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ELECTRONICALLY FILED
Superior Court of California
County of Sacramento

08/28/2025

By: A. Gray Deputy

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO**

RAY STEVENS, individually, and on behalf
of other members of the general public
similarly situated;

Plaintiff,

v.

KRATOS DEFENSE & SECURITY
SOLUTIONS, INC., a Delaware corporation;
KRATOS BSC, LLC, a New York limited
liability company; KRATOS
GOVERNMENT SOLUTIONS, INC., a
Delaware corporation; KRATOS
INTEGRAL SYSTEMS INTERNATIONAL,
INC., a California corporation; KRATOS
NETWORKS, INC., a Delaware corporation;
KRATOS SPACE & MISSILE DEFENSE
SYSTEMS, INC., a Delaware corporation;
KRATOS SRE, INC., a Delaware
corporation; KRATOS TECHNOLOGY &
TRAINING SOLUTIONS, INC., a California
corporation; KRATOS UNMANNED
AERIAL SYSTEMS, INC., a California
corporation; and DOES 1 through 100,
inclusive;

Defendants.

Case No.: 24CV011425

**FIRST AMENDED CLASS ACTION
COMPLAINT FOR DAMAGES**

- (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
- (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums);
- (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums);
- (4) Violation of California Labor Code §§ 1194 and 1197 (Unpaid Minimum Wages);
- (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid);
- (6) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements);
- (7) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses);
- (8) Violation of California Labor Code § 2698, *et seq.* (Private Attorneys General Act of 2004);
- (9) Violation of California Business & Professions Code §§ 17200, *et seq.*

DEMAND FOR JURY TRIAL

COMES NOW, Plaintiff Ray Stevens (“Plaintiff”), individually, and on behalf of other members of the general public similarly situated, and alleges as follows:

JURISDICTION AND VENUE

1. This class action is brought pursuant to the Code of Civil Procedure section 382. The monetary damages and restitution sought by Plaintiff exceed the minimal jurisdiction limits of the Superior Court and will be established according to proof at trial.

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

3. This Court has jurisdiction over Defendants because, upon information and belief, Defendants are 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.

4. Venue is proper in this Court because, upon information and belief, Defendants maintain offices, have agents, and/or transact business in the State of California, including the County of Sacramento. The majority of the acts and omissions alleged herein relating to Plaintiff took place in the State of California, County of Sacramento. Defendants employed Plaintiff within the State of California, County of Sacramento.

PARTIES

5. Plaintiff Ray Stevens is an individual residing in the State of California, County of Sacramento.

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1 6. Defendant Kratos Defense & Security Solutions, Inc. at all times herein
2 mentioned, was and is, upon information and belief, a Delaware corporation headquartered in
3 the State of California, and at all times herein mentioned, was and is, an employer whose
4 employees are engaged throughout the State of California, including the County of
5 Sacramento. Defendant BSC Partners, LLC (erroneously sued as “Kratos BSC, LLC”), at all
6 times herein mentioned, was and is, upon information and belief, a New York limited liability
7 company headquartered in the State of California, and at all times herein mentioned, was and
8 is, an employer whose employees are engaged throughout the State of California, including
9 the County of Sacramento. Defendant Kratos Defense & Rocket Support Services, Inc.
10 (erroneously sued as “Kratos Government Solutions, Inc.”) at all times herein mentioned, was
11 and is, upon information and belief, a Delaware corporation headquartered in the State of
12 California, and at all times herein mentioned, was and is, an employer whose employees are
13 engaged throughout the State of California, including the County of Sacramento. Defendant
14 Kratos Integral Systems International, Inc. at all times herein mentioned, was and is, upon
15 information and belief, a California corporation headquartered in the State of California, and
16 at all times herein mentioned, was and is, an employer whose employees are engaged
17 throughout the State of California, including the County of Sacramento. Defendant Kratos
18 Communications, Inc. (erroneously sued as “Kratos Networks, Inc.”), at all times herein
19 mentioned, was and is, upon information and belief, a Delaware corporation headquartered in
20 the State of California, and at all times herein mentioned, was and is, an employer whose
21 employees are engaged throughout the State of California, including the County of
22 Sacramento. Defendant Kratos Space & Missile Defense Systems, Inc. at all times herein
23 mentioned, was and is, upon information and belief, a Delaware corporation headquartered in
24 the State of California, and at all times herein mentioned, was and is, an employer whose
25 employees are engaged throughout the State of California, including the County of
26 Sacramento. Defendant Kratos SRE, Inc. at all times herein mentioned, was and is, upon
27 information and belief, a Delaware corporation headquartered in the State of California, and
28 at all times herein mentioned, was and is, an employer whose employees are engaged

1 throughout the State of California, including the County of Sacramento. Defendant Kratos
2 Technology & Training Solutions, Inc. at all times herein mentioned, was and is, upon
3 information and belief, a California corporation headquartered in the State of California, and
4 at all times herein mentioned, was and is, an employer whose employees are engaged
5 throughout the State of California, including the County of Sacramento. Defendant Kratos
6 Unmanned Aerial Systems, Inc. at all times herein mentioned, was and is, upon information
7 and belief, a California corporation headquartered in the State of California, and at all times
8 herein mentioned, was and is, an employer whose employees are engaged throughout the State
9 of California, including the County of Sacramento.

10 7. At all relevant times, Defendants Kratos Defense & Security Solutions, Inc., BSC
11 Partners, LLC (erroneously sued as “Kratos BSC, LLC”), Kratos Defense & Rocket Support
12 Services, Inc. (erroneously sued as “Kratos Government Solutions, Inc.”), Kratos Integral
13 Systems International, Inc., Kratos Communications, Inc. (erroneously sued as “Kratos
14 Networks, Inc.”), Kratos Space & Missile Defense Systems, Kratos SRE, Inc., Kratos
15 Technology & Training Solutions, Inc., and Kratos Unmanned Aerial Systems, Inc. were each
16 the “employer” of Plaintiff within the meaning of all applicable laws and statutes.

17 8. At all times herein relevant, Defendants Kratos Defense & Security Solutions,
18 Inc., Defendant BSC Partners, LLC (erroneously sued as “Kratos BSC, LLC”), Kratos Defense
19 & Rocket Support Services, Inc. (erroneously sued as “Kratos Government Solutions, Inc.”),
20 Kratos Integral Systems International, Inc., Kratos Communications, Inc. (erroneously sued as
21 “Kratos Networks, Inc.”), Kratos Space & Missile Defense Systems, Kratos SRE, Inc., Kratos
22 Technology & Training Solutions, Inc., and Kratos Unmanned Aerial Systems, Inc., and DOES
23 1 through 100, and each of them, were the agents, partners, joint venturers, joint employers,
24 representatives, servants, employees, successors-in-interest, co-conspirators and assigns, each
25 of the other, and at all times relevant hereto were acting within the course and scope of their
26 authority as such agents, partners, joint venturers, joint employers, representatives, servants,
27 employees, successors-in-interest, co-conspirators and assigns, and all acts or omissions
28 alleged herein were duly committed with the ratification, knowledge, permission,

1 encouragement, authorization, and consent of each defendant designated herein.

2 9. The true names and capacities, whether corporate, associate, individual or
3 otherwise, of Defendants DOES 1 through 100, inclusive, are unknown to Plaintiff, who sues
4 said defendants by such fictitious names. Plaintiff is informed and believes, and based on that
5 information and belief alleges, that each of the Defendants designated as a DOE is legally
6 responsible for the events and happenings referred to in this Complaint, and unlawfully caused
7 the injuries and damages to Plaintiff and the other class members as alleged in this Complaint.
8 Plaintiff will seek leave of court to amend this Complaint to show the true names and
9 capacities when the same have been ascertained.

10 10. Defendants Kratos Defense & Security Solutions, Inc., BSC Partners, LLC
11 (erroneously sued as “Kratos BSC, LLC”), Kratos Defense & Rocket Support Services, Inc.
12 (erroneously sued as “Kratos Government Solutions, Inc.”), Kratos Integral Systems
13 International, Inc., Kratos Communications, Inc. (erroneously sued as “Kratos Networks, Inc.”),
14 Kratos Space & Missile Defense Systems, Kratos SRE, Inc., Kratos Technology & Training
15 Solutions, Inc., Kratos Unmanned Aerial Systems, Inc., and DOES 1 through 100 will
16 hereinafter collectively be referred to as “Defendants.”

17 11. Plaintiff further alleges that Defendants directly or indirectly controlled or
18 affected the working conditions, wages, working hours, and conditions of employment of
19 Plaintiff and the other class members so as to make each of said Defendants and employers
20 liable under the statutory provisions set forth herein.

21 **CLASS ACTION ALLEGATIONS**

22 12. Plaintiff brings this action individually and on behalf of all other members of the
23 general public similarly situated, and, thus, seeks class certification under Code of Civil
24 Procedure section 382.

25 13. The proposed class is defined as follows:

26 All current and former hourly-paid or non-exempt employees of Defendants
27 within the State of California at any time from June 7, 2020, through August 15,
28 2025.

1 14. Plaintiff reserves the right to establish subclasses as appropriate.

2 15. The class is ascertainable and there is a well-defined community of interest in
3 the litigation:

4 a. Numerosity: The class members are so numerous that joinder of all class
5 members is impracticable. The membership of the entire class is
6 unknown to Plaintiff at this time. However, the class is estimated to be
7 greater than fifty (50) individuals and the identity of such membership is
8 readily ascertainable by inspection of Defendants' employment records.

9 b. Typicality: Plaintiff's claims are typical of all other class members'
10 claims as demonstrated herein. Plaintiff will fairly and adequately protect
11 the interests of the other class members with whom Plaintiff has a well-
12 defined community of interest.

