereon allege, that at all times herein mentioned, Defendants knew or should have known that they had a duty to compensate Plaintiffs and class members for all hours worked, and that Defendants had the financial ability to pay such compensation, but willfully, knowingly, and intentionally failed to do so, and falsely represented to Plaintiffs and class members that they were properly denied wages, all in order to increase Defendants' profits.

PAGA REPRESENTATIVE ALLEGATIONS

37. At all times herein set forth, PAGA provides that any provision of law under the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency ("LWDA") for violations of the California Labor Code and applicable IWC Wage Order may, as an alternative, be recovered by aggrieved employees in a civil action brought on behalf of themselves and other current or former employees pursuant to procedures outlined in California Labor Code section 2699.3.

38. PAGA defines an "aggrieved employee" in Labor Code section 2699(c) as "any person who was employed by the alleged violator and against whom one or more of the alleged violations was committed."

39. Plaintiffs and other current and former employees of Defendants are "aggrieved employees" as defined by Labor Code section 2699(c) in that they are all Defendants' current or former employees and one or more of the alleged violations were committed against them.

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

(a) The aggrieved employee or representative shall give written notice by online filing with the LWDA and by certified mail to the employer of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violation.

(b) An aggrieved employee's notice filed with the LWDA pursuant to 2699.3(a) and any employer response to that notice shall be accompanied by a filing fee of seventy-five dollars ($75).

(c) The LWDA shall notify the employer and the aggrieved employee or representative by certified mail that it does not intend to investigate the alleged violation ("LWDA Notice") within sixty (60) calendar days of the postmark date of the aggrieved employee's notice. Upon receipt of the LWDA Notice, or if no LWDA Notice is provided within sixty-five (65) calendar days of the postmark date of the aggrieved employee's notice, the aggrieved employee may commence a civil action pursuant to California Labor Code section 2699 to recover civil penalties.

41. Pursuant to California Labor Code section 2699.3(c), aggrieved employees, through Plaintiffs, may pursue a civil action arising under PAGA for violations of any provision other than those listed in Section 2699.5 after the following requirements have been met:

(a) The aggrieved employee or representative shall give written notice by online filing with the LWDA and by certified mail to the employer of the specific provisions of the California Labor Code alleged to have been violated (other than those listed in Section 2699.5), including the facts and theories to support the alleged violation.

(b) An aggrieved employee's notice filed with the LWDA pursuant to 2699.3(c) and any employer response to that notice shall be accompanied by a filing fee of seventy-five dollars ($75).

(c) The employer may cure the alleged violation within thirty-three (33) calendar days of the postmark date of the notice sent by the aggrieved employee or representative. The employer shall give written notice within that period of time by certified mail to the aggrieved employee or representative and by online filing with the LWDA if the alleged violation is cured, including a description of actions taken, and no civil action pursuant to Section 2699 may commence. If the alleged violation is not cured within the 33-day period, the aggrieved employee may commence a civil action pursuant to Section 2699.

42. On June 30, 2025, Plaintiffs provided written notice by online filing to the LWDA and by Certified Mail to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including facts and theories to support the alleged violations, in accordance with California Labor Code section 2699.3. Plaintiffs' written notice was accompanied with the applicable filing fee of seventy-five dollars ($75). The LWDA PAGA Administrator confirmed receipt of Plaintiffs' written notice and assigned Plaintiffs PAGA Case Number LWDA-CM-1108939-25. A true and correct copy of Plaintiffs' written notice to the LWDA and Defendants is attached hereto as "Exhibit 1."

43. On July 8, 2025, Plaintiffs provided an Amended PAGA Notice to the LWDA, which included violation of California Labor Code §§ 558 and IWC Wage Order 9, Section 4(c) (unpaid split shift premium wages). A true and correct copy of Plaintiffs' amended written notice to the LWDA and Defendants is attached hereto as "Exhibit 2."

44. As of the filing date of this complaint, over 65 days have passed since Plaintiffs sent the amended notice described above to the LWDA, and the LWDA has not responded that it intends to investigate Plaintiffs' claims and Defendants have not cured the violations.

45. Thus, Plaintiffs have satisfied the administrative prerequisites under California Labor Code sections 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5.

46. Labor Code section 558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid. . . . (2) For each subsequent violation, one hundred dollars ($100) for each underpaid employee for each

pay period for which the employee was underpaid. . . ." Labor Code section 558(c) provides "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.

47. Defendants, at all times relevant to this complaint, were employers or persons acting on behalf of an employer(s) who violated Plaintiffs' and other aggrieved employees' rights by violating various sections of the California Labor Code as set forth above.

48. As set forth below, Defendants have violated numerous provisions of both the Labor Code sections regulating hours and days of work as well as the applicable IWC Wage Order.

49. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a), 2699.3(a), 2699.3(c), and 2699.5, and section 558, Plaintiffs, acting in the public interest as a private attorney general, seek assessment and collection of civil penalties for themselves, all other aggrieved employees, and the State of California against Defendants for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5.

CLASS ACTION ALLEGATIONS

50. Plaintiffs bring this action on their own behalf, as well as on behalf of each and all other persons similarly situated, and thus seek class certification under California Code of Civil Procedure section 382.

51. All claims alleged herein arise under California law for which Plaintiffs seek relief authorized by California law.

52. Plaintiffs' proposed class consists of and is defined as follows:

> All persons who worked for Defendants as non-exempt, hourly paid employees in California, within four years prior to the filing of the initial complaint until the date of trial ("Class").

53. Plaintiffs' proposed subclass consists of and is defined as follows:

> All persons who worked for Defendants as non-exempt, hourly paid employees in California and who received at least one wage statement within one (1) year prior to the filing of the initial complaint until the date of trial ("Subclass").

54. Members of the Class and Subclass are referred to herein as "class members."

55. Plaintiffs reserve the right to redefine the Class and Subclass and to add additional subclasses as appropriate based on further investigation, discovery, and specific theories of liability.

56. There are common questions of law and fact as to class members that predominate over questions affecting only individual members, including, but not limited to:

(a) Whether Defendants required Plaintiffs and class members to work over eight (8) hours per day, over twelve (12) hours per day, or over forty (40) hours per week and failed to pay all legally required overtime compensation to Plaintiffs and class members;

(b) Whether Defendants failed to pay Plaintiffs and class members at least minimum wages for all hours worked;

(c) Whether Defendants failed to provide Plaintiffs and class members with meal periods;

(d) Whether Defendants failed to authorize and permit Plaintiffs and class members to take rest periods;

(e) Whether Defendants failed to pay Plaintiffs and class members all split shift premium wages;

(f) Whether Defendants provided Plaintiffs and class members with complete and accurate wage statements as required by California Labor Code section 226(a);

(g) Whether Defendants maintained accurate payroll records as required by California Labor Code section 1174(d);

(h) Whether Defendants failed to pay earned overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay due to Plaintiffs and class members upon their discharge;

(i) Whether Defendants failed timely to pay overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay, due to Plaintiffs and class members during their employment;

(j) Whether Defendants failed to reimburse Plaintiffs and class members for necessary and required business-related expenditures and/or losses incurred by them in the scope of their employment;

(k) Whether Defendants failed to provide written notice of information material to Plaintiffs' and class members' employment with Defendants;

(l) Whether Defendants engaged in unlawful and unfair business practices in violation of California Business & Professions Code sections 17200, *et seq.*; and

(m) The appropriate amount of damages, restitution, or monetary penalties resulting from Defendants' violations of California law.

57. There is a well-defined community of interest in the litigation and the class members are readily ascertainable:

(a) <u>Numerosity</u>: The class members are so numerous that joinder of all members would be unfeasible and impractical. The membership of the entire class is unknown to Plaintiffs at this time; however, the class is estimated to be greater than one hundred (100) individuals and the identity of such membership is readily ascertainable by inspection of Defendants' employment records.

(b) <u>Typicality</u>: Plaintiffs are qualified to, and will, fairly and adequately protect the interests of each class member with whom they have a well-defined community of interest, and Plaintiffs' claims (or defenses, if any) are typical of all class members as demonstrated herein.

(c) <u>Adequacy</u>: Plaintiffs are qualified to, and will, fairly and adequately protect the interests of each class member with whom they have a well-defined community of interest and typicality of claims, as demonstrated herein. Plaintiffs acknowledge that they have an obligation to make known to the Court any relationship, conflicts or differences with any class member. Plaintiffs' attorneys, the proposed class counsel, are versed in the rules governing class action discovery, certification, and settlement. Plaintiffs have 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: The nature of this action makes the use of class action adjudication superior to other methods. A class action will achieve economies of time, effort, and expense as compared with separate lawsuits, and will avoid inconsistent outcomes because the same issues can be adjudicated in the same manner and at the same time for the entire class.

