Nicholas J. Ferraro (State Bar No. 306528)
Lauren N. Vega (State Bar No. 306525)
Mariela R. Romo (State Bar No. 341657)
Ferraro Vega Employment Lawyers, Inc.
3333 Camino del Rio South, Suite 300
San Diego, California 92108
(619) 693-7727 main / (619) 350-6855 fax
nick@ferrarovega.com / lauren@ferrarovega.com / mariela@ferrarovega.com

Attorneys for Plaintiff Haven Ransom

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
9/4/2025 5:27:44 PM

Clerk of the Superior Court
By M. Estrada ,Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

HAVEN RANSOM, on behalf of others similarly situated and the State of California under the Private Attorneys General Act,

Plaintiff,

vs.

TAPESTRY, INC. and DOES 1 through 50, inclusive,

Defendants.

Case No. 25CU046717C

Hon.
Dept.

REPRESENTATIVE ACTION COMPLAINT

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

Action Filed:

Plaintiff HAVEN RANSOM, on behalf of all others similarly situated and the State of California under the Private Attorneys General Act ("Plaintiff") brings this REPRESENTATIVE ACTION COMPLAINT against Defendants TAPESTRY, INC. and DOES 1 through 50, inclusive (collectively "Defendants"), alleging as follows:

INTRODUCTION

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

2. Defendants failed to compensate Plaintiff and aggrieved employees for all hours suffered or permitted to work in violation of the applicable IWC Wage Orders.

3. Defendants' underpayment of wages was facilitated by their unlawful policy and practice of requiring off-the-clock work.

4. Defendants also underpaid the aggrieved employees' wages by failing to include all forms of remunerations, including bonuses, into the regular rate of pay calculation for overtime, sick pay, and meal and rest period premiums.

5. Defendants failed to provide, authorize, and/or permit the aggrieved employees to take uninterrupted meal and rest periods to which they were entitled.

6. Defendants unlawfully deducted wages from aggrieved employees.

7. Defendants' employment policies, practices, and payroll administration systems enabled and facilitated these violations on a company-wide basis with respect to the aggrieved employees.

JURISDICTION & VENUE

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

9. The monetary damages and restitution sought exceed the minimal jurisdiction limits of the Superior Court.

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

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

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

PARTIES

A. Plaintiff Haven Ransom

12. Plaintiff Ransom is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about February 2022 to March 2025. Plaintiff worked as a Lead Supervisor.

13. The State of California, via the Labor and Workforce Development Agency ("LWDA"), is the real party in interest in this action. (*Kim v. Reins Int'l California, Inc.* (2020) 9 Cal. 5th 73, 81 [The "government entity on whose behalf the plaintiff files suit is always the real party in interest."]). To the extent permitted by law, including pursuant *Balderas v. Fresh Start Harvesting, Inc.* (2024) 101 Cal. App. 5th 533 and *Rodriguez v. Packers Sanitation Services Ltd., LLC* (2025) 109 Cal.App.5th 69, the PAGA claim is brought exclusively as a representative action and does not include arbitrable claims.

B. Defendants

14. Defendant Tapestry, Inc. is a New York corporation that maintains operations and conducts business throughout the State of California, including in this county.

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

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

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

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

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

GENERAL ALLEGATIONS

19. Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Defendants often required Plaintiff and the aggrieved employees to complete work off-the-clock. Specifically, Defendants often asked Plaintiff to help locate merchandise and assist with training related questions during her meal periods, off-the-clock. On these occasions, Defendants failed to record all hours Plaintiff worked, resulting in an underpayment of wages.

20. Defendants maintained an unlawful policy and practice of deducting wages and earnings from Plaintiff and the aggrieved employees. Specifically, Defendants promised to provide Plaintiff and the aggrieved employees with a pair of shoes. In exchange, Defendants deducted the amount in tax for the shoes from Plaintiff and the aggrieved employees' paychecks. However, Defendants failed to ever provide the promised shoes. Plaintiff alerted Defendants that the shoes had not been provided and requested that the money be refunded. However, to date, Defendants have not corrected their deduction.