13 c. Adequacy: Plaintiff will fairly and adequately protect the interests of
14 each class member, with whom Plaintiff has a well-defined community
15 of interest and typicality of claims, as demonstrated herein. Plaintiff has
16 no interest that is antagonistic to the other class members. Plaintiff's
17 attorneys, the proposed class counsel, are versed in the rules governing
18 class action discovery, certification, and settlement. Plaintiff has
19 incurred, and during the pendency of this action will continue to incur,
20 costs and attorneys' fees, that have been, are, and will be necessarily
21 expended for the prosecution of this action for the substantial benefit of
22 each class member.

23 d. Superiority: A class action is superior to other available methods for the
24 fair and efficient adjudication of this litigation because individual joinder
25 of all class members is impractical.

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1 e. Public Policy Considerations: Certification of this lawsuit as a class
2 action will advance public policy objectives. Employers of this great
3 state violate employment and labor laws every day. Current employees
4 are often afraid to assert their rights out of fear of direct or indirect
5 retaliation. However, class actions provide the class members who are
6 not named in the complaint anonymity that allows for the vindication of
7 their rights.

8 16. There are common questions of law and fact as to the class members that
9 predominate over questions affecting only individual members. The following common
10 questions of law or fact, among others, exist as to the members of the class:

- 11 a. Whether Defendants' failure to pay wages, without abatement or
12 reduction, in accordance with the Labor Code, was willful;
- 13 b. Whether Defendants failed to pay their hourly-paid or non-exempt
14 employees within the State of California for all hours worked;
- 15 c. Whether Defendants required Plaintiff and the other class members to
16 work over eight (8) hours per day and/or over forty (40) hours per week
17 and failed to pay the legally required overtime compensation to Plaintiff
18 and the other class members;
- 19 d. Whether Defendants properly calculated the regular rate for Plaintiff and
20 the other class members who worked overtime and earned incentive pay
21 and sick leave pay;
- 22 e. Whether Defendants failed to provide Plaintiff and the other class
23 members legally mandated meal and/or rest periods and failed to
24 compensate them the related premium wages pursuant to Labor Code
25 section 226.7(c);
- 26 f. Whether Defendants failed to pay minimum wages to Plaintiff and the
27 other class members for all hours worked;

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- 1 g. Whether Defendants failed to pay all wages due to Plaintiff and the other
2 class members within the required time upon their discharge or
3 resignation;
- 4 h. Whether Defendants failed to timely pay all wages due to Plaintiff and
5 the other class members during their employment;
- 6 i. Whether Defendants complied with wage reporting as required by the
7 Labor Code, including, *inter alia*, section 226;
- 8 j. Whether Defendants failed to keep complete or accurate payroll records
9 for Plaintiff and the other class members;
- 10 k. Whether Defendants failed to reimburse Plaintiff and the other class
11 members for necessary business-related expenses and costs;
- 12 l. Whether Defendants' conduct was willful or reckless;
- 13 m. Whether Defendants engaged in unfair business practices in violation of
14 Business & Professions Code sections 17200, *et seq.*;
- 15 n. The appropriate amount of damages, restitution, and/or monetary
16 penalties resulting from Defendants' violation of the law; and
- 17 o. Whether Plaintiff and the other class members are entitled to
18 compensatory damages pursuant to the Labor Code.

19 **GENERAL ALLEGATIONS**

20 17. During the relevant time period set forth herein, Defendants employed Plaintiff
21 and other persons as hourly-paid or non-exempt employees within the State of California,
22 including the County of Sacramento.

23 18. Defendants, jointly and severally, employed Plaintiff as an hourly-paid non-
24 exempt employee during the relevant time period in the State of California, County of
25 Sacramento.

26 19. Defendants had the authority to hire and terminate Plaintiff and the other class
27 members; to set work rules and conditions governing Plaintiff's and other class members'
28 employment; and to supervise their daily employment activities.

1 20. Defendants exercised sufficient authority over the terms and conditions of
2 Plaintiff's and other class members' employment for them to be joint employers of Plaintiff
3 and the other class members.

4 21. Defendants directly hired and paid wages and benefits to Plaintiff and the other
5 class members.

6 22. Defendants continue to employ hourly-paid or non-exempt employees within the
7 State of California.

8 23. Plaintiff and the other class members worked over eight (8) hours in a day, and/or
9 forty (40) hours in a week during their employment with Defendants.

10 24. Plaintiff is informed and believes, and based thereon alleges, that Defendants
11 engaged in a uniform policy and systematic scheme of wage abuse against their hourly-paid
12 or non-exempt employees within the State of California. This scheme involved, *inter alia*,
13 failing to pay them for all hours worked, sick leave, and failing to provide legally mandated
14 meal and rest breaks or pay related premium wages in lieu thereof, in violation of the law.

15 25. Plaintiff is informed and believes, and based thereon alleges, that Defendants
16 knew or should have known that Plaintiff and the other class members were entitled to receive
17 certain wages for overtime compensation and that Plaintiff and the other class members were
18 not receiving wages for overtime compensation.

19 26. Plaintiff is informed and believes, and based thereon alleges, that Defendants
20 failed to provide Plaintiff and the other class members the required meal and rest periods
21 during the relevant time period as required under the Industrial Welfare Commission ("IWC")
22 Wage Orders and thus they are entitled to any and all applicable penalties.

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1 27. Plaintiff is informed and believes, and based thereon alleges, that Defendants
2 knew or should have known that Plaintiff and the other class members were entitled to receive
3 all timely and complete meal periods or payment of one additional hour of pay at Plaintiff's
4 and the other class members' regular rate of pay when a meal period was missed, late or
5 interrupted, and that Plaintiff and the other class members did not receive all timely and proper
6 meal periods or payment of one additional hour of pay at their regular rate of pay when a meal
7 period was missed.

8 28. Plaintiff is informed and believes, and based thereon alleges, that Defendants
9 knew or should have known that Plaintiff and other class members were entitled to receive all
10 timely rest periods without interruption or payment of one additional hour of pay at Plaintiff's
11 and the other class members' regular rate of pay when a rest period was missed, late or
12 interrupted, and that Plaintiff and the other class members did not receive all rest periods or
13 payment of one additional hour of pay at their regular rate of pay when a rest period was
14 missed.

15 29. Plaintiff is informed and believes, and based thereon alleges, that Defendants
16 knew or should have known that Plaintiff and the other class members were entitled to receive
17 at least minimum wages for compensation and that Plaintiff and the other class members were
18 not receiving at least minimum wages for all hours worked.

19 30. Plaintiff is informed and believes, and based thereon alleges, that Defendants
20 knew or should have known that Plaintiff and the other class members were entitled to receive
21 the wages owed to them upon discharge or resignation, including overtime and minimum
22 wages and meal and rest period premiums, and that Plaintiff and the other class members did
23 not, in fact, receive such wages owed to them at the time of their discharge or resignation.

24 31. Plaintiff is informed and believes, and based thereon alleges, that Defendants
25 knew or should have known that Plaintiff and the other class members were entitled to receive
26 their wages within a specified time during their employment, and that Plaintiff and the other
27 class members did not, in fact, receive such wages within the specified time period during
28 their employment.

1 32. Plaintiff is informed and believes, and based thereon alleges, that Defendants
2 knew or should have known that Plaintiff and the other class members were entitled to receive
3 complete and accurate wage statements in accordance with the law, but, in fact, Plaintiff and
4 the other class members did not receive complete and accurate wage statements from
5 Defendants. The deficiencies included, *inter alia*, the failure to include the total number of
6 hours worked by Plaintiff and the other class members.

7 33. Plaintiff is informed and believes, and based thereon alleges, that Defendants
8 knew or should have known that Defendants had to keep complete and accurate payroll records
9 for Plaintiff and the other class members in accordance with the law, but, in fact, did not keep
10 complete and accurate payroll records for Plaintiff and the other class members.

11 34. Plaintiff is informed and believes, and based thereon alleges, that Defendants
12 knew or should have known that Plaintiff and the other class members were entitled to
13 reimbursement for necessary business-related expenses.

14 35. Plaintiff is informed and believes, and based thereon alleges, that Defendants
15 knew or should have known that they had a duty to compensate Plaintiff and the other class
16 members pursuant to the law, and that Defendants had the financial ability to pay such
17 compensation, but willfully, knowingly, and intentionally failed to do so, and falsely
18 represented to Plaintiff and the other class members that they were properly denied wages, all
19 in order to increase Defendants' profits.

20 36. During the relevant time period set forth herein, Defendants failed to pay
21 overtime wages to Plaintiff and the other class members for all hours worked. Plaintiff and
22 other class members were required to work more than eight (8) hours per day and/or more
23 than forty (40) hours per week without overtime compensation.

24 37. During the relevant time period set forth herein, Defendants failed to properly
25 calculate and pay sick leave to Plaintiff and the other class members.

26 38. During the relevant time period set forth herein, Defendants failed to provide the
27 requisite uninterrupted and timely meal and rest periods to Plaintiff and the other class
28 members.

39. During the relevant time period set forth herein, Defendants failed to pay Plaintiff and the other class members at least minimum wages for all hours worked.

40. During the relevant time period set forth herein, Defendants failed to pay Plaintiff and the other class members the wages owed to them upon discharge or resignation.

41. During the relevant time period set forth herein, Defendants failed to pay Plaintiff and the other class member wages within a specified time period during their employment.

42. During the relevant time period set forth herein, Defendants failed to provide complete or accurate wage statements to Plaintiff and the other class members.

43. During the relevant time period set forth herein, Defendants failed to keep complete or accurate payroll records for Plaintiff and the other class members.