(e) Public Policy Considerations: Employers in the State of California violate employment and labor laws every day. Current employees are often afraid to assert their rights out of fear of direct or indirect retaliation. Former employees are 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 while simultaneously protecting their privacy.

FIRST CAUSE OF ACTION

Violation of California Labor Code §§ 510 and 1198—Unpaid Overtime

(Against all Defendants)

58. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

59. Labor Code section 1198 makes it illegal to employ an employee under conditions of

labor that are prohibited by the applicable IWC Wage Order. California Labor Code section 1198 requires that ". . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful."

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

61. Specifically, the applicable IWC Wage Order provides that Defendants are and were required to pay Plaintiffs and class members working more than eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time and one-half (1 ½) for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek.

62. The applicable IWC Wage Order further provides that Defendants are and were required to pay Plaintiffs and class members working more than twelve (12) hours in a day, overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

63. California Labor Code section 510 codifies the right to overtime compensation at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8) hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the seventh (7th) day of work, and to overtime compensation at twice the employee's regular rate of pay for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh (7th) day of work.

64. During the relevant time period, Defendants willfully failed to pay all overtime wages owed to Plaintiffs and class members. During the relevant time period, Plaintiffs and class members were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours worked were not recorded.

65. First, during the relevant time period, Defendants paid Plaintiffs and class members for overtime hours on separate checks that failed to comply with wage and hour laws. Specifically, these overtime payments were not made at one-and-a-half times the employees' regular rate of pay. Instead, Defendants paid overtime hours at the employees' base hourly rate, in violation of California labor laws. Defendants euphemistically referred to this as "side pay."

66. Second, under information and belief, Defendants' timekeeping and payroll practices failed to capture and compensate all hours worked by Plaintiffs and class members. Defendants routinely failed to include all hours on employees' wage statements, and the overtime checks issued lacked transparency and completeness. Plaintiff Castro reported these discrepancies to management, but her concerns were ignored. Plaintiff Juric's paychecks were missing as many as eight (8) hours per paycheck, and virtually every pay period was missing some hours. Although Plaintiff Juric reported this repeatedly to management, Defendants failed to correct this. To the extent that Defendants compensated Plaintiffs for this time, it was done on subsequent paychecks. However, under information and belief, these subsequent payments failed to include waiting time penalties.

67. Because Plaintiffs and class members worked shifts of eight (8) hours or more a day, or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Plaintiffs and class members were not paid overtime wages for all of the overtime hours they actually worked.

68. Defendants' failure to pay Plaintiffs and class members the balance of overtime compensation as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Pursuant to California Labor Code section 1194, Plaintiffs and class members are entitled to recover from Defendants their unpaid overtime compensation, as well as interest, costs, and attorneys' fees.

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SECOND CAUSE OF ACTION

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198—Unpaid Minimum Wages

(Against all Defendants)

69. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

70. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 provide that the minimum wage for employees fixed by the IWC is the minimum wage to be paid to employees, and the payment of a wage less than the minimum so fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 9-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code Regs. tit. 8, § 11090(2)(H) (defining "Hours Worked").

71. As set forth above, under information and belief, Defendants' timekeeping and payroll practices failed to capture and compensate all hours worked by Plaintiffs and class members. Defendants routinely failed to include all hours on employees' wage statements, and the overtime checks issued lacked transparency and completeness. Plaintiff Maria Castro reported these discrepancies to management, but her concerns were ignored. Plaintiff Juric's paychecks were missing as many as eight (8) hours per paycheck, and virtually every pay period was missing some hours. Although Plaintiff Juric reported this repeatedly to management, Defendants failed to correct this. To the extent that Defendants compensated Plaintiffs for this time, it was done on subsequent paychecks. However, under information and belief, these subsequent payments failed to include waiting time penalties.

72. Defendants did not pay minimum wages for all hours worked by Plaintiffs and class members. To the extent that these off-the-clock hours did not qualify for overtime premium payment, Defendants did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

73. Defendants' failure to pay Plaintiffs and class members minimum wages violates

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Pursuant to California Labor Code section 1194.2, Plaintiffs and class members are entitled to recover from Defendants liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

THIRD CAUSE OF ACTION

Violations of California Labor Code §§ 226.7, 512(a), 516, and 1198—Meal Period Violations

(Against all Defendants)

74. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

75. At all relevant times herein set forth, California Labor Code section 512(a) provides that an employer may not require, cause, or permit an employee to work for a period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012).

76. At all relevant times herein set forth, California Labor Code sections 226.7, 512(a), 516, and 1198 provide that no employer shall require an employee to work during any meal period mandated by an applicable order of the IWC.

77. At all relevant times herein set forth, Labor Code sections 226.7 and 512(a), and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

78. As set forth above, on information and belief, Defendants had, and continue to have, a company-wide policy and/or practice of understaffing while assigning heavy workloads, resulting in a failure to provide Plaintiffs and class members with adequate meal period

coverage. As a result, Defendants consistently failed to provide compliant meal periods. Moreover, single staffing (i.e., one driver per van) prevented Plaintiffs and class members from taking compliant meal periods.

79. On information and belief, Defendants engaged in a company-wide practice and/or policy of not paying meal period premiums owed when compliant meal periods were not provided. Because of this practice and/or policy, Plaintiffs and class members have not received premium pay for missed, late, and/or interrupted meal periods. To the extent that premiums were paid, on information and belief, Defendants failed to pay premiums at the regular rate of pay. As a result, Defendants failed to provide Plaintiffs and class members compliant meal periods in violation of California Labor Code sections 226.7, 512(a), and 516 and failed to pay the full meal period premiums due.

80. Defendants' conduct violates the applicable IWC Wage Order, and California Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiffs and class members are therefore entitled to recover from Defendants one (1) additional hour of pay at the employee's regular rate of compensation for each work day that the meal period was not provided.

FOURTH CAUSE OF ACTION

Violation of California Labor Code §§ 226.7, 516, and 1198—Rest Period Violations

(Against all Defendants)

81. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

82. At all relevant times herein set forth, the applicable IWC Wage Order and California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiffs' and class members' employment by Defendants.

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

(3 ½) hours.

84. At all relevant times, California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016). California Labor Code section 226.7 and the applicable IWC Wage Order also provide that rest periods shall be counted as hours worked for which there shall be no deduction from wages.

85. Pursuant to the applicable IWC Wage Order and California Labor Code section 226.7(c), Plaintiffs and class members are entitled to recover from Defendants one (1) additional hour of pay at their regular rates of pay for each work day that a required rest period was not authorized and permitted.

86. During the relevant time period, Defendants regularly failed to authorize and permit Plaintiffs and class members to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, Defendants' company-wide practices, including understaffing and assigning heavy workloads, prevented Plaintiffs and class members from being relieved of all duty to take compliant rest periods. Moreover, Defendants failed to schedule rest periods, which, coupled with Defendants' failure to provide adequate rest period coverage, further led to Plaintiffs and class members not being authorized and permitted to take compliant rest periods. Finally, even when Plaintiffs and class members may have had downtime to "rest," they did not receive compliant rest periods because they needed to keep an eye on patients.

87. As a result of Defendants' practices and policies, Plaintiffs and class members worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled.

88. Defendants have also engaged in a company-wide practice and/or policy of not

paying rest period premiums owed when compliant rest periods are not authorized and permitted. Because of this practice and/or policy, Plaintiffs and class members have not received premium pay for all missed rest periods. To the extent that Defendants paid rest period premiums, on information and belief, Defendants failed to pay premiums at the regular rate of pay.

89. Defendants' conduct violates the applicable IWC Wage Order and California Labor Code sections 226.7, 516, and 1198. Plaintiffs and class members are therefore entitled to recover from Defendants one (1) additional hour of pay at the employee's regular rate of compensation for each work day that a compliant rest period was not authorized and permitted.

FIFTH CAUSE OF ACTION

Violation of California Labor Code §§ 558, and section 4(c) of IWC Order 9—Failure to Pay Split Shift Premiums

(Against all Defendants)

90. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

91. Defendants have a policy and practice of scheduling drivers for split shifts but fail to pay split shift premiums.

92. IWC Wage Order 9, section 4(c) requires the payment of an extra hour of pay when an employee is scheduled for a split shift. Labor Code section 558 provides for penalties when minimum wage and overtime and hours worked regulations found the IWC Wage Orders are violated.

93. Defendants have a policy and practice of scheduling drivers to drive in the morning, leave for two (2) or more hours, and then return to drive in the afternoon or evening. This practice amounts to scheduling split shifts. However, Defendant does not pay split shift premiums as required by the IWC Wage Order 9.

