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Attorneys for Plaintiffs Garcia and Beltran

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
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Clerk of the Superior Court
By Katie Winburn, Deputy Clerk

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

STEVEN GARCIA and CHRISTIAN
BELTRAN, individually and on behalf of all
others similarly situated,

Plaintiffs,

vs.

PAL GENERAL ENGINEERING INC. and
DOES 1 through 50, inclusive,

Defendants.

Case No. 37-2023-00011126-CU-OE-CTL

*Assigned to the Hon. Timothy B. Taylor
Department C-72*

CLASS ACTION

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT**

1. Failure to Pay All Overtime Wages
2. Meal Period Violations
3. Rest Period Violations
4. Untimely Payment of Wages
5. Wage Statement Violations
6. Waiting Time Penalties
7. Unfair Competition
8. Civil Penalties under the Private Attorneys
General Act (Labor Code §§ 2698 *et seq.*)

Action Filed: March 15, 2023

1 Plaintiffs STEVEN GARCIA and CHRISTIAN BELTRAN, individually and on behalf of all
2 others similarly situated and the State of California under the Private Attorneys General Act
3 (“Plaintiffs”) brings this FIRST AMENDED CLASS AND REPRESENTATIVE ACTION
4 COMPLAINT against Defendants PAL GENERAL ENGINEERING INC. and DOES 1 through 50,
5 inclusive (collectively “Defendants”), alleging as follows:

6 **INTRODUCTION**

7 1. This is a class and representative action brought under California Code of Civil
8 Procedure § 382 for Defendants’ violations of the California Labor Code and Business and Professions
9 Code.

10 2. Plaintiffs also seek civil penalties under the Private Attorneys General Act of 2004 for
11 Defendants’ violations of the California Labor Code.

12 3. Defendants underpaid the Class Members’ wages by failing to include all forms of
13 remuneration, including fringe benefit cash payments, into the regular rate of pay calculation for their
14 hourly overtime and premium wages.

15 4. Defendants also failed to maintain compliant meal and rest period policies and
16 practices, resulting in a failure to pay all wages and premiums owed to the Class Members at the lawful
17 rate.

18 5. Defendants are further liable for derivative penalties for wage statement, untimely
19 payment, and waiting time violations.

20 6. Defendants’ employment policies and practices and payroll administration systems
21 enabled and facilitated these violations on a company-wide basis with respect to the Class Members.

22 **JURISDICTION & VENUE**

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

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

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

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

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

6 **PARTIES**

7 **A. Plaintiffs Steven Garcia and Christian Beltran**

8 11. Plaintiff Garcia is an individual over 18 years of age who worked for Defendants in
9 California as a non-exempt employee from about September 2018 to August 2022. Plaintiff worked
10 as a Construction Craft Laborer.

11 12. Plaintiff Beltran is an individual over 18 years of age who worked for Defendants in
12 California as a non-exempt employee from about 2012 to August 2022. Plaintiff Beltran worked as a
13 Truck Driver.

14 13. The State of California, via the Labor and Workforce Development Agency (“LWDA”)
15 is the real party in interest in this action. (*Kim v. Reins Int’l California, Inc.* (2020) 9 Cal. 5th 73, 81
16 [The “government entity on whose behalf the plaintiff files suit is always the real party in interest.”])

17 **B. Defendants**

18 14. Throughout the respective statutory periods, the Defendants were a legal employer of
19 Plaintiffs and the Class Members.

20 15. Defendant PAL General Engineering Inc. is a California corporation that maintains
21 operations and conducts business throughout the State of California, including in this county.

22 16. The true names and capacities, whether individual, corporate, or otherwise, of the
23 parties sued as DOES 1 through 50, are presently unknown, unascertainable, or uncertain, and are sued
24 by such fictitious names under Code of Civil Procedure section 474. Upon information and belief,
25 each of DOES 1 through 50 constitutes a legal employer or is otherwise legally responsible in some
26 manner for the acts and omissions alleged herein. This Complaint may be amended to reflect their
27 true names and capacities once ascertained.
28

17. Upon information and belief, Defendants in this action are employers, co-employers, joint employers, and/or part of an integrated employer enterprise, as each of the Defendants exercised control over the wages, hours, and working conditions of the employees, suffered and permitted them to work, and otherwise engaged them as employees under California law.