44. During the relevant time period set forth herein, Defendants failed to reimburse Plaintiff and the other class members for necessary business-related expenses.

45. During the relevant time period set forth herein, Defendants failed to properly compensate Plaintiff and the other class members pursuant to the law in order to increase Defendants' profits.

46. Labor Code section 218 states that nothing in Article 1 of the Labor Code shall limit the right of any wage claimant to “sue directly . . . for any wages or penalty due to him [or her] under this article.”

FIRST CAUSE OF ACTION

(Violation of California Labor Code §§ 510 and 1198)

(Against all Defendants)

47. Plaintiff incorporates by reference the allegations contained in Paragraphs 1 through 46, and each and every part thereof with the same force and effect as though fully set forth herein.

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

5 49. The applicable IWC Wage Order provides that Defendants are and were required
6 to pay Plaintiff and the other class members employed by Defendants, who work(ed) more
7 than eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time-
8 and-one-half for all hours worked in excess of eight (8) hours in a day or more than forty (40)
9 hours in a workweek.

10 50. The applicable IWC Wage Order further provides that Defendants are and were
11 required to pay Plaintiff and the other class members overtime compensation at a rate of two
12 times their regular rate of pay for all hours worked in excess of twelve (12) hours in a day.

13 51. Labor Code section 510 codifies the right to overtime compensation at one-and-
14 one-half times the regular hourly rate for hours worked in excess of eight (8) hours in a day
15 or forty (40) hours in a week or for the first eight (8) hours worked on the seventh day of work,
16 and overtime compensation at twice the regular hourly rate for hours worked in excess of
17 twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh day of work.

18 52. During the relevant time period set forth herein, Plaintiff and the other class
19 members worked in excess of eight (8) hours in a day, and/or in excess of forty (40) hours in
20 a week.

21 53. During the relevant time period set forth herein, Defendants intentionally and
22 willfully failed to pay overtime wages owed to Plaintiff and the other class members.

23 54. Defendants' failure to pay Plaintiff and the other class members the unpaid
24 balance of overtime compensation, as required by the laws, violates the provisions of Labor
25 Code sections 510 and 1198, and is unlawful.

26 55. Pursuant to Labor Code section 1194, Plaintiff and the other class members are
27 entitled to recover unpaid overtime compensation, as well as interest, costs, and attorneys'
28 fees.

1 **SECOND CAUSE OF ACTION**

2 **(Violation of California Labor Code §§ 226.7 and 512(a))**

3 **(Against all Defendants)**

4 56. Plaintiff incorporates by reference the allegations contained in paragraphs 1
5 through 55, and each and every part thereof with the same force and effect as though fully set
6 forth herein.

7 57. During the relevant time period set forth herein, the IWC Order and Labor Code
8 sections 226.7 and 512(a) were applicable to Plaintiff's and the other class members'
9 employment by Defendants.

10 58. During the relevant time period set forth herein, Labor Code section 226.7
11 provides that no employer shall require an employee to work during any meal or rest period
12 mandated by an applicable order of the IWC.

13 59. During the relevant time period set forth herein, the applicable IWC Wage Order
14 and Labor Code section 512(a) provide that an employer may not require, cause or permit an
15 employee to work for a work period of more than five (5) hours per day without providing the
16 employee with a meal period of not less than thirty (30) minutes, except that if the total work
17 period per day of the employee is no more than six (6) hours, the meal period may be waived
18 by mutual consent of both the employer and employee.

19 60. During the relevant time period set forth herein, the applicable IWC Wage Order
20 and Labor Code section 512(a) further provide that an employer may not require, cause, or
21 permit an employee to work for a work period of more than ten (10) hours per day without
22 providing the employee with a second uninterrupted meal period of not less than thirty (30)
23 minutes, except that if the total hours worked is no more than twelve (12) hours, the second
24 meal period may be waived by mutual consent of the employer and the employee only if the
25 first meal period was not waived.

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1 61. During the relevant time period set forth herein, Plaintiff and the other class
2 members who were scheduled to work for a period of time no longer than six (6) hours, and
3 who did not waive their legally-mandated meal periods by mutual consent, were required to
4 work for periods longer than five (5) hours without an uninterrupted meal period of not less
5 than thirty (30) minutes and/or without a rest period.

6 62. During the relevant time period set forth herein, Plaintiff and the other class
7 members who were scheduled to work for a period of time no longer than twelve (12) hours,
8 and who did not waive their legally-mandated meal periods by mutual consent, were required
9 to work for periods longer than ten (10) hours without an uninterrupted meal period of not less
10 than thirty (30) minutes and/or without a rest period.

11 63. During the relevant time period set forth herein, Plaintiff and the other class
12 members who were scheduled to work for a period of time in excess of six (6) hours were
13 required to work for periods longer than five (5) hours without an uninterrupted meal period
14 of not less than thirty (30) minutes and/or without a rest period.

15 64. During the relevant time period set forth herein, Plaintiff and the other class
16 members who were scheduled to work for a period of time in excess of twelve (12) hours were
17 required to work for periods longer than ten (10) hours without an uninterrupted meal period
18 of not less than thirty (30) minutes and/or without a rest period.

19 65. During the relevant time period set forth herein, Defendants intentionally and
20 willfully required Plaintiff and the other class members to work during meal periods and failed
21 to compensate Plaintiff and the other class members the full meal period premium for work
22 performed during meal periods.

23 66. During the relevant time period set forth herein, Defendants failed to pay
24 Plaintiff and the other class members the full meal period premium due pursuant to Labor
25 Code section 226.7.

26 67. Defendants' conduct violates the applicable IWC Wage Order and Labor Code
27 sections 226.7 and 512(a).

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68. Pursuant to the applicable IWC Wage Order and Labor Code section 226.7(c), Plaintiff and the other class members are entitled to recover from Defendants one additional hour of pay at the employee's regular rate of compensation for each workday that the meal period was not provided.

THIRD CAUSE OF ACTION

(Violation of California Labor Code § 226.7)

(Against all Defendants)

69. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 68, and each and every part thereof with the same force and effect as though fully set forth herein.

70. During the relevant time period set forth herein, the applicable IWC Wage Order and Labor Code section 226.7 were applicable to Plaintiff's and the other class members' employment by Defendants.

71. During the relevant time period set forth herein, 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 IWC.

72. During the relevant time period set forth herein, 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.

73. During the relevant time period set forth herein, Defendants required Plaintiff and the other class members to work four (4) or more hours without authorizing or permitting a ten (10) minute rest period per each four (4) hour period worked.

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74. During the relevant time period set forth herein, Defendants willfully required Plaintiff and the other class members to work during rest periods and failed to pay Plaintiff and the other class members the full rest period premium for work performed during rest periods.

75. During the relevant time period set forth herein, Defendants failed to pay Plaintiff and the other class members the full rest period premium due pursuant to Labor Code section 226.7.

76. Defendants' conduct violates applicable IWC Wage Orders and Labor Code section 226.7.

77. Pursuant to the applicable IWC Wage Orders and Labor Code section 226.7(c), Plaintiff and the other class members are entitled to recover from Defendants one additional hour of pay at the employee's regular hourly rate of compensation for each workday that the rest period was not provided.

FOURTH CAUSE OF ACTION

(Violation of California Labor Code §§ 1194 and 1197)

(Against all Defendants)

78. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 77 and each and every part thereof with the same force and effect as though fully set forth herein.

79. During the relevant time period set forth herein, Labor Code sections 1194 and 1197 provide that the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed, is unlawful.

80. During the relevant time period set forth herein, Defendants failed to pay minimum wages to Plaintiff and the other class members as required, pursuant to Labor Code sections 1194 and 1197.

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81. Defendants' failure to pay Plaintiff and the other class members the minimum wage as required violates Labor Code sections 1194 and 1197. Pursuant to those sections, Plaintiff and other class members are entitled to recover the unpaid balance of their minimum wage compensation as well as interest, costs, and attorneys' fees, and liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

82. Pursuant to Labor Code section 1194.2, Plaintiff and the other class members are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

FIFTH CAUSE OF ACTION

(Violation of California Labor Code §§ 201 and 202)

(Against all Defendants)

83. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 82, and each and every part thereof with the same force and effect as though fully set forth herein.

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

85. During the relevant time period set forth herein, Defendants intentionally and willfully failed to pay Plaintiff and the other class members who are no longer employed by Defendants their wages, earned and unpaid, within seventy-two (72) hours of their leaving Defendants' employ.

86. Defendants' failure to pay Plaintiff and the other class members who are no longer employed by Defendants their wages, earned and unpaid, within seventy-two (72) hours of their leaving Defendants' employ, is in violation of Labor Code sections 201 and 202.

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

88. Plaintiff and the other class members are entitled to recover from Defendants the statutory penalty wages for each day they were not paid, up to the thirty (30) day maximum as provided by Labor Code section 203.

SIXTH CAUSE OF ACTION

(Violation of California Labor Code § 226(a))

(Against all Defendants)

89. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 88, and each and every part thereof with the same force and effect as though fully set forth herein.

90. During the relevant time period set forth herein, Labor Code section 226(a) provides that every employer shall furnish each of their employees an accurate itemized statement in writing showing: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of their social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. The deductions made from payments of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California.

91. Defendants have intentionally and willfully failed to provide Plaintiff and the other class members with complete and accurate wage statements. The deficiencies include, but are not limited to, the failure to include the total number of hours worked by Plaintiff and other class members.

92. As a result of Defendants' violation of Labor Code section 226(a), Plaintiff and the other class members have suffered injury and damage to their statutorily protected rights.