21. Defendants failed to pay Plaintiff and the aggrieved employees' overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Specifically, Plaintiff and the aggrieved employees earned non-discretionary "Teamshare" bonuses, monthly bonuses based on meeting a store-wide goal. However, when Plaintiff and the aggrieved employees

worked more than 8 hours in one day or 40 hours in one week, Defendants failed to incorporate these additional forms of remuneration in the regular rate of pay when calculating overtime. An illustrative example of this violation is shown in Plaintiff's wage statement dated June 3, 2022, and Plaintiff's wage statement for pay period May 29, 2022, through June 11, 2022, which shows that Plaintiff's "Teamshare" bonus was not incorporated into the regular rate of pay. Rather, Plaintiff's overtime wages that pay period were paid at 1.5x her straight rate.

22. Additionally, as discussed in the above section, Defendants often required Plaintiff to complete work-related tasks off the clock. When these minutes worked off-the-clock resulted in more than 8 hours worked in a day or more than 40 hours worked in a week, Defendants failed to pay all overtime wages earned.

23. Defendants failed to comply with California's paid sick leave laws with respect to the aggrieved employees. As discussed in the above section, Plaintiff and the aggrieved employees earned non-discretionary bonuses. However, Defendants failed to incorporate these bonuses in the regular rate of pay for purposes of calculating paid sick leave. An illustrative example of this violation is shown on Plaintiff's paystub dated July 26, 2024, and Plaintiff's wage statement for pay period July 21, 2024, through August 3, 2024. There, Plaintiff earned a "Teamshare" bonus and paid sick leave during the same pay period. However, Defendants failed to incorporate this additional form of remuneration in the regular rate of pay. Instead, Defendants unlawfully paid Plaintiff paid sick leave at her straight rate. Additionally, as previously discussed, Defendants often required Plaintiff to complete work off-the-clock. Defendants failed to include all Plaintiff's hours worked off the clock, resulting in miscalculations of paid sick leave accrued.

24. Plaintiff and the aggrieved employees often experienced non-compliant meal periods. For example, Defendants often asked Plaintiff to help with customer needs and complete certain transactions, like returns, on the cash registers during Plaintiff's meal period. Defendants also often asked Plaintiff to help locate misplaced or additional merchandise or assist with trainer and trainees' questions related to customer needs, like returns and purchases, and operating cash registers during meal periods. Each time Plaintiff and the aggrieved employees experienced a non-compliant meal period, Defendants owed a meal period premium. However, Defendants failed to incorporate all forms

of additional remuneration in the regular rate of pay for purposes of calculating meal period premiums. An illustrative example of this violation is shown on Plaintiff's wage statement dated July 26, 2024, and Plaintiff's wage statement for pay period July 21, 2024, through August 3, 2024. During the pay period from July 21, 2024, to August 3, 2024, Plaintiff earned a meal period premium and a "Timeshare" bonus within the same pay period. However, Defendants failed to incorporate this form of additional remuneration in the regular rate of pay when calculating the meal period premium. Instead, Defendants unlawfully paid Plaintiff meal period premiums at her straight rate.

25. Moreover, as previously discussed, Defendants often asked Plaintiff to help locate misplaced store merchandise and assist with operating the cash registers and customer needs, such as returns and purchases during rest periods. When Plaintiff experienced a non-complaint rest period, Defendants owed rest period premiums. However, Defendants failed to pay all rest period premiums owed. When Defendants did pay rest period premiums, they were underpaid because Defendants failed to incorporate all additional forms of remuneration in Plaintiff's regular rate of pay.