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

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

CLASS ALLEGATIONS

20. This action is brought individually and on behalf of the following class pursuant to Code of Civil Procedure section 382:

a. All current and former non-exempt employees who worked for Defendants in California at any time from four years (plus the additional 178-day statutory tolling period under Emergency Rule 9) prior to the filing of this action through date of class certification.

21. Plaintiffs reserve the right to establish various subclass definitions as appropriate at the class certification stage, according to proof.

22. The class is ascertainable and shares a well-defined community of interest in this litigation:

a. Numerosity: The class is estimated to exceed 50 individuals, although the precise membership of the entire class is unknown at this time. The class is so numerous that joinder of all class members is impracticable. The identities of class members are ascertainable by inspection of Defendants' employment and payroll records.

- 1 b. Typicality: Plaintiffs' claims are typical of the claims of the other class
2 members. They were subject to the same policies and practices of Defendants,
3 which resulted in losses to the class. Proof of common unlawful business
4 practices, which Plaintiffs experienced, will establish the right of the class to
5 recover on the causes of action alleged herein.
- 6 c. Adequacy: Plaintiffs are adequate class representatives; will take all necessary
7 steps to protect the class members' interests adequately and fairly; have no
8 interest antagonistic to other class members; and are represented by attorneys
9 who have substantial experience prosecuting, defending, resolving, and
10 litigating wage and hour class, collective, and representative actions in
11 California state and federal courts.
- 12 d. Superiority: A class action is superior to other means for adjudicating this
13 dispute. Individual joinder is impractical. Class treatment will allow for
14 common issues to be resolved in a single forum, simultaneously, and without
15 duplication of effort and expense.
- 16 e. Public Policy Considerations: Certification of this lawsuit as a class action
17 advances the State of California's strong public interest in ensuring its
18 approximately millions of employed residents are properly paid the wages they
19 earned for the hours they worked. Class actions provide a mechanism for
20 enforcement of labor laws and allow for vindication of employee rights by
21 unnamed class members.

22 23. Common questions of law and fact as to the class members predominate over questions
23 affecting only individual members. The common questions of law and fact exist as to whether the
24 employment policies and practices formulated by Defendants and applied to the class members
25 constitute violate California law.

26 **GENERAL ALLEGATIONS**

27 24. Plaintiffs and the Class Members worked for Defendants and were compensated on an
28 hourly basis as nonexempt employees.

1 25. In addition to earning hourly compensation, Defendants paid Plaintiffs and the Class
2 Members other forms of non-discretionary remuneration, including fringe benefit cash payments.
3 When Defendants paid overtime or double time pay to Plaintiffs and the Class Members, Defendants
4 failed to include employees' additional remuneration into the regular rate of pay used to calculate and
5 pay overtime.

6 26. For example, in the pay period of March 7, 2022 to March 13, 2022, Plaintiff Garcia
7 earned \$378.26 as a fringe benefit cash payment. Plaintiff Garcia also earned overtime in this period,
8 which was paid at 1.5 times his straight hourly rate, rather than at the regular rate of pay, which would
9 have included the fringe benefit cash payment in the calculation of his overtime rate.

10 27. Likewise, in the pay period of April 18, 2022 to April 24, 2022, Plaintiff Beltran earned
11 \$152.78 as a fringe benefit cash payment as well as overtime and double time, which were paid at 1.5
12 and 2 times his straight hourly rate, respectively. Defendants did not include the additional \$152.78
13 in its calculation of Plaintiff Beltran's regular rate of pay for the purposes of overtime and double time
14 pay, in violation of California law.

15 28. Additionally, Defendants failed to pay meal and rest period premiums to Plaintiffs and
16 the Class Members at the regular rate of compensation by improperly excluding all forms of additional
17 remuneration, such as the cash benefits, from the calculation of the premium pay. Instead, Defendants
18 paid these premiums to Plaintiffs and the Class Members at their respective base hourly rates.