93. Plaintiff and the other class members have been injured by Defendants' intentional and willful violation of Labor Code section 226(a) because they were denied both their legal right to receive, and their protected interest in receiving, accurate and itemized wage statements pursuant to Labor Code section 226(a).

94. Plaintiff and the other class members are entitled to recover from Defendants the greater of their actual damages caused by Defendants' failure to comply with Labor Code section 226(a), or an aggregate penalty not exceeding four thousand dollars per employee.

95. Plaintiff and the other class members are also entitled to injunctive relief to ensure compliance with this section, pursuant to Labor Code section 226(h).

SEVENTH CAUSE OF ACTION

(Violation of California Labor Code §§ 2800 and 2802)

(Against all Defendants)

96. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 95, and each and every part thereof with the same force and effect as though fully set forth herein.

97. Pursuant to Labor Code sections 2800 and 2802, an employer must reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of their job duties or in direct consequence of their obedience to the directions of the employer.

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98. Defendants have intentionally and willfully failed to reimburse Plaintiff and the other class members for all necessary business-related expenses and costs. Plaintiff and the other class members are entitled to recover from Defendants their business-related expenses and costs incurred during the course and scope of their employment, plus interest accrued from the date on which the employee incurred the necessary expenditures at the same rate as judgments in civil actions in the State of California.

EIGHTH CAUSE OF ACTION

(Violation of California Labor Code § 2698, *et seq.*)

(Against all Defendants)

99. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 93, and each and every part thereof with the same force and effect as though fully set forth herein.

100. The Private Attorneys General Act of 2004 (“PAGA”) expressly establishes that any provision of the Labor Code which provides for a civil penalty to be assessed and collected by the California Labor and Workforce Development Agency (“LWDA”), or any of its departments, divisions, commissions, boards, agencies, or employees for a violation of the Labor Code, may be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself, and other current or former employees.

101. On July 3, 2025, Plaintiff provided written notice to the LWDA and Defendants of the specific provisions of the Labor Code he contends were violated and the theories supporting his contentions. Attached hereto as **Exhibit 1** and incorporated by reference is a copy of the written notice to the LWDA. On July 17, 2025, Plaintiff provided an amended written notice to the LWDA and Defendants that updated the employers' locations of business. Attached hereto as **Exhibit 2** and incorporated by reference is a copy of the amended written notice to the LWDA. Plaintiff believes that on or about September 22, 2025, the sixty-five (65) day notice period will expire, and the LWDA will not take any action to investigate or prosecute this matter. Thus, Plaintiff exhausted the statutory time period to bring this action.

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102. Plaintiff and the other hourly-paid or non-exempt employees are “aggrieved employees” as defined by Labor Code section 2699(c) in that they are June 7, 2023, through August 15, 2025, and one or more of the alleged violations was committed against them.

Failure to Pay Minimum and Overtime Wages

103. At all times relevant herein, Defendants were required to compensate their nonexempt employees minimum wages for all hours worked and overtime wages for all hours worked in excess of eight (8) hours in a day or forty (40) hours in a workweek, pursuant to the mandate of Labor Code sections 510, 1194, 1197, and 1198.

104. As a policy and practice, Defendants failed to compensate Plaintiff and the other aggrieved current and former employees for all hours worked, resulting in a failure to pay all minimum wages and overtime wages, where applicable.

Failure to Provide Meal Periods and Rest Breaks

105. In accordance with the mandates of Labor Code sections 226.7 and 512, Defendants were required to authorize and permit their non-exempt employees to take a 10-minute rest break for every four (4) hours worked or major fraction thereof and were further required to provide their non-exempt employees with a 30-minute meal period for every five (5) hours worked.

106. As a policy and practice, Defendants failed to provide Plaintiff and the other aggrieved current and former employees with legally mandated meal periods and rest breaks and failed to pay proper compensation for this failure.

Failure to Timely Pay Wages During Employment

107. At all times relevant herein, Defendants were required to pay their employees within a specified time period pursuant to the mandate of Labor Code section 204.

108. As a policy and practice, Defendants failed to pay Plaintiff and the other aggrieved current and former employees all wages due and owing them within the required time period.

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1 **Failure to Timely Pay Wages Upon Termination**

2 109. At all times relevant herein, Defendants were required to pay their employees
3 all wages owed in a timely fashion at the end of employment pursuant to Labor Code sections
4 201 to 204.

5 110. As a result of Defendants' Labor Code violations alleged above, Defendants
6 failed to pay Plaintiff and the other aggrieved former employees their final wages pursuant to
7 Labor Code sections 201 to 204 and accordingly owe waiting time penalties pursuant to Labor
8 Code section 203.

9 **Failure to Provide Complete and Accurate Wage Statements**

10 111. At all times relevant herein, Defendants were required to keep accurate records
11 regarding their California employees pursuant to the mandate of Labor Code sections 226,
12 1174, and 1776.

13 112. As a result of Defendants' various Labor Code violations, Defendants failed to
14 keep accurate records regarding Plaintiff and the other aggrieved current and former
15 employees. For example, Defendants failed in their affirmative obligation to keep accurate
16 records regarding Plaintiff and the other aggrieved current and former employees' gross wages
17 earned, total hours worked, all deductions, net wages earned, and all applicable hourly rates
18 and the number of hours worked at each hourly rate.

19 **Failure to Provide and Properly Pay Paid Sick Days**

20 113. At all times relevant herein, Defendants were required to provide their
21 employees with paid sick days at their regular rate of pay pursuant to Labor Code section 246
22 *et seq.*

23 114. As a policy and practice, Defendants failed to provide Plaintiff and other
24 aggrieved current and former employees with paid sick days at the proper rate of pay pursuant
25 to Labor Code section 246 *et seq.*

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1 **Failure to Reimburse Business Expenses**

2 115. At all times relevant herein, Defendants were required to reimburse its
3 employees for any and all necessary expenditures or losses incurred by the employees in direct
4 consequences of the discharge or his or her duties pursuant to the mandate of Labor Code
5 sections 2800 and 2802.

6 116. As a policy and practice, Defendants failed to reimburse Plaintiff and the other
7 aggrieved current and former employees for all business expenses incurred and owing them
8 within the required time period.

9 **Penalties**

10 117. Pursuant to Labor Code section 2699, Plaintiff, individually, and on behalf of
11 the other current and former aggrieved employees, requests and is entitled to recover from
12 Defendants, and each of them, civil penalties, interest, attorneys' fees and costs, including but
13 not limited to:

- 14 a. Penalties under Labor Code section 2699 in the amount of a hundred
15 dollars (\$100) for each aggrieved employee per pay period for the initial
16 violation, and two hundred dollars (\$200) for each aggrieved employee
17 per pay period for each subsequent violation;
- 18 b. Penalties under Code of Regulations Title 8 section 11040 in the amount
19 of fifty dollars (\$50) for each aggrieved employee per pay period for the
20 initial violation, and one hundred dollars (\$100) for each aggrieved
21 employee per pay period for each subsequent violation;
- 22 c. Penalties under Labor Code section 210 in addition to, and entirely
23 independent and apart from, any other penalty provided in the Labor
24 Code in the amount of a hundred dollars (\$100) for each aggrieved
25 employee per pay period for the initial violation, and two hundred dollars
26 (\$200) for each aggrieved employee per pay period for each subsequent
27 violation;

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- d. Penalties under Labor Code section 1197.1 in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred fifty dollars (\$250) for each aggrieved employee per pay period for each subsequent violation;
- e. Any and all additional penalties as provided by the Labor Code and/or other statutes; and
- f. Attorneys' fees and costs pursuant to Labor Code sections 210, 1194, and 2699, and any other applicable statute.

NINTH CAUSE OF ACTION

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

(Against all Defendants)

118. Plaintiff incorporates by reference the allegations contained in paragraphs 1 through 117, and each and every part thereof with the same force and effect as though fully set forth herein.

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

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

121. A violation of Business & Professions Code sections 17200, *et seq.* may be predicated on the violation of any state or federal law. In this instant case, Defendants' policy and practice of requiring Plaintiff and the other class members work overtime hours without paying them proper compensation violate Labor Code sections 510 and 1198. Additionally, Defendants' policy and practice of requiring Plaintiff and the other class members to work through their meal and rest periods without paying them proper compensation violate Labor Code sections 226.7 and 512(a). Moreover, Defendants' policy and practice of failing to

1 timely pay wages to Plaintiff and the other class members violate Labor Code sections 201
2 and 202. Defendants also violated Labor Code sections 226(a), 1194, 1197, 2800, and 2802.

3 122. As a result of the herein described violations of the law, Defendants unlawfully
4 gained an unfair advantage over other businesses.

5 123. Plaintiff and the other class members have been personally injured by
6 Defendants' unlawful business acts and practices as alleged herein, including but not
7 necessarily limited to the loss of money and/or property.

8 124. Pursuant to Business & Professions Code sections 17200, *et seq.*, Plaintiff and
9 the other class members are entitled to restitution of the wages withheld and retained by
10 Defendants during a period that commences four years prior to the filing of this Complaint;
11 an award of attorneys' fees pursuant to Code of Civil procedure section 1021.5 and other
12 applicable laws; and an award of costs.

13 **DEMAND FOR JURY TRIAL**

14 Plaintiff, individually, and on behalf of other members of the general public similarly
15 situated, requests a trial by jury.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiff, individually and on behalf of all other members of the
18 general public similarly situated, prays for relief and judgment against Defendants, jointly and
19 severally, as follows:

20 **Class Certification**

- 21 1. That this action be certified as a class action;
- 22 2. That Plaintiff be appointed as representative of the Class;
- 23 3. That counsel for Plaintiff be appointed as Class Counsel; and
- 24 4. That Defendants provide to Class Counsel immediately the names and most
25 current contact information (address, e-mail, and telephone numbers) of all class members.