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

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

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

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

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

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

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

<u>FIRST CAUSE OF ACTION</u>

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

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

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

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

33. Plaintiff brings this cause of action as a proxy for the State of California on behalf of the following "aggrieved employees" pursuant to the Private Attorneys General Act ("<u>PAGA</u>"), codified as Labor Code section 2698 *et seq.*:

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

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

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

36. Labor Code section 2699(a) provides: "Notwithstanding any other provision of law,, any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency or any of its departments, divisions, commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of the employee and other current or former employees against whom a violation of the same provision was committed pursuant to the procedures specified in Section 2699.3. "

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

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

39. On or about **June 26, 2025**, Plaintiff paid the requisite PAGA filing fee and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of Defendants' alleged Labor Code violations, including the facts and theories to support the alleged violations.

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

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

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

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

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

a. ***Unpaid Hours Worked/Minimum Wage.*** Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders.

b. ***Unlawful Wage Deductions.*** Violation of Labor Code §§ 221 through 225.

c. ***Unpaid Overtime***. Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders.

d. ***Unpaid Paid Sick Leave.*** Violation of Labor Code §§ 246 through 248.7.

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

f. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders.

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

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

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

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

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

PRAYER

Plaintiff prays for judgment as follows:

a. For recovery of damages in amount according to proof;

b. For all recoverable pre- and post-judgment interest;

c. For this action to be maintained as a representative action under the PAGA;

d. For Plaintiff and counsel of record to be provided with all enforcement capability as if the action were brought by the State of California or the California Division of Labor Enforcement;

e. For recovery of all civil penalties and other recoverable amounts under the PAGA;

f. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699, and Code of Civil Procedure section 1021.5 and any other applicable sections; and

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

Dated: September 4, 2025

Ferraro Vega Employment Lawyers, Inc.

Nicholas J. Ferraro

Nicholas J. Ferraro
Lauren N. Vega
Mariela R. Romo
Attorneys for Plaintiff Haven Ransom

EXHIBIT 1

Notice of Labor Code Violations

FERRARO VEGA
SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
lauren@ferrarovega.com

ATTORNEYS AT LAW
3333 Camino del Rio South, Suite 300
San Diego, California 92108

619-693-7727
619-350-6855 fax
ferrarovega.com

June 26, 2025

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

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

Tapestry, Inc.
10 Hudson Yards
New York, NY 10001

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

Dear LWDA Officer and Company Representatives:

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

TAPESTRY, INC.

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

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

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the positions of Sales Associate and Lead Supervisor from about February 2022 to March 2025. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

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

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

- PAGA CLAIMS –

<u>Unpaid Hours Worked/Minimum Wage</u>
Violation of Labor Code §§ 1194, 1197, 1198; IWC Wage Orders

Defendants violated Labor Code sections 1194, 1197, and 1198, along with the California Minimum Wage Order, the applicable local minimum wage ordinances, and the "Hours and Days of Work" and "Minimum Wages" sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 1194 renders it unlawful for an employee to receive less than the legal minimum wage for hours worked in California. Labor Code section 1197 further mandates that "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful." Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The California Minimum Wage Order and the applicable sections of the IWC Wage Orders further require payment of minimum wages for all hours worked. The "Minimum Wages" sections of the applicable IWC Wage Order provide that "[e]very employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period, whether the remuneration is measured by time, piece, commission, or otherwise." The foregoing California wage laws require payment of "not less than the applicable minimum wage *for all hours worked* in the payroll period" and California law does not allow averaging of pay over the hours worked in the pay period, even if the total pay results in an average above the minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.3d 314, 324.

Defendants failed to pay Plaintiff and the aggrieved employees at the lawful minimum wage rate for all hours worked, resulting in unpaid minimum wages. Defendants often required Plaintiff and the aggrieved employees to complete work off-the-clock. Specifically, Defendants often asked Plaintiff to help locate merchandise and assist with training related questions during her meal periods, off-the-clock. On these occasions, Defendants failed to record all hours Plaintiff worked, resulting in an underpayment of wages.

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

Unlawful Wage Deductions
Violation of Labor Code §§ 221 through 225

Defendants violated Labor Code sections 221 through 225 with respect to the aggrieved employees.