19 29. An illustrative example of this violation appears on Plaintiff Beltran's wage statement
20 from the period August 1, 2022 to August 7, 2022, reflecting two premiums paid at his base hourly
21 rate of \$51.03 rather than at the "regular rate," including all earnings and factoring in multiple wage
22 rates. As a result of Defendants' failure to include all earnings in the premium rate, Defendants
23 underpaid Plaintiffs and the Class Members in those applicable pay periods.

24 30. Furthermore, when Class Members worked more than 10 hours in a work day, they
25 were not provided with a compliant second meal period (or meal period premium in lieu of such second
26 meal period). Defendants did not maintain a lawful second meal period waiver.

27 31. On information and belief, Plaintiffs allege the Class Members were underpaid rest
28 period premiums. To the extent any rest period premiums were paid, they were underpaid as a result

of Defendants' policy and practice of not including all forms of remuneration in the calculation of the regular rate of pay at which such rest period premiums must be paid.

32. Because of these violations, Defendants failed provide accurate itemized wage statements to Class Members that included the accurate gross or net wages earned, as the employees earned overtime pay and premiums, which were not paid at the lawful rate in light of the regular rate violations. Likewise, overtime and premium wages were paid at inaccurate hourly wage rates (*i.e.*, the base rate or a multiple of the base rate for overtime instead of the regular rate) which violates the wage statement requirement to include the correct hourly rate in effect each pay period along with the correct number of hours. Therefore, Defendants have provided inaccurate and non-compliant wage statements to the Class Members.

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

34. As a result of the foregoing violations, Defendants also failed to timely pay all wages as they were due to Plaintiffs and the Class Members while they were employed and also failed to timely pay all wages due to Plaintiffs and the Class Members at their separation of employment.

35. Through this action, Plaintiffs seek to enforce the rights of the State of California, through the LWDA, to enforce the Labor Code and collect civil penalties for Defendants' Labor Code violations.

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL OVERTIME WAGES

Violation of Labor Code §§ 510 and 1194

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

37. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime wages all overtime hours worked, and which further provide a private right of action for an employer's failure to pay all overtime compensation for overtime hours worked.

38. Defendants failed in their affirmative obligation to pay Plaintiffs and class members no less than one and one-half times their respective "regular rate of pay" for all hours worked in excess

1 of eight hours in one day, 40 hours in one week, or the first eight hours worked on the seventh day of
2 work in any one workweek, and no less than twice their respective “regular rate of pay” for all hours
3 over 12 hours in one day and any work in excess of eight hours on any seventh day of a workweek for
4 such hours worked, in violation of Labor Code sections 204, 510, 558, 1194, and 1198 and the IWC
5 Wage Orders (the “Hours and Days of Work” sections of the applicable orders).

6 39. Plaintiffs and class members are entitled to recover to the full amount of the unpaid
7 overtime, in addition to interest, statutory and civil penalties, and attorneys’ fees, and costs to the
8 extent permitted by law.

9 **SECOND CAUSE OF ACTION**

10 **MEAL PERIOD VIOLATIONS**

11 **Violation of Labor Code §§ 226.7 and 512**

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

13 41. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
14 §§ 226.7, 558 and 512, which require non-exempt employees be provided complaint meal periods (or
15 meal period premiums in lieu thereof), and which further provide a private right of action for an
16 employer’s failure to lawfully provide all meal periods and/or pay meal period premiums at the lawful
17 regular rate of compensation.

18 42. Defendants willfully failed in their affirmative obligation to consistently pay Plaintiffs
19 and class members one additional hour of pay at the respective regular rate of compensation for each
20 workday that a fully compliant meal period was not provided, in violation of Labor Code sections
21 226.7, 512, 558, and 1198 and the IWC Wage Orders (the “Meal Periods” sections of the applicable
22 orders).

23 43. Plaintiffs and class members are entitled to recover to the full amount of the meal period
24 premiums owed, in addition to interest, statutory and civil penalties, and attorneys’ fees, and costs to
25 the extent permitted by law.