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As to the First Cause of Action

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

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

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

As to the Second Cause of Action

10. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 226.7 and 512(a) and applicable IWC Wage Orders by willfully failing to provide all meal periods (including second meal periods) to Plaintiff and the other class members;

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

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

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

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

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

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

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As to the Third Cause of Action

17. That the Court declare, adjudge, and decree that Defendants violated Labor Code section 226.7 and applicable IWC Wage Orders by willfully failing to provide all rest periods to Plaintiff and the other class members;

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

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

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

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

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

As to the Fourth Cause of Action

23. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 1194 and 1197 by willfully failing to pay minimum wages to Plaintiff and the other class members;

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

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

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

27. For liquidated damages pursuant to Labor Code section 1194.2; and

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

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1 **As to the Fifth Cause of Action**

2 29. That the Court declare, adjudge, and decree that Defendants violated Labor Code
3 sections 201, 202, and 203 by willfully failing to pay all compensation owed at the time of
4 termination of the employment of Plaintiff and the other class members no longer employed
5 by Defendants;

6 30. For all actual, consequential, and incidental losses and damages, according to
7 proof;

8 31. For statutory wage penalties pursuant to Labor Code section 203 for the class
9 members who have left Defendants' employ;

10 32. For pre-judgment interest on any unpaid compensation from the date such
11 amounts were due; and

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

13 **As to the Sixth Cause of Action**

14 34. That the Court declare, adjudge, and decree that Defendants violated the record
15 keeping provisions of Labor Code section 226(a) and applicable IWC Wage Orders as to
16 Plaintiff and the other class members, and willfully failed to provide accurate itemized wage
17 statements thereto;

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

19 36. For statutory penalties pursuant to Labor Code section 226(e);

20 37. For injunctive relief to ensure compliance with this section, pursuant to Labor
21 Code section 226(h); and

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

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

24 39. That the Court declare, adjudge, and decree that Defendants violated Labor Code
25 sections 2800 and 2802 by willfully failing to reimburse Plaintiff and the other class members
26 for all necessary business-related expenses as required by Labor Code sections 2800 and 2802;

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

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

42. For punitive damages and/or exemplary damages according to proof at trial;

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

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

As to the Eighth Cause of Action

45. That the Court declare, adjudge, and decree that Defendants violated Labor Code sections 2698, *et seq.*, the PAGA, for civil penalties pursuant to Defendants' violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 229, 246(l), 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802;

46. Upon this Cause of Action, for costs and attorneys' fees pursuant to Labor Code sections 210, 1194, and 2699, and any other applicable statute; and

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

As to the Ninth Cause of Action

48. That the Court declare, adjudge, and decree that Defendants violated Business & Professions Code sections 17200, *et seq.* by failing to provide Plaintiff and the other class members all overtime compensation due to them, failing to provide all meal and rest periods to Plaintiff and the other class members, failing to pay at least minimum wages to Plaintiff and the other class members, failing to pay Plaintiff's and the other class members' wages timely as required by Labor Code sections 201 and 202.

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

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

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

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

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

2
3 Dated: August 28, 2025

JUSTICE LAW CORPORATION

4
5 By: 

6 Douglas Han
7 Shunt Tatavos-Gharajeh
8 Jame Nguyen
9 Attorneys for Plaintiff

EXHIBIT 1

July 3, 2025

BY U.S. EMAIL/ELECTRONIC SUBMISSION

PAGAfilings@dir.ca.gov

State of California

Labor & Workforce Development Agency

800 Capitol Mall, MIC-55

Sacramento, California 95814

Re: Kratos Defense & Security Solutions, Inc.; Kratos BSC Partners, LLC; Kratos Defense & Rocket Support Services, Inc.; Kratos Government Solutions, Inc.; Kratos Integral Systems International, Inc.; Kratos Communications, Inc.; Kratos Networks, Inc.; Kratos Space & Missile Defense Systems, Inc.; Kratos SRE, Inc.; Kratos Technology & Training Solutions, Inc.; and Kratos Unmanned Aerial Systems, Inc.

Dear Representative:

We have been retained to represent Ray Stevens against Kratos Defense & Security Solutions, Inc.; BSC Partners, LLC; Kratos Defense & Rocket Support Services, Inc.; Kratos Integral Systems International, Inc.; Kratos Communications, Inc.; Kratos Space & Missile Defense Systems, Inc.; Kratos SRE, Inc.; Kratos Technology & Training Solutions, Inc.; and Kratos Unmanned Aerial Systems, Inc. (including any and all affiliates, managers, members, subsidiaries, and parents, and their shareholders, officers, directors, and employees), any individual, owner, officer and managing agent, DOES 1-10 as an "Employer" or person acting on behalf of an "Employer" pursuant to California Labor Code section 558.1, for violations of California wage-and-hour laws (collectively referred to as "KRATOS").

Mr. Stevens is pursuing his California Labor Code section 2698, *et seq.*, the Private Attorneys General Act of 2004 ("PAGA") claim on a representative basis. Therefore, Mr. Stevens may seek penalties for violations of the Labor Code on behalf of the State of California and aggrieved employees, which are recoverable under PAGA. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Kratos Defense & Security Solutions, Inc. is a Delaware corporation headquartered at 10680 Trenea Street, Suite 600, San Diego, California 92131.

BSC Partners, LLC is a New York limited liability company with a location at 10680 Trenea Street, Suite 600, San Diego, California 92131.

Kratos Defense & Rocket Support Services, Inc. is a Delaware with a location in San Diego, California.

Kratos Integral Systems International, Inc. is a California corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

Kratos Communications, Inc. is a Delaware corporation with a location in San Diego, California.

Kratos Space & Missile Defense Systems, Inc. is a Delaware corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

Kratos SRE, Inc. is a Delaware corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

Kratos Technology & Training Solutions, Inc. is a California corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

Kratos Unmanned Aerial Systems, Inc. is a California corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

KRATOS employed Mr. Stevens as an hourly-paid, non-exempt employee in the State of California. KRATOS directly controlled the wages, hours, and/or working conditions of Mr. Stevens and other aggrieved employees' employment, including direction, retention, scheduling, supervision, and termination.

The "aggrieved employees" that Mr. Stevens may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees of KRATOS within the State of California.

KRATOS failed to properly pay its hourly-paid or non-exempt employees for all hours worked, failed to properly provide or compensate minimum wages and overtime wages and for noncompliant meal and rest breaks, failed to issue compliant wage statements, and failed to reimburse for all necessary business-related costs and expenses, resulting in other Labor Code violations as stated below.

Pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 751, an employee who brings a representative action and was affected by at least one of the violations alleged in the complaint has standing to pursue penalties on behalf of the state not only for that violation, but for violations affecting other employees as well. Accordingly, Mr. Stevens has standing to pursue penalties on behalf of the state for violations affecting all the aggrieved employees at KRATOS, regardless of their classification, job title, location, or whether they were hired directly or through a staffing agency.

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KRATOS has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 229, 246(l), 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission ("IWC") Wage Orders.

California Labor Code sections 510, 1194, and 1198 require employers to pay at least minimum wage for all hours worked, pay time-and-a-half, or double-time overtime wages, and make it unlawful to work employees for hours longer than 8 hours in one day and/or over 40 hours in one week without paying the premium overtime rates.

During the relevant time period, Mr. Stevens and other aggrieved employees routinely worked in excess of 8 hours in a day and 40 hours in a week. Firstly, KRATOS maintained policies that generally discouraged overtime work and threatened Mr. Stevens and other aggrieved employees with termination for recording unauthorized overtime hours. Secondly, KRATOS had a quota system whereby Mr. Stevens and other aggrieved employees were expected to complete tasks by assigned deadlines or risk disciplinary action, thereby forcing them to work additional hours off-the-clock to meet their assigned deadlines. In fact, KRATOS permitted supervisors to instruct Mr. Stevens and other aggrieved employees to work additional hours off-the-clock to complete their tasks by their assigned deadlines. Thirdly, KRATOS expected Mr. Stevens and other aggrieved employees to don and doff their personal protective equipment ("PPE") before clocking in and after clocking out and to begin making preparation for their shifts before clocking in. Finally, because KRATOS did not have enough timeclocks, there was usually a line of employees trying to clock in at the same time, thereby pressuring Mr. Stevens and other aggrieved employees to arrive at work earlier than their scheduled shifts. Thus, Mr. Stevens and other aggrieved employees were entitled to receive certain wages for minimum and overtime compensation, but they were not paid for all hours worked.

California Labor Code section 246 requires that employers provide employees with paid sick leave of not less than 1 hour per every 30 hours worked. California Labor Code section 246(l) also requires that paid sick leave be paid at a non-exempt employee's regular rate of pay for the workweek in which the employee uses paid sick time or at a rate calculated 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 of employment.

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees paid sick leave that complied with California Labor Code section 246. This included failing to pay paid sick leave at non-exempt employees' regular rate of pay or at a rate calculated 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 of employment. Instead, KRATOS only paid sick leave at Mr. Stevens and other aggrieved employees' base hourly rate of pay.

California Labor Code sections 226.7 and 512 require employers to pay an employee 1 additional hour of pay at the employee's regular rate for each workday that a meal or rest break is not provided.