Labor Code section 221 renders it "unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee." Labor Code section 222 renders it illegal to unlawfully withhold any part of wages agreed upon from the employee. Labor Code section 222.5 renders it unlawful to deduct from employee compensation, or require employee payment, for pre-employment medical or physical examination taken as a condition of employment. Labor Code section 223 states "[w]here any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or by contract."

Defendants maintained an unlawful policy and practice of deducting wages and earnings from Plaintiff and the aggrieved employees. Specifically, Defendants promised to provide Plaintiff and the aggrieved employees with a pair of shoes. In exchange, Defendants deducted the amount in tax for the shoes from Plaintiff and the aggrieved employees' paychecks. However, Defendants failed to ever provide the promised shoes. Plaintiff alerted Defendants and requested the money be refunded. However, to date, Defendants have not corrected their deduction.

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

Unpaid Overtime
Violation of Labor Code §§ 510, 1194, 1198; IWC Wage Orders

Defendants violated Labor Code sections 510, 1194, and 1198, along with the "Hours and Days of Work" sections of the applicable IWC Wage Orders with respect to the aggrieved employees.

Labor Code section 510 requires "[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee;" and "any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee;" and "any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." Labor Code section 1194 renders it unlawful for an employee to receive less than the legal overtime rate for overtime hours worked in California. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders further require payment of overtime wages for all overtime hours worked, including the "Hours and Days of Work" sections.

Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Specifically, Plaintiff and the aggrieved employees earned non-discretionary "Teamshare" bonuses, monthly bonuses based on meeting a store-wide goal. However, when Plaintiff and the aggrieved employees worked more than 8 hours in one day or 40 hours in one week, Defendants failed to incorporate these additional forms of remuneration in the regular rate of pay when calculating overtime. An illustrative example of this violation is shown below:

Employee ID:	00490760
Payroll Type:	Part Time Hourly
Pay Frequency:	Biweekly
Payroll Period:	06/03/2022 - 06/03/2022
Pay Date:	06/03/2022

Tax Authority	Filing Status	Allowances	Addl Amt
CA	Single	00	0.00
FED	Single	00	0.00

Summary	Current Period Amount	Year-to-date Amount
Gross Earnings	525.00	6,696.26
Deductions	0.00	0.00
Taxes	196.10	1,177.56
Net Earnings	328.90	5,518.70

Earnings	Current Period					Year-to-date	
	Begin Date	End Date	Rates	Hours	Amount	Hours	Amount
Teamshare			0.00	0.00	525.00	0.00	925.00
Regular Working hours			0.00	0.00	0.00	351.84	5,453.56
Overtime			0.00	0.00	0.00	0.33	7.67
CA Covid SPSL			0.00	0.00	0.00	14.50	224.78
Early Closing			0.00	0.00	0.00	4.50	69.75
On Boarding Pay			0.00	0.00	0.00	1.00	15.50
Total Earnings				0.00	525.00	372.17	6,696.26

Extract from Plaintiff's wage statement dated 6/3/22 showing Plaintiff earned a "Teamshare" bonus.

Employee ID:	00490760
Payroll Type:	Part Time Hourly
Pay Frequency:	Biweekly
Payroll Period:	05/29/2022 - 06/11/2022
Pay Date:	06/17/2022

Tax Authority	Filing Status	Allowances	Addl Amt
CA	Single	00	0.00
FED	Single	00	0.00

Summary	Current Period Amount	Year-to-date Amount
Gross Earnings	1,170.27	7,866.53
Deductions	0.00	0.00
Taxes	195.85	1,373.41
Net Earnings	974.42	6,493.12

Earnings	Current Period					Year-to-date	
	Begin Date	End Date	Rates	Hours	Amount	Hours	Amount
Teamshare			0.00	0.00	0.00	0.00	925.00
Regular Working hours	05/29/2022	06/04/2022	15.50	36.33	563.12	422.19	6,543.99
Regular Working hours	06/05/2022	06/11/2022	15.50	34.02	527.31		
Overtime	05/29/2022	06/04/2022	23.25	0.10	2.33	0.43	10.00
Holiday	05/29/2022	06/04/2022	15.50	5.00	77.50	5.00	77.50
CA Covid SPSL			0.00	0.00	0.01	14.50	224.79
Early Closing			0.00	0.00	0.00	4.50	69.75
On Boarding Pay			0.00	0.00	0.00	1.00	15.50
Total Earnings				75.45	1,170.27	447.62	7,866.53

Extract from Plaintiff's wage statement for the pay period 5/29/22-6/11/22 showing Plaintiff worked overtime hours.