1 **THIRD CAUSE OF ACTION**

2 **REST PERIOD VIOLATIONS**

3 **Violation of Labor Code §§ 226.7**

4 44. All outside paragraphs of this Complaint are incorporated into this section.

5 45. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
6 §§ 226.7 and 516, which require non-exempt employees be authorized to take complaint rest periods
7 (or rest period premiums in lieu thereof), and which further provide a private right of action for an
8 employer's failure to lawfully provide all rest periods and/or pay rest period premiums at the lawful
9 regular rate of compensation.

10 46. Defendants willfully failed in their affirmative obligation to consistently pay Plaintiffs
11 and class members one additional hour of pay at the respective regular rate of compensation for each
12 workday that a fully compliant rest period was not provided, in violation of Labor Code sections 226.7,
13 516, 558, and 1198 and the IWC Wage Orders.

14 **FOURTH CAUSE OF ACTION**

15 **UNTIMELY PAYMENT OF WAGES**

16 **Violation of Labor Code §§ 204, 210, 218**

17 47. All outside paragraphs of this Complaint are incorporated into this section.

18 48. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
19 §§ 204, 204b, and 210 which require non-exempt employees be timely paid all wages owed each pay
20 period, and which further provide a private right of action for an employer's failure to comply with
21 this obligation. Labor Code § 218 authorizes individuals to sue directly for wages and penalties due
22 under these sections, including Labor Code § 210(c)'s statutory late payment penalties.

23 49. Defendants willfully failed in their affirmative obligation to timely pay all wages,
24 including paid sick leave and meal and rest premiums, earned by Plaintiff and class members twice
25 during each calendar month on days designated in advance by the employer as regular paydays (for
26 employees paid on a non-weekly basis) and on the regularly-scheduled weekly payday weekly
27 employees, if any, in violation of Labor Code sections 204 and 204b and the IWC Wage Orders (the
28 "Minimum Wages" sections of the applicable orders).

50. Plaintiff and class members are entitled to recover the full amount of the unpaid wages, in addition to a statutory penalty in the amount of \$100 for the initial violation for each failure to pay each employee and \$200 for all subsequent violations and for all willful or intentional violations for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld under provided in Labor Code § 210, in addition to interest, attorneys' fees, and costs to the extent permitted by law.

FIFTH CAUSE OF ACTION

WAGE STATEMENT VIOLATIONS

Violation of Labor Code § 226

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

52. This cause of action is brought by the Wage Statement Subclass pursuant to Labor Code § 226(a) which requires non-exempt employees be provided accurate itemized wage statements each pay period, and which further provide a private right of action for an employer's failure to comply with this obligation.

53. Defendants knowingly and intentionally failed in their affirmative obligation provide accurate itemized wage statements to Plaintiffs and class members resulting in injury to Plaintiffs and class members. Specifically, the wage statements issued to Plaintiffs and class members did not accurately state each pay period all of the information required by Labor Code § 226(a)(1)-(9).

54. Defendants' unlawful acts and omissions deprived Plaintiffs and class members of accurate itemized wage statements, causing confusion and concealing wage and premium underpayments.

55. As a result, Plaintiffs and class members are entitled to recover the statutory penalty of \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor Code section 226(e).

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1 with California's wage and hour laws. These failures constitute unlawful, deceptive, and unfair
2 business acts and practices in violation of Business and Professions Code section 17200 *et seq.*

3 63. Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged in this
4 Complaint, and Plaintiff, as an individual and on behalf of others similarly situated, seeks full
5 restitution of the moneys as necessary and according to proof to restore all monies withheld, acquired,
6 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

7 64. Plaintiff does not have an adequate remedy at law for past or future violations, to the
8 extent the statute of limitations on each of the alleged causes of action do not extend to the four year
9 limitation provided under the UCL or to the extent the underlying Labor Code and IWC Wage Order
10 violations do not provide a private right of action.

11 65. Plaintiff and class members are entitled to injunctive relief against Defendants,
12 restitution, and other equitable relief to return all funds over which Plaintiff and class members have
13 an ownership interest and to prevent future damage and the public interest under Business and
14 Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest,
15 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure
16 § 1021.5.