During the relevant time period, KRATOS frequently prevented employees from receiving compliant meal and rest breaks. KRATOS failed to properly advise Mr. Stevens and other aggrieved employees about their right to receive compliant meal and rest breaks (*i.e.*, when to take their breaks, length of their breaks). Furthermore, Mr. Stevens and other aggrieved employees ended up working through most of their meal and rest breaks because supervisors rarely, if ever, informed and reminded employees of their right to take breaks. The volume of time-sensitive work and KRATOS would assign to Mr. Stevens and other aggrieved employees also left them with little to no reasonable opportunities to take their meal and rest breaks. This issue with noncompliant meal and rest breaks extended to supervisors failed to authorize and permit Mr. Stevens and other aggrieved employees to take additional breaks even if they worked the requisite hours. Finally, despite these facts, KRATOS failed to compensate Mr. Stevens and other aggrieved employees all the premium wages they were owed.

California Labor Code section 201 requires that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. California Labor Code section 202 requires that if an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. California Labor Code section 203 provides that if an employer willfully fails to pay, without abatement or reduction, in accordance with Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced. But the wages shall not continue for more than 30 days.

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees all wages, including as a result of uncompensated off-the-clock work, unpaid sick leave, unpaid overtime wages, and unpaid premium wages for failing to provide legally mandated meal and rest breaks owed within any time period specified by California Labor Code sections 201 through 203. Therefore, KRATOS is liable under California Labor Code section 203.

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

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees all wages due to them, including as a result of uncompensated off-the-clock work, unpaid sick leave, unpaid overtime wages, and unpaid premium wages owed for failing to provide legally mandated meal and rest breaks owed within any time period specified by California Labor Code section 204.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees.

During the relevant time period, KRATOS did not provide Mr. Stevens and other aggrieved employees with complete and accurate itemized wage statements. The wage statements Mr. Stevens and other aggrieved employees received from KRATOS were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include: (1) gross wages earned by Mr. Stevens and other aggrieved employees; (2) total hours worked by Mr. Stevens and other aggrieved employees; (3) all deductions for Mr. Stevens and other aggrieved employees; (4) net wages earned by Mr. Stevens and other aggrieved employees; and (5) all applicable hourly rates in effect during the pay period and corresponding number of hours worked at each hourly rate by Mr. Stevens and other aggrieved employees.

California Labor Code section 558 allows recovery of penalties. Any 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 IWC Wage Order shall be subject to a civil penalty. The civil penalty is as follows: (1) for any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) for each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) wages recovered pursuant to this section shall be paid to the affected employee.

///

During the relevant time period, Mr. Stevens and other aggrieved employees have been denied their wages and premium wages and are entitled to penalties.

California Labor Code section 1174(d) requires an employer to keep at a central location in the state or at the plants or establishments at which employees are employed payroll records showing the hours worked daily by and wages paid to employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than 3 years.

During the relevant time period, KRATOS failed to keep accurate and complete payroll records showing the hours worked daily and wages paid to Mr. Stevens and other aggrieved employees.

California Labor Code sections 1194, 1197, and 1197.1 provide that the minimum wage to be paid to employees, and payment of a lesser wage than the minimum so fixed is unlawful.

During the relevant time period, KRATOS did not provide Mr. Stevens and other aggrieved employees with the minimum wages to which they were entitled despite having constructive and actual knowledge of off-the-clock work and work performed during meal and rest breaks.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer.

During the relevant time period, Mr. Stevens and other aggrieved employees incurred various necessary business-related expenses that were not fully reimbursed by KRATOS. These business-related expenses included purchasing safety glasses and safety shoes to effectively perform their duties.

We believe that Mr. Stevens and other current and former California-based hourly-paid or non-exempt employees are entitled to penalties as allowed under California Labor Code section 2698, *et seq.* for violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 229, 246(l), 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802, and IWC Wage Orders.

California Labor Code section 2699.3 requires that a claimant must send a certified letter to the employer in questions and California Labor & Workforce Development Agency setting forth the claims and basis for the claims, thereby giving the California Labor & Workforce Development Agency an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this letter is to satisfy the requirement created by California Labor code section 2699 prior to seeking penalties allowed by law for the aforementioned statutory violations. We look forward to determining whether California Labor & Workforce Development Agency intends to take any action in reference to these claims. We kindly request that you respond to this notice according to the time frame contemplated by the California Labor Code.

Mr. Stevens will seek these penalties on his own behalf and on behalf of other similarly situated California-based hourly-paid or non-exempt employees of KRATOS within 1 year of the date of this letter, as allowed by law.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and noble cause you advance each and every day.

Very truly yours,

JUSTICE LAW CORPORATION

A handwritten signature in black ink, appearing to read 'D. Han', with a long horizontal flourish extending to the right.

Douglas Han, Esq.

CC: (By Email Only):

Brett Greving

bgreving@cozen.com

Delores Walker

DeloresWalker@cozen.com

Counsel for KRATOS

EXHIBIT 2

July 17, 2025

BY U.S. EMAIL/ELECTRONIC SUBMISSION

PAGAfilings@dir.ca.gov

State of California

Labor & Workforce Development Agency

800 Capitol Mall, MIC-55

Sacramento, California 95814

Re: Kratos Defense & Security Solutions, Inc.; BSC Partners, LLC; Kratos Defense & Rocket Support Services, Inc.; Kratos Integral Systems International, Inc.; Kratos Communications, Inc.; Kratos Space & Missile Defense Systems, Inc.; Kratos SRE, Inc.; Kratos Technology & Training Solutions, Inc.; and Kratos Unmanned Aerial Systems, Inc.

Dear Representative:

We hereby amend our July 3, 2025, letter sent to your office in compliance with the reporting requirements of California Labor Code section 2699.3. A true and correct copy of the July 3, 2025 letter is attached to this submission as **Exhibit A** for reference. We are amending this notice to update the employers' locations of business.

We have been retained to represent Ray Stevens against Kratos Defense & Security Solutions, Inc.; BSC Partners, LLC; Kratos Defense & Rocket Support Services, Inc.; Kratos Integral Systems International, Inc.; Kratos Communications, Inc.; Kratos Space & Missile Defense Systems, Inc.; Kratos SRE, Inc.; Kratos Technology & Training Solutions, Inc.; and Kratos Unmanned Aerial Systems, Inc. (including any and all affiliates, managers, members, subsidiaries, and parents, and their shareholders, officers, directors, and employees), any individual, owner, officer and managing agent, DOES 1-10 as an "Employer" or person acting on behalf of an "Employer" pursuant to California Labor Code section 558.1, for violations of California wage-and-hour laws (collectively referred to as "KRATOS").

Mr. Stevens is pursuing his California Labor Code section 2698, *et seq.*, the Private Attorneys General Act of 2004 ("PAGA") claim on a representative basis. Therefore, Mr. Stevens may seek penalties for violations of the Labor Code on behalf of the State of California and aggrieved employees, which are recoverable under PAGA. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Kratos Defense & Security Solutions, Inc. is a Delaware corporation with a location in San Diego, California.

BSC Partners, LLC is a New York limited liability company with a location in San Diego, California.

Kratos Defense & Rocket Support Services, Inc. is a Delaware corporation with a location in San Diego, California.

Kratos Integral Systems International, Inc. is a California corporation with a location in San Diego, California.

Kratos Communications, Inc. is a Delaware corporation with a location in San Diego, California.

Kratos Space & Missile Defense Systems, Inc. is a Delaware corporation with a location in San Diego, California.

Kratos SRE, Inc. is a Delaware corporation with a location in San Diego, California.

Kratos Technology & Training Solutions, Inc. is a California corporation with a location in San Diego, California.

Kratos Unmanned Aerial Systems, Inc. is a California corporation with a location in Sacramento, California.

KRATOS employed Mr. Stevens as an hourly-paid, non-exempt employee in the State of California. KRATOS directly controlled the wages, hours, and/or working conditions of Mr. Stevens and other aggrieved employees' employment, including direction, retention, scheduling, supervision, and termination.

The "aggrieved employees" that Mr. Stevens may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees of KRATOS within the State of California.

KRATOS failed to properly pay its hourly-paid or non-exempt employees for all hours worked, failed to properly provide or compensate minimum wages and overtime wages and for noncompliant meal and rest breaks, failed to issue compliant wage statements, and failed to reimburse for all necessary business-related costs and expenses, resulting in other Labor Code violations as stated below.

Pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 751, an employee who brings a representative action and was affected by at least one of the violations alleged in the complaint has standing to pursue penalties on behalf of the state not only for that violation, but for violations affecting other employees as well. Accordingly, Mr. Stevens has standing to pursue penalties on behalf of the state for violations affecting all the aggrieved employees at KRATOS, regardless of their classification, job title, location, or whether they were hired directly or through a staffing agency.

KRATOS has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 229, 246(l), 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission ("IWC") Wage Orders.

California Labor Code sections 510, 1194, and 1198 require employers to pay at least minimum wage for all hours worked, pay time-and-a-half, or double-time overtime wages, and make it unlawful to work employees for hours longer than 8 hours in one day and/or over 40 hours in one week without paying the premium overtime rates.

During the relevant time period, Mr. Stevens and other aggrieved employees routinely worked in excess of 8 hours in a day and 40 hours in a week. Firstly, KRATOS maintained policies that generally discouraged overtime work and threatened Mr. Stevens and other aggrieved employees with termination for recording unauthorized overtime hours. Secondly, KRATOS had a quota system whereby Mr. Stevens and other aggrieved employees were expected to complete tasks by assigned deadlines or risk disciplinary action, thereby forcing them to work additional hours off-the-clock to meet their assigned deadlines. In fact, KRATOS permitted supervisors to instruct Mr. Stevens and other aggrieved employees to work additional hours off-the-clock to complete their tasks by their assigned deadlines. Thirdly, KRATOS expected Mr. Stevens and other aggrieved employees to don and doff their personal protective equipment ("PPE") before clocking in and after clocking out and to begin making preparation for their shifts before clocking in. Finally, because KRATOS did not have enough timeclocks, there was usually a line of employees trying to clock in at the same time, thereby pressuring Mr. Stevens and other aggrieved employees to arrive at work earlier than their scheduled shifts. Thus, Mr. Stevens and other aggrieved employees were entitled to receive certain wages for minimum and overtime compensation, but they were not paid for all hours worked.