94. Drivers, including Plaintiffs, have and continue to be denied split shift premium wages, and therefore owed split shift premium wages.

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SIXTH CAUSE OF ACTION

Violation of California Labor Code §§ 226(a), 1174(d), and 1198—Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

(Against all Defendants)

95. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

96. At all relevant times herein set forth, California Labor Code section 226(a) provides that every employer shall furnish each of his or her employees an accurate and complete itemized wage statement in writing, including, but not limited to, the name and address of the legal entity that is the employer, the inclusive dates of the pay period, total hours worked, and all applicable rates of pay.

97. At all relevant times, Defendants have knowingly and intentionally provided Plaintiffs and Subclass members with uniform, incomplete, and inaccurate wage statements. For example, Defendants issued uniform wage statements to Plaintiffs and Subclass members that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate. Specifically, Defendants violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

98. Because Defendants did not record the time Plaintiffs and Subclass members spent working off the clock, Defendants did not list the correct amount of gross wages and net wages earned by Plaintiffs and Subclass members in compliance with sections 226(a)(1) and 226(a)(5). For the same reason, Defendants failed to accurately list the total number of hours worked by Plaintiffs and Subclass members, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

99. The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a

piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

100. California Labor Code section 1174(d) provides that "[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors" and "[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments . . . ." At all relevant times, and in violation of Labor Code section 1174(d), Defendants willfully failed to maintain accurate payroll records for Plaintiffs and Subclass members showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

101. California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that "[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful." Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, Defendants engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Plaintiffs and Subclass members, in violation of section 1198. Furthermore, in light of Defendants' failure to provide class members with second 30-minute meal periods to which they were entitled, Defendants kept no records of meal start and end times for second meal periods.

102. Plaintiffs and Subclass members are entitled to recover from Defendants the greater of their actual damages caused by Defendants' failure to comply with California Labor Code section 226(a), or an aggregate penalty not exceeding four thousand dollars ($4,000) per employee.

SEVENTH CAUSE OF ACTION

Violation of California Labor Code §§ 201 and 202—Wages Not Timely Paid Upon Termination

(Against all Defendants)

103. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

104. This cause of action is dependent upon, and wholly derivative of, the overtime wages, minimum wages, meal and rest period premiums, and/or vested vacation wages that were not timely paid to Plaintiffs and those class members no longer employed by Defendants upon their termination.

105. At all times relevant herein set forth, 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 seventy-two (72) hours thereafter, unless the employee has given seventy-two (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.

106. Defendants willfully failed to pay Plaintiffs and class members who are no longer employed by Defendants the earned and unpaid wages set forth above, including but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay, either at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employ.

107. When Plaintiff Castro did receive her final paycheck, it was issued on the subsequent payroll date rather than within seventy-two (72) hours of leaving Defendants' employ, thereby violating Labor Code sections 201 and 202. Additionally, Defendants' final

paycheck to Plaintiff Castro did not include all the necessary withholdings and requisite information, such as total hours worked.

108. Defendants' failure to pay Plaintiffs and class members who are no longer employed by Defendants their wages earned and unpaid at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates Labor Code sections 201 and 202. Plaintiffs and class members are therefore entitled to recover from Defendants the statutory penalty wages for each day they were not paid, at their regular rate of pay, up to a thirty (30) day maximum pursuant to California Labor Code section 203.

EIGHTH CAUSE OF ACTION

Violation of California Labor Code § 204—Failure to Timely Pay Wages During Employment

(Against all Defendants)

109. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

110. This cause of action is dependent upon, and wholly derivative of, the overtime wages, minimum wages, meal and rest period premiums and/or sick leave pay that were not timely paid to Plaintiffs and class members during their employment.

111. At all times relevant herein set forth, Labor Code section 204 provides that all wages earned by any person in any employment between the first (1st) and the fifteenth (15th) days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the sixteenth (16th) and the twenty-sixth (26th) day of the month during which the labor was performed.

112. At all times relevant herein, Labor Code section 204 provides that all wages earned by any person in any employment between the sixteenth (16th) and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the first (1st) and the tenth (10th) day of the following month.

113. At all times relevant herein, Labor Code section 204 provides that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next

regular payroll period. Alternatively, at all times relevant herein, Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

114. During the relevant time period, Defendants willfully failed to pay Plaintiffs and class members all wages due including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay within the time periods specified by California Labor Code section 204.

115. For example, Plaintiff Juric's paychecks were missing as many as eight (8) hours per paycheck, and virtually every pay period was missing some hours. Although Plaintiff Juric reported this repeatedly to management, Defendants failed to correct this. To the extent that Defendants compensated Plaintiffs for this time, it was done on subsequent paychecks. However, under information and belief, these subsequent payments failed to include waiting time penalties.

116. Additionally, Plaintiffs' and class members' paychecks were often not paid on time. Plaintiffs and class members were often told by Defendants that the "checks weren't ready" by the relevant payroll dates, and therefore Plaintiffs and class members were forced to wait for their paychecks.

117. Defendants' failure to pay Plaintiffs and class members all wages due violates Labor Code section 204. Plaintiffs and class members are therefore entitled to recover from Defendants the statutory penalty wages pursuant to California Labor Code section 210.

NINTH CAUSE OF ACTION

Violation of California Labor Code § 2802—Unpaid Business-Related Expenses

(Against all Defendants)

118. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

119. At all times herein set forth, California Labor Code section 2802 provides that an employer must reimburse employees for all necessary expenditures and losses incurred by the

employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order provides that: "[w]hen the employer requires the use of tools or equipment or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may provide and maintain hand tools and equipment customarily required by the trade or craft."

120. During the relevant time period, Plaintiffs and class members were forced to utilize their personal cellular devices' in order to communicate with management (including routes for the day), utilize GPS, and log hours/timekeeping. Plaintiff Juric made numerous complaints about this, but Defendants refused to reimburse her for any cell phone usage whatsoever.

121. Defendants could have reimbursed Plaintiffs and class members for use of their personal mobile devices. Instead, Defendants passed these operating costs off onto Plaintiffs and class members.

122. Defendants' company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred and passing on their operating costs to Plaintiffs and class members violates California Labor Code section 2802. Defendants have intentionally and willfully failed to reimburse Plaintiffs and class members for necessary business-related expenses and costs.

123. Plaintiffs and class members are entitled to recover from Defendants their business-related expenses incurred during the course and scope of their employment, plus interest.

TENTH CAUSE OF ACTION

For Civil Penalties Pursuant to California Labor Code §§ 2698, *et seq.*

(Against All Defendants)

124. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

125. California Labor Code §§ 2698, et seq. ("PAGA") permits Plaintiffs to recover

civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code section 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, and 2802. Labor Code section 2699.3(c) permits aggrieved employees, including Plaintiffs, to recover civil penalties for violations of those Labor Code sections not found in section 2699.5, including sections 516, 1182.12, and 2810.5.

126. Defendant's conduct, as alleged herein, violates numerous sections of the California Labor Code, including, but not limited to, the following:

(a) Violation of Labor Code sections 510 and 1198, and the applicable IWC Wage Order for Defendant's failure to compensate Plaintiffs and other aggrieved employees with all required overtime pay, as alleged herein;

(b) Violation of Labor Code sections 1182.12. 1194, 1197, 1197.1, and 1198, and the applicable IWC Wage Order for Defendant's failure to compensate Plaintiffs and other aggrieved employees with at least minimum wages for all hours worked, as alleged herein;

(c) Violation of Labor Code sections 226.7, 512(a), 516, and 1198, and the applicable IWC Wage Order for Defendant's failure to provide Plaintiffs and other aggrieved employees with meal periods, as alleged herein;

(d) Violation of Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order for Defendant's failure to authorize and permit Plaintiffs and other aggrieved employees to take rest periods, as alleged herein;

(e) Violation of Labor Code sections 226(a) and 1198, and the applicable IWC Wage Order for failure to provide accurate and complete wage statements to Plaintiffs and other aggrieved employees, as alleged herein;

(f) Violation of Labor Code sections 1174(d) and 1198, and the applicable IWC Wage Order for failure to maintain payroll records, as alleged herein;

(g) Violation of Labor Code sections 201 and 202 for failure to pay all earned wages upon termination, as alleged herein;

(h) Violation of Labor Code section 204 for failure to pay all earned wages during employment, as alleged herein;

(i) Violation of Labor Code section 2802 for failure to reimburse Plaintiffs and other aggrieved employees for all business expenses necessarily incurred, as alleged herein; and

(j) Violation of Labor Code section 2810.5 for failure to provide notice of material terms of employment, as set forth below.

127. At all relevant times herein, California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees containing basic and material payroll information, including, among other things, the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Labor Code § 2810.5(a)(1)(A)-(C).