Plaintiff earned overtime pay and a "Teamshare" bonus in the same pay period. However, Defendants failed to incorporate this payment in the regular rate of pay. Instead, Defendants unlawfully paid Plaintiff overtime wages at 1.5x her straight rate.

Additionally, as discussed in the above section, Defendants often required Plaintiff to complete work-related tasks off the clock. When these minutes worked off-the-clock resulted in more than 8 hours worked in a day or more than 40 hours worked in a week, Defendants failed to pay all overtime wages earned.

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

Unpaid Paid Sick Leave
Violation of Labor Code §§ 246 through 248.7

Defendants violated Labor Code sections 246 through 248.7 with respect to the aggrieved employees.

Labor Code section 246 requires employers to provide paid sick leave to its workforce on the terms set forth in the statute. Employers must comply with the accrual, use, and notice provisions of Labor Code sections 246, 246.5, 247, and must further ensure that they maintain the paid sick leave records required by Labor Code section 247.5. Employers have the option of providing 40 hours of paid sick leave to employees or to allow employees to accrue paid sick leave each pay period. If an employer chooses the accrual method, employees must accrue sick leave at a rate of one hour for every thirty hours worked in a given pay period as set forth in Labor Code section 246(b)(1). Under the accrual method, employees must begin accruing paid sick leave at the commencement of employment.

Employers must pay sick leave in accordance with one of the three permissible methods provided in Labor Code section 246(l): (1) "the same manner as the regular rate of pay for the workweek;" (2) "by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days;" or (3) "for exempt employee … in the same manner as the employer calculates wages for other forms of paid leave time." Labor Code sections 248.6 and 248.7 similarly require paid sick leave to be paid at a regular rate-based calculation in excess of the base hourly rate and at the lawful accrual rate.

Under Labor Code section 246(i), employers must provide employees "with written notice of the amount of paid sick leave available … for use on either the employee's itemized wage statement … or in a separate writing provided on the designated pay date with the employee's payment of wages."

Defendants failed to comply with California's paid sick leave laws with respect to the aggrieved employees. As discussed in the above section, Plaintiff and the aggrieved employees earned non-discretionary bonuses. However, Defendants failed to incorporate these bonuses in the regular rate of pay for purposes of calculating paid sick leave. An illustrative example of this violation is shown below:

Employee ID: 00490760
Payroll Type: Full Time Hourly
Pay Frequency: Biweekly
Payroll Period: 07/26/2024 - 07/26/2024
Pay Date: 07/26/2024

Tax Authority	Filing Status	Allowances	Addl Amt
CA	Single	00	0.00
FED	Single	00	0.00

Summary	Current Period Amount	Year-to-date Amount
Gross Earnings	700.00	31,136.02
Deductions	0.00	2,090.86
Taxes	261.45	6,342.30
Net Earnings	438.55	22,702.86

Earnings			Current Period			Year-to-date	
	Begin Date	End Date	Rates	Hours	Amount	Hours	Amount
Volunteering			0.00	0.00	0.00	8.00	176.00
CA Meal Miss			0.00	0.00	0.00	0.00	66.00
Teamshare			0.00	0.00	700.00	0.00	4,300.00
FLSA Premium for OT			0.00	0.00	0.00	14.19	45.41
Regular Working hours			0.00	0.00	0.00	1,067.31	23,480.82
Overtime			0.00	0.00	0.00	24.33	802.89
Holiday			0.00	0.00	0.00	49.00	1,078.00
Vacation			0.00	0.00	0.00	16.00	352.00
Early Closing			0.00	0.00	0.00	7.00	154.00
Opener-CA			0.00	0.00	0.00	4.34	95.48
Closer-CA			0.00	0.00	0.00	3.57	78.54
EOD CHK-CA			0.00	0.00	0.00	3.76	82.72
MEAL CHK-CA			0.00	0.00	0.00	5.28	116.16
Sick			0.00	0.00	0.00	14.00	308.00
Total Earnings				0.00	700.00	1,216.78	31,136.02