17 **EIGHTH CAUSE OF ACTION**

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

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

20 **(By Plaintiffs on Behalf of the State and the Aggrieved Employees Against All Defendants)**

21 66. All outside paragraphs of this Complaint are incorporated into this section.

22 67. Plaintiffs bring this cause of action as a proxy for the State of California on behalf of
23 the following "aggrieved employees" pursuant to the Private Attorneys General Act ("PAGA"),
24 codified as Labor Code section 2698 *et seq.*:

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

68. Plaintiffs reserve the right to amend, supplement, or add to this description of the aggrieved employees, according to proof.

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

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

71. Labor Code section 2699(f) provides: “For all provisions of this code except those for which a civil penalty is specifically provided, there is established a civil penalty for a violation of these provisions, as follows: ... (2) If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation.”

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

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

74. On or about February 14, 2023, Plaintiffs paid the requisite PAGA filing fee and provided written notice (by online electronic filing with the LWDA and by certified mail to Defendants) of Defendants’ alleged Labor Code violations, including the facts and theories to support the alleged violations.

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

4 76. To date, neither Plaintiffs nor Plaintiffs' counsel has received a response to Plaintiffs'
5 written PAGA notice from the LWDA.

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

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

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

- 16 a. ***Unpaid Overtime.*** Violation of Labor Code §§ 510, 1194, 1198; IWC Wage
17 Orders.
- 18 b. ***Unpaid Meal Period Premium Wages.*** Violation of Labor Code §§ 226.7, 512,
19 1198; IWC Wage Orders.
- 20 c. ***Unpaid Rest Period Premium Wages.*** Violation of Labor Code §§ 226.7, 516,
21 1198; IWC Wage Orders.
- 22 d. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code
23 §§ 204, 204b, 210.
- 24 e. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of
25 Labor Code §§ 201, 202, 203, 256.
- 26 f. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- 27 g. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC
28 Wage Orders.

1 Plaintiffs seek to collect all recoverable civil penalties for the Labor Code violations alleged in this
2 Complaint and the PAGA notice (including amendments thereto) against Defendants pursuant to
3 Labor Code section 2699(a) and (f), in addition to attorneys' fees, costs, and interest to the extent
4 permitted by law, including under Labor Code section 2699(g).

5 **PRAYER**

6 Plaintiffs pray for judgment as follows:

- 7 a. For certification of this action as a class action;
- 8 b. For appointment of Plaintiffs as the class representatives;
- 9 c. For appointment of above-captioned counsel for Plaintiffs as Class Counsel;
- 10 d. For division of class members into appropriate classes and/or subclasses according to
11 proof;
- 12 e. For recovery of damages in amount according to proof;
- 13 f. For all recoverable pre- and post-judgment interest;
- 14 g. For recovery of all civil and statutory penalties and liquidated damages;
- 15 h. For disgorgement of all amounts wrongfully obtained;
- 16 i. For this action to be maintained as a representative action under PAGA;
- 17 j. For Plaintiffs and Plaintiffs' counsel to be provided with all enforcement capability as
18 if the action were brought by the State of California or the California Division of Labor
19 Enforcement;
- 20 k. For recovery of all civil penalties and other recoverable amounts under Labor Code
21 §§ 2698 *et seq.*;
- 22 l. For restitution and injunctive relief;
- 23 m. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
24 permitted by law, including (without limitation) under Labor Code §§ 218.5, 226,
25 1194, 2699, and Code of Civil Procedure section 1021.5; and
- 26 n. For such other relief the Court deems just and proper.
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1 Dated: May 1, 2023

Ferraro Vega Employment Lawyers, Inc.

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4 Nicholas J. Ferraro

Attorneys for Plaintiffs

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EXHIBIT 1
Notice of Labor Code Violations

FERRARO VEGA
SAN DIEGO EMPLOYMENT LAWYERS

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February 14, 2023

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

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

PAL General Engineering Inc.
2364 Paseo de Las Americas
Suite 104-1461
San Diego, CA 92154

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

Dear LWDA Officer and Company Representatives:

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

PAL GENERAL ENGINEERING INC.