128. At all relevant times, on information and belief, Defendant failed, on a company-wide basis, to provide written notice to Plaintiffs and other aggrieved employees that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). Defendant's failure to provide Plaintiffs and other aggrieved employees with written notice of basic information regarding their employment with Defendant is in violation of California Labor Code section 2810.5. Plaintiffs and other aggrieved employees are therefore entitled to recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g).

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ELEVENTH CAUSE OF ACTION

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

Unlawful Business Practices

(Against all Defendants)

129. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

130. Defendants are "persons" as defined by California Business & Professions Code section 17201, as they are corporations, firms, partnerships, joint stock companies, and/or associations.

131. Defendants' conduct, as alleged herein, has been, and continues to be, unfair, unlawful and harmful to Plaintiffs, class members, and to the general public. Plaintiffs have suffered injury in fact and have lost money as a result of Defendants' unlawful business practices. Plaintiffs seek to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure section 1021.5.

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

133. A violation of California Business & Professions Code sections 17200, *et seq.* may be predicated on the violation of any state or federal law. In the instant case, Defendants' policies and practices have violated state law in at least the following respects:

(a) Requiring non-exempt, hourly paid employees, including Plaintiffs and class members, to work overtime without paying them proper compensation in violation of California Labor Code sections 510 and 1198, and the applicable IWC Wage Order, as alleged herein;

(b) Failing to pay at least minimum wage to Plaintiffs and class members in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, and the applicable IWC Wage Order, as alleged herein;

(c) Failing to provide all meal periods to Plaintiffs and class members in violation of California Labor Code sections 226.7, 512(a), 516, and 1198, and the applicable IWC Wage Order, as alleged herein;

(d) Failing to authorize and permit Plaintiffs and class members to take all rest periods in violation of California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order, as alleged herein;

(e) Failing to pay all split shift premium wages to Plaintiffs and class members in violation of California Labor Code section 558 and the applicable IWC Wage Order, as alleged herein;

(f) Failing to provide Plaintiffs and class members with accurate wage statements and failing to maintain accurate payroll records in violation of California Labor Code sections 226(a), 1174(d), and 1198, and the applicable IWC Wage Order, as alleged herein;

(g) Failing timely to pay all earned wages to Plaintiffs and class members in violation of California Labor Code section 204, as alleged herein;

(h) Failing to reimburse Plaintiffs and class members for all business expenses necessarily incurred in violation of California Labor Code section 2802, as alleged herein; and

(i) Failing to provide written notice of information material to Plaintiffs' and class members' employment with Defendants in violation of California Labor Code section 2810.5(a)(1)(A)-(C), as set forth below.

134. At all relevant times herein, California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees containing basic and material payroll information, including, among other things, the rate(s) of pay and basis thereof, whether paid by

the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances. Labor Code § 2810.5(a)(1)(A)-(C).

135. At all relevant times, on information and belief, Defendants failed, on a company-wide basis, to provide written notice to Plaintiffs and class members that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). Defendants' failure to provide Plaintiffs and class members with written notice of basic information regarding their employment with Defendants is in violation of California Labor Code section 2810.5.

136. As a result of the violations of California law herein described, Defendants unlawfully gained an unfair advantage over other businesses. Plaintiffs and class members have suffered pecuniary loss by Defendants' unlawful business acts and practices alleged herein.

137. Pursuant to California Business & Professions Code sections 17200, *et seq.*, Plaintiffs and 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 the initial complaint; a permanent injunction requiring Defendants to pay all outstanding wages due to Plaintiffs and class members; and an award of attorneys' fees pursuant to California Code of Civil Procedure section 1021.5 and other applicable laws; and an award of costs.

TWELFTH CAUSE OF ACTION

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

Unfair Business Practices

(Against all Defendants)

138. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

139. Defendants are "persons" as defined by California Business & Professions Code section 17201, as they are corporations, firms, partnerships, joint stock companies, and/or associations.

140. Defendants' conduct, as alleged herein, has been, and continues to be, unfair, and harmful to Plaintiffs, class members, and to the general public. Plaintiffs have suffered injury in

fact and have lost money as a result of Defendants' unfair business practices. Plaintiffs seek to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure section 1021.5.

141. Defendants' activities, namely Defendants' company-wide practice and/or policy of not paying Plaintiffs and class members all meal and rest period premiums due to them under Labor Code section 226.7, deprived Plaintiffs and class members of the compensation guarantee and enhanced enforcement implemented by section 226.7. The statutory remedy provided by section 226.7 is a "'dual-purpose' remedy intended primarily to compensate employees, and secondarily to shape employer conduct." *Safeway, Inc. v. Superior Court*, 238 Cal. App. 4th 1138, 1149 (2015). The statutory benefits of section 226.7 were guaranteed to Plaintiffs and class members as part of their employment with Defendants, and thus Defendants' practice and/or policy of denying these statutory benefits constitutes an unfair business practice in violation of California Business & Professions Code sections 17200, *et seq.* (*Id.*)

142. A violation of California Business & Professions Code sections 17200, *et seq.* may be predicated on any unfair business practice. In the instant case, Defendants' policies and practices have violated the spirit of California's meal and rest period laws and constitute acts against the public policy behind these laws.

143. Pursuant to California Business & Professions Code sections 17200, *et seq.*, Plaintiffs and class members are entitled to restitution for the class-wide loss of the statutory benefits implemented by section 226.7 withheld and retained by Defendants during a period that commences four years prior to the filing of the initial complaint; a permanent injunction requiring Defendants to pay all statutory benefits implemented by section 226.7 due to Plaintiffs 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.

REQUEST FOR JURY TRIAL

Plaintiffs request a trial by jury.

PRAYER FOR RELIEF

Plaintiffs, on behalf of all others similarly situated, pray for relief and judgment against

Defendants, jointly and severally, as follows:

1. For damages, unpaid wages, penalties, injunctive relief, and attorneys' fees in excess of thirty-five thousand dollars ($35,000), exclusive of interest and costs. Plaintiffs reserve the right to amend their prayer for relief to seek a different amount.

Class Certification

2. That this case be certified as a class action;

3. That Plaintiffs be appointed as the representatives of the Class and Subclass;

4. That counsel for Plaintiffs be appointed as class counsel.

As to the First Cause of Action

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

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

7. For pre-judgment interest on any unpaid overtime compensation commencing from the date such amounts were due, or as otherwise provided by law;

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

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

As to the Second Cause of Action

10. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198, and the applicable IWC Wage Order by willfully failing to pay minimum wages to Plaintiffs and class members;

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

12. For pre-judgment interest on any unpaid compensation from the date such amounts were due, or as otherwise provided by law;

13. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to

California Labor Code section 1194(a);

14. For liquidated damages pursuant to California Labor Code section 1194.2; 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, 512(a), 516, and 1198, and the applicable IWC Wage Order by willfully failing to provide all meal periods to Plaintiffs and class members;

17. That the Court make an award to the Plaintiffs and class members of one (1) hour of pay at each employee's regular rate of pay for each workday that a meal period was not provided;

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

19. For premiums pursuant to California Labor Code section 226.7(c);

20. For pre-judgment interest on any unpaid meal period premiums from the date such amounts were due, or as otherwise provided by law;

21. For attorneys' fees pursuant to California Code of Civil Procedure section 1021.5, or as otherwise provided by law; and

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

As to the Fourth Cause of Action

23. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 226.7, 516, and 1198, and the applicable IWC Wage Order by willfully failing to authorize and permit Plaintiffs and class members to take all rest periods;

24. That the Court make an award to the Plaintiffs and class members of one (l) hour of pay at each employee's regular rate of pay for each workday that a rest period was not authorized and permitted;

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

26. For premiums pursuant to California Labor Code section 226.7(c);

27. For pre-judgment interest on any unpaid rest period premiums from the date such

amounts were due, or as otherwise provided by law;

28. For attorneys' fees pursuant to California Code of Civil Procedure section 1021.5, or as otherwise provided by law; and

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

As to the Fifth Cause of Action

30. That the Court declare, adjudge and decree that Defendants violated California Labor Code section 558 and the applicable IWC Wage Order by willfully failing to pay all split shift premium wages owed to Plaintiffs and class members;

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

32. For premiums pursuant to California Labor Code section 558 and IWC Wage Order 9, section 4(c);

33. For pre-judgment interest on any unpaid split shift premiums from the date such amounts were due, or as otherwise provided by law;

34. For attorneys' fees pursuant to California Code of Civil Procedure section 1021.5, or as otherwise provided by law; and

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

As to the Sixth Cause of Action

36. That the Court declare, adjudge and decree that Defendants violated the recordkeeping provisions of California Labor Code section 226(a) and the applicable IWC Wage Order as to Plaintiffs and Subclass members, and willfully failed to provide accurate itemized wage statements thereto;