Extract from Plaintiff's wage statement dated 7/26/2024 showing Plaintiff earned a "Teamshare" payment during this pay period.

Employee ID:	00490760
Payroll Type:	Full Time Hourly
Pay Frequency:	Biweekly
Payroll Period:	07/21/2024 - 08/03/2024
Pay Date:	08/09/2024

Tax Authority	Filing Status	Allowances	Addl Amt
CA	Single	00	0.00
FED	Single	00	0.00

Summary	Current Period Amount	Year-to-date Amount
Gross Earnings	1,797.62	33,633.64
Deductions	151.96	2,242.82
Taxes	316.22	6,740.08
Net Earnings	1,329.44	24,650.74

Earnings			Current Period			Year-to-date	
	Begin Date	End Date	Rates	Hours	Amount	Hours	Amount
Volunteering			0.00	0.00	0.00	8.00	176.00
Other Bonus			0.00	0.00	0.00	0.00	700.00
CA Meal Miss	07/21/2024	07/27/2024	22.00	1.00	22.00	0.00	88.00
Teamshare			0.00	0.00	0.00	0.00	4,300.00
FLSA Premium for OT			0.00	0.00	0.00	14.19	45.41
Regular Working hours	07/21/2024	07/27/2024	22.00	31.64	696.08	1,137.15	25,017.30
Regular Working hours	07/28/2024	08/03/2024	22.00	38.20	840.40		
Overtime	07/21/2024	07/27/2024	33.00	0.27	8.91	25.47	840.51
Overtime	07/28/2024	08/03/2024	33.00	0.87	28.71		
Holiday			0.00	0.00	0.00	49.00	1,078.00
Vacation			0.00	0.00	0.00	16.00	352.00
Early Closing			0.00	0.00	0.00	7.00	154.00
Opener-CA	07/21/2024	07/27/2024	22.00	0.07	1.54	4.69	103.18
Opener-CA	07/28/2024	08/03/2024	22.00	0.28	6.16		
Closer-CA	07/21/2024	07/27/2024	22.00	0.14	3.08	3.78	83.16
Closer-CA	07/28/2024	08/03/2024	22.00	0.07	1.54		
EOD CHK-CA	07/21/2024	07/27/2024	22.00	0.08	1.76	4.00	88.00
EOD CHK-CA	07/28/2024	08/03/2024	22.00	0.16	3.52		
MEAL CHK-CA	07/21/2024	07/27/2024	22.00	0.16	3.52	5.64	124.08
MEAL CHK-CA	07/28/2024	08/03/2024	22.00	0.20	4.40		
Sick	07/21/2024	07/27/2024	22.00	8.00	176.00	22.00	484.00
Total Earnings				81.14	1,797.62	1,296.92	33,633.64

Extract from Plaintiff's wage statement for the period 7/21/2024-8/3/2024 showing Defendants paid Plaintiff paid sick leave during this pay period.

Plaintiff earned a "Teamshare" payment and paid sick leave during the same pay period. However, Defendants failed to incorporate this additional form of remuneration in the regular rate of pay. Instead, Defendants unlawfully paid Plaintiff paid sick leave at her straight rate.

Additionally, as discussed in the above sections, Defendants often required Plaintiff to complete work off-the-clock. Defendants failed to include all Plaintiff's hours worked off the clock, resulting in miscalculations of paid sick leave accrued.