California Labor Code section 246 requires that employers provide employees with paid sick leave of not less than 1 hour per every 30 hours worked. California Labor Code section 246(l) also requires that paid sick leave be paid at a non-exempt employee's regular rate of pay for the workweek in which the employee uses paid sick time or at a rate calculated 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 of employment.

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees paid sick leave that complied with California Labor Code section 246. This included failing to pay paid sick leave at non-exempt employees' regular rate of pay or at a rate calculated 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 of employment. Instead, KRATOS only paid sick leave at Mr. Stevens and other aggrieved employees' base hourly rate of pay.

California Labor Code sections 226.7 and 512 require employers to pay an employee 1 additional hour of pay at the employee's regular rate for each workday that a meal or rest break is not provided.

During the relevant time period, KRATOS frequently prevented employees from receiving compliant meal and rest breaks. KRATOS failed to properly advise Mr. Stevens and other aggrieved employees about their right to receive compliant meal and rest breaks (*i.e.*, when to take their breaks, length of their breaks). Furthermore, Mr. Stevens and other aggrieved employees ended up working through most of their meal and rest breaks because supervisors rarely, if ever, informed and reminded employees of their right to take breaks. The volume of time-sensitive work and KRATOS would assign to Mr. Stevens and other aggrieved employees also left them with little to no reasonable opportunities to take their meal and rest breaks. This issue with noncompliant meal and rest breaks extended to supervisors failed to authorize and permit Mr. Stevens and other aggrieved employees to take additional breaks even if they worked the requisite hours. Finally, despite these facts, KRATOS failed to compensate Mr. Stevens and other aggrieved employees all the premium wages they were owed.

California Labor Code section 201 requires that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. California Labor Code section 202 requires that if an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. California Labor Code section 203 provides that if an employer willfully fails to pay, without abatement or reduction, in accordance with Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced. But the wages shall not continue for more than 30 days.

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees all wages, including as a result of uncompensated off-the-clock work, unpaid sick leave, unpaid overtime wages, and unpaid premium wages for failing to provide legally mandated meal and rest breaks owed within any time period specified by California Labor Code sections 201 through 203. Therefore, KRATOS is liable under California Labor Code section 203.

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

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees all wages due to them, including as a result of uncompensated off-the-clock work, unpaid sick leave, unpaid overtime wages, and unpaid premium wages owed for failing to provide legally mandated meal and rest breaks owed within any time period specified by California Labor Code section 204.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees.

During the relevant time period, KRATOS did not provide Mr. Stevens and other aggrieved employees with complete and accurate itemized wage statements. The wage statements Mr. Stevens and other aggrieved employees received from KRATOS were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include: (1) gross wages earned by Mr. Stevens and other aggrieved employees; (2) total hours worked by Mr. Stevens and other aggrieved employees; (3) all deductions for Mr. Stevens and other aggrieved employees; (4) net wages earned by Mr. Stevens and other aggrieved employees; and (5) all applicable hourly rates in effect during the pay period and corresponding number of hours worked at each hourly rate by Mr. Stevens and other aggrieved employees.

California Labor Code section 558 allows recovery of penalties. Any 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 IWC Wage Order shall be subject to a civil penalty. The civil penalty is as follows: (1) for any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) for each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) wages recovered pursuant to this section shall be paid to the affected employee.

During the relevant time period, Mr. Stevens and other aggrieved employees have been denied their wages and premium wages and are entitled to penalties.

California Labor Code section 1174(d) requires an employer to keep at a central location in the state or at the plants or establishments at which employees are employed payroll records showing the hours worked daily by and wages paid to employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than 3 years.

During the relevant time period, KRATOS failed to keep accurate and complete payroll records showing the hours worked daily and wages paid to Mr. Stevens and other aggrieved employees.

California Labor Code sections 1194, 1197, and 1197.1 provide that the minimum wage to be paid to employees, and payment of a lesser wage than the minimum so fixed is unlawful.

During the relevant time period, KRATOS did not provide Mr. Stevens and other aggrieved employees with the minimum wages to which they were entitled despite having constructive and actual knowledge of off-the-clock work and work performed during meal and rest breaks.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer.

During the relevant time period, Mr. Stevens and other aggrieved employees incurred various necessary business-related expenses that were not fully reimbursed by KRATOS. These business-related expenses included purchasing safety glasses and safety shoes to effectively perform their duties.

We believe that Mr. Stevens and other current and former California-based hourly-paid or non-exempt employees are entitled to penalties as allowed under California Labor Code section 2698, *et seq.* for violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 229, 246(l), 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802, and IWC Wage Orders.

California Labor Code section 2699.3 requires that a claimant must send a certified letter to the employer in questions and California Labor & Workforce Development Agency setting forth the claims and basis for the claims, thereby giving the California Labor & Workforce Development Agency an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this letter is to satisfy the requirement created by California Labor code section 2699 prior to seeking penalties allowed by law for the aforementioned statutory violations. We look forward to determining whether California Labor & Workforce Development Agency intends to take any action in reference to these claims. We kindly request that you respond to this notice according to the time frame contemplated by the California Labor Code.

Mr. Stevens will seek these penalties on his own behalf and on behalf of other similarly situated California-based hourly-paid or non-exempt employees of KRATOS within 1 year of the date of this letter, as allowed by law.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and noble cause you advance each and every day.

Very truly yours,

JUSTICE LAW CORPORATION

A handwritten signature in black ink, appearing to read "D. Han", with a long horizontal flourish extending to the right.

Douglas Han, Esq.

CC: (By Email Only):

Brett Greving

bgreving@cozen.com

Delores Walker

DeloresWalker@cozen.com

Counsel for KRATOS

EXHIBIT A

July 3, 2025

BY U.S. EMAIL/ELECTRONIC SUBMISSION

PAGAfilings@dir.ca.gov

State of California

Labor & Workforce Development Agency

800 Capitol Mall, MIC-55

Sacramento, California 95814

Re: Kratos Defense & Security Solutions, Inc.; Kratos BSC Partners, LLC; Kratos Defense & Rocket Support Services, Inc.; Kratos Government Solutions, Inc.; Kratos Integral Systems International, Inc.; Kratos Communications, Inc.; Kratos Networks, Inc.; Kratos Space & Missile Defense Systems, Inc.; Kratos SRE, Inc.; Kratos Technology & Training Solutions, Inc.; and Kratos Unmanned Aerial Systems, Inc.

Dear Representative:

We have been retained to represent Ray Stevens against Kratos Defense & Security Solutions, Inc.; BSC Partners, LLC; Kratos Defense & Rocket Support Services, Inc.; Kratos Integral Systems International, Inc.; Kratos Communications, Inc.; Kratos Space & Missile Defense Systems, Inc.; Kratos SRE, Inc.; Kratos Technology & Training Solutions, Inc.; and Kratos Unmanned Aerial Systems, Inc. (including any and all affiliates, managers, members, subsidiaries, and parents, and their shareholders, officers, directors, and employees), any individual, owner, officer and managing agent, DOES 1-10 as an "Employer" or person acting on behalf of an "Employer" pursuant to California Labor Code section 558.1, for violations of California wage-and-hour laws (collectively referred to as "KRATOS").

Mr. Stevens is pursuing his California Labor Code section 2698, *et seq.*, the Private Attorneys General Act of 2004 ("PAGA") claim on a representative basis. Therefore, Mr. Stevens may seek penalties for violations of the Labor Code on behalf of the State of California and aggrieved employees, which are recoverable under PAGA. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Kratos Defense & Security Solutions, Inc. is a Delaware corporation headquartered at 10680 Trenea Street, Suite 600, San Diego, California 92131.

BSC Partners, LLC is a New York limited liability company with a location at 10680 Trenea Street, Suite 600, San Diego, California 92131.

Kratos Defense & Rocket Support Services, Inc. is a Delaware with a location in San Diego, California.

Kratos Integral Systems International, Inc. is a California corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

Kratos Communications, Inc. is a Delaware corporation with a location in San Diego, California.

Kratos Space & Missile Defense Systems, Inc. is a Delaware corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

Kratos SRE, Inc. is a Delaware corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

Kratos Technology & Training Solutions, Inc. is a California corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

Kratos Unmanned Aerial Systems, Inc. is a California corporation headquartered at 10680 Treena Street, Suite 600, San Diego, California 92131.

KRATOS employed Mr. Stevens as an hourly-paid, non-exempt employee in the State of California. KRATOS directly controlled the wages, hours, and/or working conditions of Mr. Stevens and other aggrieved employees' employment, including direction, retention, scheduling, supervision, and termination.

The "aggrieved employees" that Mr. Stevens may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees of KRATOS within the State of California.

KRATOS failed to properly pay its hourly-paid or non-exempt employees for all hours worked, failed to properly provide or compensate minimum wages and overtime wages and for noncompliant meal and rest breaks, failed to issue compliant wage statements, and failed to reimburse for all necessary business-related costs and expenses, resulting in other Labor Code violations as stated below.

Pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 751, an employee who brings a representative action and was affected by at least one of the violations alleged in the complaint has standing to pursue penalties on behalf of the state not only for that violation, but for violations affecting other employees as well. Accordingly, Mr. Stevens has standing to pursue penalties on behalf of the state for violations affecting all the aggrieved employees at KRATOS, regardless of their classification, job title, location, or whether they were hired directly or through a staffing agency.