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

38. For injunctive relief pursuant to California Labor Code section 226(h);

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

40. For attorneys' fees and costs pursuant to California Labor Code section 226(e)(1); and

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

As to the Seventh Cause of Action

42. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 201 and 202 by willfully failing to pay overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay owed at the time of termination of the employment of Plaintiffs and other terminated class members;

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

44. For waiting time penalties according to proof pursuant to California Labor Code section 203 for all employees who have left Defendants' employ;

45. For pre-judgment interest on any unpaid wages from the date such amounts were due, or as otherwise provided by law;

46. For attorneys' fees pursuant to California Code of Civil Procedure section 1021.5, or as otherwise provided by law; and

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

As to the Eighth Cause of Action

48. That the Court declare, adjudge and decree that Defendants violated California Labor Code section 204 by willfully failing to timely pay Plaintiffs and class members overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay, during their employment;

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

50. For statutory penalties according to proof pursuant to California Labor Code section 210;

51. For pre-judgment interest on any unpaid wages from the date such amounts were due, or as otherwise provided by law;

52. For attorneys' fees pursuant to California Code of Civil Procedure section 1021.5, or as otherwise provided by law; and

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

As to the Ninth Cause of Action

54. That the Court declare, adjudge and decree that Defendants violated California

Labor Code section 2802 by willfully failing to reimburse and/or indemnify all business-related expenses and costs incurred by Plaintiffs and class members;

55. For unpaid business-related expenses and such general and special damages as may be appropriate;

56. For pre-judgment interest on any unpaid business-related expenses from the date such amounts were due, or as otherwise provided by law;

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

58. For attorneys' fees and costs pursuant to California Labor Code section 2802(c), or as otherwise provided by law; and

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

As to the Tenth Cause of Action

60. That the Court declare, adjudge and decree that Defendants violated the following California Labor Code provisions as to Plaintiffs and/or other aggrieved employees: 510 and 1198 (by failing to pay all overtime compensation); 1182.12, 1194, 1197, 1197.1, and 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516, and 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage statements and maintain accurate payroll records); 201 and 202 (by failing to timely pay all earned wages upon termination); 204 (by failing to timely pay all earned wages during employment); 2802 (by failing to reimburse business expenses; and 2810.5 (by failing to provide notice of material terms of employment);

61. For civil penalties pursuant to the California Labor Code, including sections 210, 226.3, 256, 558, 1174.5, 2699(a), (f), and (g), for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802, and 2810.5;

62. For attorneys' fees and costs pursuant to California Labor Code section 2699(g)(1), and any and all other relevant statutes, for Defendants' violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1,

1198, 2802, and 2810.5;

63. For pre-judgment and post-judgment interest as provided by law; and

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

As to the Eleventh Cause of Action

65. That the Court declare, adjudge and decree that Defendants' conduct of failing to provide Plaintiffs and class members all overtime wages due to them, failing to provide Plaintiffs and class members all minimum wages due to them, failing to authorize and permit Plaintiffs and class members to take all rest periods, failing to pay Plaintiffs and class members all split shift premium wages due to them, failing to provide Plaintiffs and class members accurate and complete wage statements, failing to maintain accurate payroll records for Plaintiffs and class members, failing to timely pay Plaintiffs and class members all earned wages during employment, failing to reimburse Plaintiffs and class members for business-related expenses, and failing to provide written notice of material terms of employment, constitutes an unlawful business practice in violation of California Business and Professions Code sections 17200, *et seq.*;

66. For restitution of unpaid wages to Plaintiffs and all class members and prejudgment interest from the day such amounts were due and payable;

67. 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 & Professions Code sections 17200, *et seq.*;

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

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

As to the Twelfth Cause of Action

70. That the Court declare, adjudge and decree that Defendants' conduct of denying Plaintiffs and class members the statutory benefits guaranteed under section 226.7 constitutes an unfair business practice in violation of California Business and Professions Code sections 17200,

et seq.;

71. For restitution of the statutory benefits under section 226.7 unfairly withheld from Plaintiffs and class members and prejudgment interest from the day such amounts were due and payable;

72. 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 & Professions Code sections 17200, *et seq.*;

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

74. For pre-judgment and post-judgment interest as provided by law; and

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

Dated: September 4, 2025

BROCK & GONZALES, LLP
CLAYTON | BRANDES

By: ______________________
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Joseph D. Parsons
Attorneys for Plaintiffs Maria Castro & Rachel Juric

EXHIBIT 1

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June 30, 2025

VIA ONLINE SUBMISSION

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(https://dir.tfaforms.net/308)

Subject: *Maria Castro et al. v. HBX, LLC, et al.*

Dear PAGA Administrator:

This office represents Maria Castro and Rachel Juric in connection with their claims under the California Labor Code. Ms. Castro and Ms. Juric were employees of HBX, LLC; Crow Enterprises LLC; and Peyton's Place Vocational LLC (collectively, "HBX").

The employers may be contacted directly at the address below:

HBX, LLC
44045 MARGARITA RD, STE 205
TEMECULA, CA 92592

CROW ENTERPRISES, LLC
44045 MARGARITA RD, STE 205
TEMECULA, CA 92592

PEYTON'S PLACE VOCATIONAL LLC
44045 MARGARITA RD, STE 205
TEMECULA, CA 92592

Ms. Castro and Ms. Juric intend to seek civil penalties, attorney's fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Ms. Castro and Ms. Juric seek relief on behalf of themselves, the State of California, and other persons who are or were employed by HBX in California as non-exempt, hourly paid employees and who received at least one wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

HBX employed Ms. Castro as an hourly paid, non-exempt employee from approximately September 2023 to July 2, 2024, and employed Ms. Juric as an hourly paid non-exempt employee from approximately early 2023-early 2024. Ms. Castro and Ms. Juric both worked as drivers for handicapped patients. During their employment, Ms. Castro and Ms. Juric both typically worked 8-12 hours per day and 5-6 days per week. Their job duties included, without limitation, safely operating vehicles, assisting passengers, and ensuring timely, secure, and respectful transport while maintaining required logs and vehicle safety.

HBX has committed one or more of the following Labor Code violations against Ms. Castro and Ms. Juric, the facts and theories of which follow, making them "aggrieved employees" pursuant to California Labor Code section 2699(c):[1]

<u>HBX's Company-Wide and Uniform Payroll and HR Practices</u>

HBX, LLC is a California Limited Liability Company. Crow Enterprises LLC is a California Limited Liability Company. Peyton's Place Vocational LLC is a California Limited Liability Company. Upon information and belief, HBX maintains a single, centralized Human Resources (HR) department at its company headquarters in Temecula, California, for all non-exempt, hourly paid employees working for HBX in California, including Ms. Castro, Ms. Juric, and other aggrieved employees. At all relevant times, HBX issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Ms. Castro, Ms. Juric, and other aggrieved employees, regardless of their location or position.

Upon information and belief, HBX maintains a centralized Payroll department at its company headquarters in Temecula, California, which processes payroll for all non-exempt, hourly paid employees working for HBX in California, including Ms. Castro, Ms. Juric, and other aggrieved employees. Further, HBX issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees working in California, including Ms. Castro, Ms. Juric, and other aggrieved employees, irrespective of their location, position, or manner in which each employee's employment ended. In other words, HBX utilized the same methods and formulas when calculating wages due to Ms. Castro, Ms. Juric, and other aggrieved employees in California.

<u>Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime</u>

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission

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1 These facts, theories, and claims are based on Ms. Castro and Ms. Juric'ss experience and counsel's review of those records currently available relating to their employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law's requirements, the employer misinformed its employee of the law's requirements, or because the employer effectively hid the violations). Thus, Ms. Castro and Ms. Juric reserve the right to supplement this letter with additional facts, theories, and claims if they become aware of them subsequent to the submission of this letter.

("IWC") Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

HBX willfully failed to pay all overtime wages owed to Ms. Castro, Ms. Juric, and other aggrieved employees. During the relevant time period, Ms. Castro, Ms. Juric, and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

First, during the relevant period, HBX paid Ms. Castro, Ms. Juric, and other aggrieved employees for overtime hours on separate checks that failed to comply with wage and hour laws. Specifically, these overtime payments were not made at one-and-a-half times the employees' regular rate of pay. Instead, HBX paid overtime hours at the employees' base hourly rate, in violation of California labor laws.