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

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

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

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided. Pursuant to Section 11(A) of the IWC Wage Orders, the California Supreme Court has held that the on-duty meal period exception is "exceedingly narrow" and applies only when (1) "the nature of the work prevents the employee from being relieved of all duty" and (2) *both* "the employer and employee have agreed, in writing, to the on-duty meal period." *Augustus v. AMB Security Services, Inc.* (2016) 2 Cal.5th 257, 266-276 (emphasis added). If these two requirements are not met, then the employer owes the employee one hour of premium pay for each non-compliant meal period taken under the purported on-duty meal arrangement. *Naranjo v. Spectrum Security Services, Inc.* (2019) 40 Cal.5th 444, 459.

Plaintiff and the aggrieved employees often experienced non-compliant meal periods. For example, Defendants often asked Plaintiff to help with customer needs and completing certain transactions like, returns, on the cash registers during Plaintiff's meal period. Defendants often asked Plaintiff to help locate misplaced or additional merchandise or assist with trainer and trainees' questions related to customer needs, like returns and purchases, and operating cash registers during meal periods. Each time Plaintiff and the aggrieved employees experienced a non-compliant meal period, Defendants owed a meal period premium. However, Defendants failed to incorporate all forms of additional remuneration in the regular rate of pay for purposes of calculating meal period premiums. An illustrative example of this violation is shown below:

Employee ID: 00490780
Payroll Type: Full Time Hourly
Pay Frequency: Biweekly
Payroll Period: 07/26/2024 - 07/26/2024
Pay Date: 07/26/2024

Tax Authority	Filing Status	Allowances	Addl Amt
CA	Single	00	0.00
FED	Single	00	0.00

Summary	Current Period Amount	Year-to-date Amount
Gross Earnings	700.00	31,136.02
Deductions	0.00	2,090.86
Taxes	261.45	6,342.30
Net Earnings	438.55	22,702.86

Earnings	Begin Date	End Date	Current Period Rates	Current Period Hours	Current Period Amount	Year-to-date Hours	Year-to-date Amount
Volunteering			0.00	0.00	0.00	8.00	176.00
CA Meal Miss			0.00	0.00	0.00	0.00	66.00
Teamshare			0.00	0.00	700.00	0.00	4,300.00
FLSA Premium for OT			0.00	0.00	0.00	14.19	45.41
Regular Working hours			0.00	0.00	0.00	1,067.31	23,480.82
Overtime			0.00	0.00	0.00	24.33	802.89
Holiday			0.00	0.00	0.00	49.00	1,078.00
Vacation			0.00	0.00	0.00	16.00	352.00
Early Closing			0.00	0.00	0.00	7.00	154.00
Opener-CA			0.00	0.00	0.00	4.34	95.48
Closer-CA			0.00	0.00	0.00	3.57	78.54
EOD CHK-CA			0.00	0.00	0.00	3.76	82.72
MEAL CHK-CA			0.00	0.00	0.00	5.28	116.16
Sick			0.00	0.00	0.00	14.00	308.00
Total Earnings				0.00	700.00	1,216.78	31,136.02

Extract from Plaintiff's wage statement dated 7/26/2024 showing she earned a "Timeshare" payment during this pay period.

Employee ID:	00490760
Payroll Type:	Full Time Hourly
Pay Frequency:	Biweekly
Payroll Period:	07/21/2024 - 08/03/2024
Pay Date:	08/09/2024

Tax Authority	Filing Status	Allowances	Addl Amt
CA	Single	00	0.00
FED	Single	00	0.00

Summary	Current Period Amount	Year-to-date Amount
Gross Earnings	1,797.62	33,633.64
Deductions	151.96	2,242.82
Taxes	316.22	6,740.08
Net Earnings	1,329.44	24,650.74