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KRATOS has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 229, 246(l), 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission ("IWC") Wage Orders.

California Labor Code sections 510, 1194, and 1198 require employers to pay at least minimum wage for all hours worked, pay time-and-a-half, or double-time overtime wages, and make it unlawful to work employees for hours longer than 8 hours in one day and/or over 40 hours in one week without paying the premium overtime rates.

During the relevant time period, Mr. Stevens and other aggrieved employees routinely worked in excess of 8 hours in a day and 40 hours in a week. Firstly, KRATOS maintained policies that generally discouraged overtime work and threatened Mr. Stevens and other aggrieved employees with termination for recording unauthorized overtime hours. Secondly, KRATOS had a quota system whereby Mr. Stevens and other aggrieved employees were expected to complete tasks by assigned deadlines or risk disciplinary action, thereby forcing them to work additional hours off-the-clock to meet their assigned deadlines. In fact, KRATOS permitted supervisors to instruct Mr. Stevens and other aggrieved employees to work additional hours off-the-clock to complete their tasks by their assigned deadlines. Thirdly, KRATOS expected Mr. Stevens and other aggrieved employees to don and doff their personal protective equipment ("PPE") before clocking in and after clocking out and to begin making preparation for their shifts before clocking in. Finally, because KRATOS did not have enough timeclocks, there was usually a line of employees trying to clock in at the same time, thereby pressuring Mr. Stevens and other aggrieved employees to arrive at work earlier than their scheduled shifts. Thus, Mr. Stevens and other aggrieved employees were entitled to receive certain wages for minimum and overtime compensation, but they were not paid for all hours worked.

California Labor Code section 246 requires that employers provide employees with paid sick leave of not less than 1 hour per every 30 hours worked. California Labor Code section 246(l) also requires that paid sick leave be paid at a non-exempt employee's regular rate of pay for the workweek in which the employee uses paid sick time or at a rate calculated 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 of employment.

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees paid sick leave that complied with California Labor Code section 246. This included failing to pay paid sick leave at non-exempt employees' regular rate of pay or at a rate calculated 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 of employment. Instead, KRATOS only paid sick leave at Mr. Stevens and other aggrieved employees' base hourly rate of pay.

California Labor Code sections 226.7 and 512 require employers to pay an employee 1 additional hour of pay at the employee's regular rate for each workday that a meal or rest break is not provided.

During the relevant time period, KRATOS frequently prevented employees from receiving compliant meal and rest breaks. KRATOS failed to properly advise Mr. Stevens and other aggrieved employees about their right to receive compliant meal and rest breaks (*i.e.*, when to take their breaks, length of their breaks). Furthermore, Mr. Stevens and other aggrieved employees ended up working through most of their meal and rest breaks because supervisors rarely, if ever, informed and reminded employees of their right to take breaks. The volume of time-sensitive work and KRATOS would assign to Mr. Stevens and other aggrieved employees also left them with little to no reasonable opportunities to take their meal and rest breaks. This issue with noncompliant meal and rest breaks extended to supervisors failed to authorize and permit Mr. Stevens and other aggrieved employees to take additional breaks even if they worked the requisite hours. Finally, despite these facts, KRATOS failed to compensate Mr. Stevens and other aggrieved employees all the premium wages they were owed.

California Labor Code section 201 requires that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. California Labor Code section 202 requires that if an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. California Labor Code section 203 provides that if an employer willfully fails to pay, without abatement or reduction, in accordance with Labor Code sections 201, 201.3, 201.5, 201.6, 201.8, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced. But the wages shall not continue for more than 30 days.

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees all wages, including as a result of uncompensated off-the-clock work, unpaid sick leave, unpaid overtime wages, and unpaid premium wages for failing to provide legally mandated meal and rest breaks owed within any time period specified by California Labor Code sections 201 through 203. Therefore, KRATOS is liable under California Labor Code section 203.

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

During the relevant time period, KRATOS failed to pay Mr. Stevens and other aggrieved employees all wages due to them, including as a result of uncompensated off-the-clock work, unpaid sick leave, unpaid overtime wages, and unpaid premium wages owed for failing to provide legally mandated meal and rest breaks owed within any time period specified by California Labor Code section 204.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees.

During the relevant time period, KRATOS did not provide Mr. Stevens and other aggrieved employees with complete and accurate itemized wage statements. The wage statements Mr. Stevens and other aggrieved employees received from KRATOS were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include: (1) gross wages earned by Mr. Stevens and other aggrieved employees; (2) total hours worked by Mr. Stevens and other aggrieved employees; (3) all deductions for Mr. Stevens and other aggrieved employees; (4) net wages earned by Mr. Stevens and other aggrieved employees; and (5) all applicable hourly rates in effect during the pay period and corresponding number of hours worked at each hourly rate by Mr. Stevens and other aggrieved employees.

California Labor Code section 558 allows recovery of penalties. Any 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 IWC Wage Order shall be subject to a civil penalty. The civil penalty is as follows: (1) for any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; (2) for each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages; and (3) wages recovered pursuant to this section shall be paid to the affected employee.

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During the relevant time period, Mr. Stevens and other aggrieved employees have been denied their wages and premium wages and are entitled to penalties.

California Labor Code section 1174(d) requires an employer to keep at a central location in the state or at the plants or establishments at which employees are employed payroll records showing the hours worked daily by and wages paid to employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case, shall be kept on file for not less than 3 years.

During the relevant time period, KRATOS failed to keep accurate and complete payroll records showing the hours worked daily and wages paid to Mr. Stevens and other aggrieved employees.

California Labor Code sections 1194, 1197, and 1197.1 provide that the minimum wage to be paid to employees, and payment of a lesser wage than the minimum so fixed is unlawful.

During the relevant time period, KRATOS did not provide Mr. Stevens and other aggrieved employees with the minimum wages to which they were entitled despite having constructive and actual knowledge of off-the-clock work and work performed during meal and rest breaks.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer.

During the relevant time period, Mr. Stevens and other aggrieved employees incurred various necessary business-related expenses that were not fully reimbursed by KRATOS. These business-related expenses included purchasing safety glasses and safety shoes to effectively perform their duties.

We believe that Mr. Stevens and other current and former California-based hourly-paid or non-exempt employees are entitled to penalties as allowed under California Labor Code section 2698, *et seq.* for violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 229, 246(l), 510, 512(a), 558, 1174(d), 1174.5, 1194, 1197, 1197.1, 1198, 2800, and 2802, and IWC Wage Orders.

California Labor Code section 2699.3 requires that a claimant must send a certified letter to the employer in questions and California Labor & Workforce Development Agency setting forth the claims and basis for the claims, thereby giving the California Labor & Workforce Development Agency an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this letter is to satisfy the requirement created by California Labor code section 2699 prior to seeking penalties allowed by law for the aforementioned statutory violations. We look forward to determining whether California Labor & Workforce Development Agency intends to take any action in reference to these claims. We kindly request that you respond to this notice according to the time frame contemplated by the California Labor Code.

Mr. Stevens will seek these penalties on his own behalf and on behalf of other similarly situated California-based hourly-paid or non-exempt employees of KRATOS within 1 year of the date of this letter, as allowed by law.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and noble cause you advance each and every day.

Very truly yours,

JUSTICE LAW CORPORATION

A handwritten signature in black ink, appearing to read "D. Han", with a long horizontal flourish extending to the right.

Douglas Han, Esq.

CC: (By Email Only):

Brett Greving

bgreving@cozen.com

Delores Walker

DeloresWalker@cozen.com

Counsel for KRATOS

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PROOF OF SERVICE
1013A(3) CCP

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Ave., Ste. 101 Pasadena, California 91103.

On August 28, 2025, I served the foregoing document described as

FIRST AMENDED CLASS ACTION COMPLAINT FOR DAMAGES

on interested parties in this action a true and correct copy thereof to the email addresses as follows:

Brett Greving (bgreving@cozen.com)
Delores Walker (DeloresWalker@cozen.com)
COZEN O'CONNOR
388 Market Street, Suite 1000
San Francisco, CA 94111

Attorney(s) for Defendants Kratos Defense & Security Solutions, Inc., et al.

[X] BY E-MAIL

Pursuant to an agreement between the Parties regarding electronic service, the above-referenced document was transmitted to the addressee(s) at the e-mail addresses listed herein, which are their most recently known e-mail addresses or e-mail addresses of record in this action. I did not receive, within reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

[X] STATE

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

Executed on August 28, 2025, at Pasadena, California.



Christina Castro

**PROOF OF SERVICE
1013A(3) CCP**

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 751 N. Fair Oaks Avenue, Suite 101, Pasadena, CA 91103 and my electronic service address is ccastro@justicelawcorp.com

On September 4, 2025, I served the foregoing document described as

FIRST AMENDED CLASS ACTION COMPLAINT FOR DAMAGES

for the following case: **Ray Stevens v. Kratos Defense & Security Solutions, Inc. et al.**
LWDA/Court Case No.: **LWDA Case No.: LWDA-CM-1109648-25**
Court Case No.: 24CV011425
Sacramento County Superior Court

on interested parties in this action by electronically submitting as follows:

State of California
Labor & Workforce Development Agency
800 Capitol Mall, MIC-55
Sacramento, California 95814

[X] BY ELECTRONIC SUBMISSION

Pursuant to California Senate Bill No. 836, I caused the documents described above to be electronically submitted by and through the procedure stated on the website of the State of California Labor and Workforce Development Agency.

[X] STATE

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

Executed on September 4, 2025, at Pasadena, California.



Christina Castro