Second, under information and belief, HBX's timekeeping and payroll practices failed to capture and compensate all hours worked by Ms. Castro, Ms. Juric, and other similarly situated employees. HBX routinely failed to include all hours on employees' wage statements, and the overtime checks issued lacked transparency and completeness. Ms. Castro reported these discrepancies to management, but her concerns were ignored. Because Ms. Castro, Ms. Juric, and other aggrieved employees regularly worked more than forty (40) hours per week, the omitted hours often qualified for overtime pay. As a result, HBX failed to pay all overtime wages owed for the actual hours these employees worked.

HBX's failure to pay Ms. Castro, Ms. Juric, and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 9-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code Regs. tit. 8, § 11090(2)(H) (defining "Hours Worked").

As set forth above, under information and belief, HBX's timekeeping and payroll practices failed to capture and compensate all hours worked by Ms. Castro, Ms. Juric, and other similarly situated employees. HBX routinely failed to include all hours on employees' wage statements, and the overtime checks issued lacked transparency and completeness. Ms. Castro reported these discrepancies to management, but her concerns were ignored. To the extent that these off-the-clock hours did not qualify for overtime premium payment, HBX did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, HBX regularly failed to pay at least minimum wages to Ms. Castro, Ms. Juric, and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

As set forth above, on information and belief, HBX had, and continues to have, a company-wide policy and/or practice of understaffing while assigning heavy workloads, resulting in a failure to provide Ms. Castro, Ms. Juric, and other aggrieved employees with adequate meal period coverage. As a result, HBX consistently failed to provide compliant meal periods. Moreover, single staffing (i.e., one driver per van) prevented Ms. Castro, Ms. Juric, and other aggrieved employees from taking compliant meal periods.

On information and belief, HBX engaged in a company-wide practice and/or policy of not paying meal period premiums owed when compliant meal periods were not provided. Because of this practice and/or policy, Ms. Castro, Ms. Juric, and other aggrieved employees have not received premium pay for missed, late, and/or interrupted meal periods.

HBX's conduct violates the applicable IWC Wage Order, and California Labor Code sections 226.7, 512(a), 516, and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are therefore entitled to recover from HBX one (1) additional hour of pay at the employee's regular rate of compensation for each work day that the meal period was not provided.

Accordingly, HBX failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198 and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, HBX regularly failed to authorize and permit Ms. Castro, Ms. Juric, and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, HBX's company-wide practices, including understaffing and assigning heavy workloads, prevented Ms. Castro, Ms. Juric, and other aggrieved employees from being relieved of all duty to take compliant rest periods. Moreover, HBX failed to schedule rest periods, which, coupled with HBX' failure to provide adequate rest period coverage, further led to Ms. Castro, Ms. Juric, and other aggrieved employees not being authorized and permitted to take compliant rest periods. Finally, even when Ms. Castro, Ms. Juric, and other aggrieved employees may have had downtime to "rest," they did not receive compliant rest periods because they needed to keep an eye on patients.

As a result of HBX's practices and policies, Ms. Castro, Ms. Juric, and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled.

HBX has also engaged in a company-wide practice and/or policy of not paying rest period premiums owed when rest periods are not authorized and permitted. Because of this practice and/or policy, Ms. Castro, Ms. Juric, and other aggrieved employees have not received premium pay for all missed rest periods.

Accordingly, HBX failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

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Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. HBX has not provided Ms. Castro, Ms. Juric, and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or $50 for the initial pay period in which a violation occurs and $100 per employee for each violation in a subsequent pay period, not to exceed $4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of $250 per employee per violation in an initial citation and $1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, HBX has knowingly and intentionally provided Ms. Castro, Ms. Juric, and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, HBX issued uniform wage statements to Ms. Castro, Ms. Juric, and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate. Specifically, HBX violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because HBX did not record all the time that Ms. Castro, Ms. Juric, and other aggrieved employees spent working , HBX did not list the correct amount of gross wages and net wages earned by Ms. Castro, Ms. Juric, and other aggrieved employees, in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, HBX failed to accurately list the total number of the hours worked by Ms. Castro, Ms. Juric, and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock

California Labor Code section 1174(d) provides that "[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors" and "[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments . . . ." At all relevant times, and in violation of Labor Code section 1174(d), HBX willfully failed to maintain accurate payroll records for Ms. Castro, Ms. Juric, and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that "[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful." Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, HBX engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Ms. Castro, Ms. Juric, and other aggrieved employees, in violation of section 1198. Furthermore, in light of HBX's failure to provide other aggrieved employees with second 30-minute meal periods to which they were entitled, HBX kept no records of meal start and end times for second meal periods.

Because HBX failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Ms. Castro, Ms. Juric, and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Ms. Castro, Ms. Juric, and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)-(g).

<u>Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment</u>

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, HBX failed to pay Ms. Castro, Ms. Juric, and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay, within any time period specified by California Labor Code section 204.

Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 201 and 202 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours 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.

HBX willfully failed to pay Ms. Castro, Ms. Juric, and other aggrieved employees who are no longer employed by HBX all their earned wages, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay, either at the time of discharge, or within seventy-two (72) hours of their leaving HBX's employ.

Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 256 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc*., 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 16-2001, provides that: "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft."

During the relevant time period, Ms. Castro, Ms. Juric, and other aggrieved employees were forced to utilize their personal cellular devices' in order to communicate with management (including routes for the day), utilize GPS, and log hours/timekeeping. HBX could have reimbursed Ms. Castro, Ms. Juric, and other aggrieved employees for use of their personal mobile devices. Instead, HBX passed these operating costs off onto Ms. Castro, Ms. Juric, and other aggrieved employees.

Thus, HBX had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred and passing on their operating costs to Ms. Castro, Ms. Juric, and other aggrieved employees violates California Labor Code section 2802. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 2810.5(a)(1)(A)-(C) – Failure to Provide Notice of Material Terms of Employment

California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances.

During the relevant time period, on information and belief, HBX failed, on a company-wide basis, to provide written notice to Ms. Castro, Ms. Juric, and other aggrieved employees that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). HBX's failure to provide Ms. Castro, Ms. Juric, and other aggrieved employees with written notice of basic information regarding their employment with HBX is in violation of California Labor Code section 2810.5.

Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

California Labor Code § 558(a)

California Labor Code section 558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid. . . . (2) For each subsequent violation, one hundred dollars ($100) for each underpaid employee for each pay period for which the employee was underpaid. . . ." Labor Code section 558(c) provides that "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." HBX, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Ms. Castro's, Ms. Juric's, and other aggrieved employees' rights by violating various sections of the California Labor Code.

Accordingly, Ms. Castro and Ms. Juric seek the remedies set forth in Labor Code section 558 for herself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558, Ms. Castro and Ms. Juric, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for herself, all other aggrieved employees, and the State of California against HBX for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Therefore, on behalf of all aggrieved employees, Ms. Castro and Ms. Juric seeks all applicable penalties related to these violations of the California Labor Code pursuant to PAGA.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Joseph D. Parsons
Brock & Gonzales, LLP
6701 Center Dr. W., Ste. 610
Los Angeles, CA 90045-1597
(310) 492-5139

Best Regards,

Joseph D. Parsons

Copy: HBX, LLC; Crow Enterprises, LLC; and Peyton’s Place Vocational LLC (via U.S. Certified Mail)

EXHIBIT 2

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July 8, 2025

<u>VIA ONLINE SUBMISSION</u>

California Labor & Workforce Development Agency
ATTN: PAGA Administrator
(https://dir.tfaforms.net/308)

Subject: *Maria Castro et al. v. HBX, LLC, et al.*
LWDA Case No. LWDA-CM-1108939-25 – AMENDED NOTICE

Dear PAGA Administrator:

This office represents Maria Castro and Rachel Juric in connection with their claims under the California Labor Code. Ms. Castro and Ms. Juric were employees of HBX, LLC; Crow Enterprises LLC; and Peyton's Place Vocational LLC (collectively, "HBX"). We previously provided notice of Ms. Castro and Ms. Juric's claims to the California Labor and Workforce Development Agency ("LWDA") on July 1, 2025, and submitted the applicable filing fee pursuant to Labor Code section 2699.3(a)(1)(B). This amended notice supplements Ms. Castro and Ms. Juric's prior LWDA notice and is intended to clarify the facts and theories supporting their claims

The employers may be contacted directly at the address below:

HBX, LLC
44045 MARGARITA RD, STE 205
TEMECULA, CA 92592

CROW ENTERPRISES, LLC
44045 MARGARITA RD, STE 205
TEMECULA, CA 92592

PEYTON'S PLACE VOCATIONAL LLC
44045 MARGARITA RD, STE 205
TEMECULA, CA 92592

Ms. Castro and Ms. Juric intend to seek civil penalties, attorney's fees, costs, and other available relief for violations of the California Labor Code, which are recoverable under sections 2698, *et seq.*, the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Ms. Castro and Ms. Juric seek relief on behalf of themselves, the State of California, and other persons who are or were employed by HBX in California as non-exempt, hourly paid employees and who received at least one wage statement ("aggrieved employees"). This letter is sent in compliance with the notice and reporting requirements of California Labor Code section 2699.3.