Earnings			Current Period			Year-to-date	
	Begin Date	End Date	Rates	Hours	Amount	Hours	Amount
Volunteering			0.00	0.00	0.00	8.00	176.00
Other Bonus			0.00	0.00	0.00	0.00	700.00
CA Meal Miss	07/21/2024	07/27/2024	22.00	1.00	22.00	0.00	88.00
Teamshare			0.00	0.00	0.00	0.00	4,300.00
FLSA Premium for OT			0.00	0.00	0.00	14.19	45.41
Regular Working hours	07/21/2024	07/27/2024	22.00	31.64	696.08	1,137.15	25,017.30
Regular Working hours	07/28/2024	08/03/2024	22.00	38.20	840.40		
Overtime	07/21/2024	07/27/2024	33.00	0.27	8.91	25.47	840.51
Overtime	07/28/2024	08/03/2024	33.00	0.87	28.71		
Holiday			0.00	0.00	0.00	49.00	1,078.00
Vacation			0.00	0.00	0.00	16.00	352.00
Early Closing			0.00	0.00	0.00	7.00	154.00
Opener-CA	07/21/2024	07/27/2024	22.00	0.07	1.54	4.69	103.18
Opener-CA	07/28/2024	08/03/2024	22.00	0.28	6.16		
Closer-CA	07/21/2024	07/27/2024	22.00	0.14	3.08	3.78	83.16
Closer-CA	07/28/2024	08/03/2024	22.00	0.07	1.54		
EOD CHK-CA	07/21/2024	07/27/2024	22.00	0.08	1.76	4.00	88.00
EOD CHK-CA	07/28/2024	08/03/2024	22.00	0.16	3.52		
MEAL CHK-CA	07/21/2024	07/27/2024	22.00	0.16	3.52	5.64	124.08
MEAL CHK-CA	07/28/2024	08/03/2024	22.00	0.20	4.40		
Sick	07/21/2024	07/27/2024	22.00	8.00	176.00	22.00	484.00
Total Earnings				81.14	1,797.62	1,296.92	33,633.64

Extract from Plaintiff's wage statement for the pay period 7/21/2024-8/3/2024 showing Defendants paid Plaintiff a CA Meal Premium during this pay period.

During the pay period from July 21, 2024 to August 3, 2024, Plaintiff earned a meal period premium and a "Timeshare" bonus within the same pay period. However, Defendants failed to incorporate this form of additional remuneration in the regular rate of pay when calculating the meal period premium. Instead, Defendants unlawfully paid Plaintiff meal period premiums at her straight rate.

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

Unpaid Rest Period Premium Wages
Violation of Labor Code §§ 226.7, 516, 1198; IWC Wage Orders

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

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

As discussed above, Defendants also often asked Plaintiff to help locate misplaced store merchandise and assist with operating the cash registers and customer needs, such as returns and purchases during rest periods. When Plaintiff experienced a non-complaint rest period, Defendants owed rest period premiums. However, Defendants failed to pay all rest period premiums owed.

When Defendants did pay rest period premiums, they were underpaid because Defendants failed to incorporate all additional forms of remuneration in Plaintiff's regular rate of pay.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct "gross wages earned" or "net wages earned," as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of "gross wages earned" on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees. The amounts stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub.

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

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

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

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

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

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

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

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

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

- LITIGATION HOLD NOTICE –

This letter imposes a duty upon all defendants and their respective employees, officers, directors, executives, attorneys, human resource and payroll personnel, accountants, and other agents to preserve all physical and electronic evidence, including electronically stored information and emails, which relate to the employment of Plaintiff and the aggrieved employees specified in this notice. Evidence includes, but is not limited to, Defendants' written employment and payroll policies and handbooks; the aggrieved employees' personnel files and payroll records, such as paystubs, time records, wage statements, compensation reports, as well as the underlying electronically data in Excel or similar format. Memoranda and internal and external correspondence relating to the subject matter of this notice shall also be maintained. Failure to preserve and retain relevant evidence may constitute spoliation of evidence and result in an adverse inference or sanctions.

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

- CONCLUSION -

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

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

Sincerely,

Mariela Romo

Cc Plaintiff Haven Ransom
Defense Counsel, Yam-Yu Li - yli@tapestry.com
Defense Counsel, Alison W. Jackson - ajackson01@tapestry.com