HBX employed Ms. Castro as an hourly paid, non-exempt employee from approximately September 2023 to July 2, 2024, and employed Ms. Juric as an hourly paid non-exempt employee from approximately early 2023-early 2024. Ms. Castro and Ms. Juric both worked as drivers for handicapped patients. During their employment, Ms. Castro and Ms. Juric both typically worked 8-12 hours per day and 5-6 days per week. Their job duties included, without limitation, safely operating vehicles, assisting passengers, and ensuring timely, secure, and respectful transport while maintaining required logs and vehicle safety.

HBX has committed one or more of the following Labor Code violations against Ms. Castro and Ms. Juric, the facts and theories of which follow, making them "aggrieved employees" pursuant to California Labor Code section 2699(c):[1]

<u>HBX's Company-Wide and Uniform Payroll and HR Practices</u>

HBX, LLC is a California Limited Liability Company. Crow Enterprises LLC is a California Limited Liability Company. Peyton's Place Vocational LLC is a California Limited Liability Company. Upon information and belief, HBX maintains a single, centralized Human Resources (HR) department at its company headquarters in Temecula, California, for all non-exempt, hourly paid employees working for HBX in California, including Ms. Castro, Ms. Juric, and other aggrieved employees. At all relevant times, HBX issued and maintained uniform, standardized scheduling and timekeeping practices and procedures for all non-exempt, hourly paid employees in California, including Ms. Castro, Ms. Juric, and other aggrieved employees, regardless of their location or position.

Upon information and belief, HBX maintains a centralized Payroll department at its company headquarters in Temecula, California, which processes payroll for all non-exempt, hourly paid employees working for HBX in California, including Ms. Castro, Ms. Juric, and other aggrieved employees. Further, HBX issues the same formatted wage statements in the same manner for all non-exempt, hourly paid employees working in California, including Ms. Castro, Ms. Juric, and other aggrieved employees, irrespective of their location, position, or manner in which each employee's employment ended. In other words, HBX utilized the same methods and formulas when calculating wages due to Ms. Castro, Ms. Juric, and other aggrieved employees in California.

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1 These facts, theories, and claims are based on Ms. Castro and Ms. Juric's experience and counsel's review of those records currently available relating to their employment. Discovery conducted in litigation of wage and hour claims such as these often reveals additional claims that the aggrieved employee was not initially aware of (because the aggrieved employee was not aware of the law's requirements, the employer misinformed its employee of the law's requirements, or because the employer effectively hid the violations). Thus, Ms. Castro and Ms. Juric reserve the right to supplement this letter with additional facts, theories, and claims if they become aware of them subsequent to the submission of this letter.

Violation of California Labor Code §§ 510 and 1198 – Unpaid Overtime

California Labor Code sections 510 and 1198 and the applicable Industrial Welfare Commission ("IWC") Wage Order require employers to pay employees working more than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-and-one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek. The applicable IWC Wage Order further provides that employers are required to pay employees working more than twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay.

HBX willfully failed to pay all overtime wages owed to Ms. Castro, Ms. Juric, and other aggrieved employees. During the relevant time period, Ms. Castro, Ms. Juric, and other aggrieved employees were not paid overtime premiums for all of the hours they worked in excess of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40) hours in a week, because all hours that they worked were not recorded.

First, during the relevant period, HBX paid Ms. Castro, Ms. Juric, and other aggrieved employees for overtime hours on separate checks that failed to comply with wage and hour laws. Specifically, these overtime payments were not made at one-and-a-half times the employees' regular rate of pay. Instead, HBX paid overtime hours at the employees' base hourly rate, in violation of California labor laws.

Second, under information and belief, HBX's timekeeping and payroll practices failed to capture and compensate all hours worked by Ms. Castro, Ms. Juric, and other similarly situated employees. HBX routinely failed to include all hours on employees' wage statements, and the overtime checks issued lacked transparency and completeness. Ms. Castro reported these discrepancies to management, but her concerns were ignored. Because Ms. Castro, Ms. Juric, and other aggrieved employees regularly worked more than forty (40) hours per week, the omitted hours often qualified for overtime pay. As a result, HBX failed to pay all overtime wages owed for the actual hours these employees worked.

HBX's failure to pay Ms. Castro, Ms. Juric, and other aggrieved employees the balance of overtime compensation, as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 – Unpaid Minimum Wages

California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 require employers to pay employees the minimum wage fixed by the IWC. The payment of a lesser wage than the minimum so fixed is unlawful. Compensable work time is defined in IWC Wage Order No. 9-2001 as "the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Cal. Code Regs. tit. 8, § 11090(2)(H) (defining "Hours Worked").

As set forth above, under information and belief, HBX's timekeeping and payroll practices failed to capture and compensate all hours worked by Ms. Castro, Ms. Juric, and other similarly situated employees. HBX routinely failed to include all hours on employees' wage statements, and the overtime checks issued lacked transparency and completeness. Ms. Castro reported these discrepancies to management, but her concerns were ignored. To the extent that these off-the-clock hours did not qualify for overtime premium payment, HBX did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

Accordingly, HBX regularly failed to pay at least minimum wages to Ms. Castro, Ms. Juric, and other aggrieved employees for all of the hours they worked in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 1197.1 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 – Failure to Provide Meal Periods

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (2012). Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an employee one (1) additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

As set forth above, on information and belief, HBX had, and continues to have, a company-wide policy and/or practice of understaffing while assigning heavy workloads, resulting in a failure to provide Ms. Castro, Ms. Juric, and other aggrieved employees with adequate meal period coverage. As a result, HBX consistently failed to provide compliant meal periods. Moreover, single staffing (i.e., one driver per van) prevented Ms. Castro, Ms. Juric, and other aggrieved employees from taking compliant meal periods.

On information and belief, HBX engaged in a company-wide practice and/or policy of not paying meal period premiums owed when compliant meal periods were not provided. Because of this practice and/or policy, Ms. Castro, Ms. Juric, and other aggrieved employees have not received premium pay for missed, late, and/or interrupted meal periods.

HBX's conduct violates the applicable IWC Wage Order, and California Labor Code sections 226.7, 512(a), 516, and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are therefore entitled to recover from HBX one (1) additional hour of pay at the employee's regular rate of compensation for each work day that the meal period was not provided.

Accordingly, HBX failed to provide all meal periods in violation of California Labor Code sections 226.7, 512(a), 516, and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226.7, 516, and 1198 – Failure to Authorize and Permit Rest Periods

California Labor Code sections 226.7, 516, and 1198 and the applicable IWC Wage Order require employers to provide rest periods and to pay an employee one (1) additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC. The applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily work time is less than three and one-half (3 ½) hours.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must "relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest." *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 273 (2016).

During the relevant time period, HBX regularly failed to authorize and permit Ms. Castro, Ms. Juric, and other aggrieved employees to take a ten (10) minute rest period per each four (4) hour period worked or major fraction thereof. As with meal periods, HBX's company-wide practices, including understaffing and assigning heavy workloads, prevented Ms. Castro, Ms. Juric, and other aggrieved employees from being relieved of all duty to take compliant rest periods. Moreover, HBX failed to schedule rest periods, which, coupled with HBX' failure to provide adequate rest period coverage, further led to Ms. Castro, Ms. Juric, and other aggrieved employees not being authorized and permitted to take compliant rest periods. Finally, even when Ms. Castro, Ms. Juric, and other aggrieved employees may have had downtime to "rest," they did not receive compliant rest periods because they needed to keep an eye on patients.

As a result of HBX's practices and policies, Ms. Castro, Ms. Juric, and other aggrieved employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted rest periods to which they were entitled.

HBX has also engaged in a company-wide practice and/or policy of not paying rest period premiums owed when rest periods are not authorized and permitted. Because of this practice and/or policy, Ms. Castro, Ms. Juric, and other aggrieved employees have not received premium pay for all missed rest periods.

Accordingly, HBX failed to authorize and permit all rest periods in violation of California Labor Code sections 226.7, 516, and 1198. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 558 and IWC Wage Order 9, Section 4(c) – Unpaid Split Shift Premium Wages

California Labor Code section 558 provides for penalties when minimum wage and overtime and hours worked regulations found in the IWC Wage Orders are violated. IWC Wage Order 9, section 4(c) requires the payment of one (1) extra hour of pay when an employee is scheduled for a split shift. The IWC Wage Order states, "When an employee works a split shift, one (1) hour's pay at the minimum wage shall be paid in addition to the minimum wage for that workday, except when the employee resides at the place of employment."

On information and belief, HBX had and continues to have a policy and practice of scheduling drivers to drive in the morning, leave for two or more hours, and then return to drive in the afternoon or evening, resulting in schedules with split shifts. However, HBX does not pay split shift premiums as required by the IWC Wage Order 9.

Accordingly, HBX regularly failed to pay all split shift premium wages owed to Ms. Castro, Ms. Juric, and other aggrieved employees for all split shifts worked in violation of California Labor Code sections 558 and the IWC Wage Order 9, section 4(c). Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 558 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 226(a), 1174(d), and 1198 – Non-Compliant Wage Statements and Failure to Maintain Accurate Payroll Records

California Labor Code section 226(a) requires employers to make, keep and provide true, accurate, and complete employment records. HBX has not provided Ms. Castro, Ms. Juric, and other aggrieved employees with properly itemized wage statements. Labor Code section 226(e) provides that if an employer fails to comply with providing an employee with properly itemized wage statements as set forth in 226(a), then the employee is entitled to recover the greater of all actual damages or $50 for the initial pay period in which a violation occurs and $100 per employee for each violation in a subsequent pay period, not to exceed $4,000. Further, Labor Code section 226.3 provides that any employer who violates section 226(a) shall be subject to a civil penalty in the amount of $250 per employee per violation in an initial citation and $1,000 per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage statement or fails to keep the required records pursuant to Section 226(a).

During the relevant time period, HBX has knowingly and intentionally provided Ms. Castro, Ms. Juric, and other aggrieved employees with uniform, incomplete, and inaccurate wage statements. For example, HBX issued uniform wage statements to Ms. Castro, Ms. Juric, and other aggrieved employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; and all applicable hourly rates in effect during the pay period, including rates of pay for overtime wages, meal and rest period premiums, and/or paid sick leave, and the corresponding number of hours worked at each hourly rate. Specifically, HBX violated sections 226(a)(1), 226(a)(2), 226(a)(5), and 226(a)(9).

Because HBX did not record all the time that Ms. Castro, Ms. Juric, and other aggrieved employees spent working , HBX did not list the correct amount of gross wages and net wages earned by Ms. Castro, Ms. Juric, and other aggrieved employees, in compliance with section 226(a)(1) and section 226(a)(5), respectively. For the same reason, HBX failed to accurately list the total number of the hours worked by Ms. Castro, Ms. Juric, and other aggrieved employees, in violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of section 226(a)(9).

The wage statement deficiencies also include, among other things, failing to list the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; failing to list all deductions; failing to list the inclusive dates of the period for which employees were paid; failing to list the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; failing to list the name and address of the legal entity that is the employer; and/or failing to state all hours worked as a result of not recording or stating hours worked off-the-clock.

California Labor Code section 1174(d) provides that "[e]very person employing labor in this state shall . . . [k]eep a record showing the names and addresses of all employees employed and the ages of all minors" and "[k]eep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments . . . ." At all relevant times, and in violation of Labor Code section 1174(d), HBX willfully failed to maintain accurate payroll records for Ms. Castro, Ms. Juric, and other aggrieved employees showing the daily hours they worked and the wages paid thereto as a result of failing to record the off-the-clock hours that they worked.

California Labor Code section 1198 provides that the maximum hours of work and the standard conditions of labor shall be those fixed by the Labor Commissioner and as set forth in the applicable IWC Wage Order. Section 1198 further provides that "[t]he employment of any employees for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful." Pursuant to the applicable IWC Wage Order, employers are required to keep accurate time records showing when the employee begins and ends each work period and meal period. During the relevant time period, HBX engaged in company-wide practices and/or policies of failing to record actual hours worked, and thereby failed to keep accurate records of work period and meal period start and end times for Ms. Castro, Ms. Juric, and other aggrieved employees, in violation of section 1198. Furthermore, in light of HBX's failure to provide other aggrieved employees with second 30-minute meal periods to which they were entitled, HBX kept no records of meal start and end times for second meal periods.

Because HBX failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, Ms. Castro, Ms. Juric, and other aggrieved employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, Ms. Castro, Ms. Juric, and other aggrieved employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, thereby causing them injury.

Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon pursuant to Labor Code sections 226.3, 1174.5, and/or 2699(a), (f)-(g).

Violation of California Labor Code § 204 – Failure to Timely Pay Wages During Employment

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. Alternatively, California Labor Code section 204 provides that the requirements of this section are deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven (7) calendar days following the close of the payroll period.

During the relevant time period, HBX failed to pay Ms. Castro, Ms. Juric, and other aggrieved employees all wages due to them, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay, within any time period specified by California Labor Code section 204.

Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 210 and/or 2699(a), (f)-(g).

Violation of California Labor Code §§ 201 and 202 – Failure to Timely Pay Final Wages Upon Termination

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours 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.

HBX willfully failed to pay Ms. Castro, Ms. Juric, and other aggrieved employees who are no longer employed by HBX all their earned wages, including, but not limited to, overtime wages, minimum wages, meal and rest period premiums, and/or sick leave pay, either at the time of discharge, or within seventy-two (72) hours of their leaving HBX's employ.

Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 256 and/or 2699(a), (f)-(g).

Violation of California Labor Code § 2802 – Unreimbursed Business Expenses

California Labor Code section 2802 requires employers to pay for all necessary expenditures and losses incurred by the employee in the performance of his or her job. The purpose of Labor Code section 2802 is to prevent employers from passing off their cost of doing business and operating expenses on to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144 (2014). The applicable wage order, IWC Wage Order No. 16-2001, provides that: "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft."

During the relevant time period, Ms. Castro, Ms. Juric, and other aggrieved employees were forced to utilize their personal cellular devices' in order to communicate with management (including routes for the day), utilize GPS, and log hours/timekeeping. HBX could have reimbursed Ms. Castro, Ms. Juric, and other aggrieved employees for use of their personal mobile devices. Instead, HBX passed these operating costs off onto Ms. Castro, Ms. Juric, and other aggrieved employees.

Thus, HBX had, and continues to have, a company-wide policy and/or practice of not reimbursing employees for expenses necessarily incurred and passing on their operating costs to Ms. Castro, Ms. Juric, and other aggrieved employees violates California Labor Code section 2802. Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

Violation of California Labor Code § 2810.5(a)(1)(A)-(C) – Failure to Provide Notice of Material Terms of Employment

California's Wage Theft Prevention Act was enacted to ensure that employers provide employees with basic information material to their employment relationship at the time of hiring, and to ensure that employees are given written and timely notice of any changes to basic information material to their employment. Codified at California Labor Code section 2810.5, the Wage Theft Prevention Act provides that at the time of hiring, an employer must provide written notice to employees of the rate(s) of pay and basis thereof, whether paid by the hour, shift, day, week, salary, piece, commission, or otherwise, including any rates for overtime, the regular payday designated by the employer, and any allowances claims as part of the minimum wage, including meal or lodging allowances.

During the relevant time period, on information and belief, HBX failed, on a company-wide basis, to provide written notice to Ms. Castro, Ms. Juric, and other aggrieved employees that lists the requisite information set forth in Labor Code section 2810.5(a)(1)(A)-(C). HBX's failure to provide Ms. Castro, Ms. Juric, and other aggrieved employees with written notice of basic information regarding their employment with HBX is in violation of California Labor Code section 2810.5.

Ms. Castro, Ms. Juric, and other aggrieved employees are entitled to recover civil penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code sections 2699(a), (f)-(g).

California Labor Code § 558(a)

California Labor Code section 558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid. . . . (2) For each subsequent violation, one hundred dollars ($100) for each underpaid employee for each pay period for which the employee was underpaid. . . ." Labor Code section 558(c) provides that "[t]he civil penalties provided for in this section are in addition to any other civil or criminal penalty provided by law." HBX, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated Ms. Castro's, Ms. Juric's, and other aggrieved employees' rights by violating various sections of the California Labor Code.

Accordingly, Ms. Castro and Ms. Juric seek the remedies set forth in Labor Code section 558 for herself, the State of California, and all other aggrieved employees. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558, Ms. Castro and Ms. Juric, acting in the public interest as a private attorney general, seeks assessment and collection of civil penalties for herself, all other aggrieved employees, and the State of California against HBX for violations of California Labor Code sections 201, 202, 204, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

Therefore, on behalf of all aggrieved employees, Ms. Castro and Ms. Juric seeks all applicable penalties related to these violations of the California Labor Code pursuant to PAGA.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Joseph D. Parsons
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(310) 492-5139

Best Regards,

Joseph D. Parsons

Copy: HBX, LLC; Crow Enterprises, LLC; and Peyton's Place Vocational LLC (via U.S. Certified Mail)