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

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

Through this notice, Plaintiffs request that Defendants complete an internal investigation and audit of the wage and hour and employment practices at issue and make a good faith effort to

correct any violations. Plaintiffs' attempts to identify the non-compliant policies and practices affecting the aggrieved employees so that the parties may resolve the underlying damages and penalties in a settlement approved by the Superior Court of California under Labor Code section 2699(k). Defendants are notified that any attempt to resolve this case be conducted in coordination with Plaintiffs' counsel to protect the interests of Plaintiffs, the aggrieved employees, and the State of California via the LWDA. This settlement attempt is in compliance with relevant California law. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal. 4th 553, 561.

- BACKGROUND -

Defendants employed Plaintiff Garcia during the PAGA Period in the position of Construction Craft Laborer from about September 2018 through August 2022.

Plaintiff Beltran worked during the PAGA Period from about 2012 through August 2022.

During their employment Plaintiffs and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

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

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

- PAGA CLAIMS -

Unpaid Overtime

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

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

Labor Code section 510 requires "[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the

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

Defendants failed to pay Plaintiffs and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. This was due to Defendants’ policy and practice of failing to include fringe benefit cash payments to aggrieved employees like Plaintiffs in the “regular rate” for purposes of overtime calculation. *See, e.g., Flores v. City of San Gabriel* (9th Cir. 2016) 824 F. 3d 890, 901 (affirming “cash-in-lieu of benefits payments are not properly excluded” from the regular rate of pay); *see also Local 246 Util. Workers Union v. Southern California Edison Co.* (9th Cir. 1996) 83 F. 3d 292, 296 (holding cash payments made directly to employees were not excepted from the regular rate under the Health Insurance Exception because such payments were not made to a third party).

An illustrative example of this regular rate of pay violation exists on Plaintiff Garcia’s wage statement for the pay period of 03/07/2022 to 03/13/2022 (Check Date: 03/18/2022):

EMPLOYEE 433		Steven Garcia Jr		
Hours		Earnings		
	Current	Year To Date	Current	Year To Date
Overtime	2.00	47.50	144.45	2,829.10
Regular Ti	40.00	289.50	1,926.00	11,906.35
Fringe Ben			378.26	6,273.94
Gross Pay	42.00	337.00	2,448.71	21,009.39
Pay Rates				
	Hours	Pay Rate	Current	
Overtime	2.00	72.225	144.45	
Regular Ti	40.00	48.150	1,926.00	
Fringes & Benefits				
			Current	Year To Date
S&V				631.46
TRAIN			10.50	206.20
Total Fringes & Benefits			10.50	837.66

As evident from the above example, Plaintiff Garcia earned \$378.26 in taxable income, denoted on the wage statement as “Fringe Ben.” Plaintiff Garcia’s hourly base rate was \$48.15 (\$1,926 in regular earnings/ 40 regular hours). Defendants paid him an overtime rate of \$72.225 (\$144.45 in OT earnings / 2 OT hours), which is a simple 1.5x multiple of his \$48.15

base rate (\$48.15 x 1.5 = \$72.225). The underpayment arises because Defendants failed to factor additional forms of remuneration, like the Fringe Ben of \$378.26, into the regular rate calculation for purposes of Plaintiff's overtime rate.

Defendants also paid doubletime at a 2.0 multiple of the base hourly rate, rather than at the lawful 2.0 multiple of the "regular rate" (which would be inclusive of the additional earnings like S&V Fringe) to the aggrieved employees, as evident on Plaintiff Beltran's 04/18/2022 to 04/24/2022 wage statement (check date of 04/29/2022) where the DT rate of \$104.86 is equal to 2x the base rate of \$52.430, and does not include the additional \$152.78 in the OT calculation:

EMPLOYEE 125		Christian E. Beltran																																										
<table><tr><th colspan="3">Hours</th><th colspan="2">Earnings</th></tr><tr><th></th><th>Current</th><th>Year To Date</th><th>Current</th><th>Year To Date</th></tr><tr><td>Doubletime</td><td>1.00</td><td>1.00</td><td>104.86</td><td>104.86</td></tr><tr><td>Overtime</td><td>11.50</td><td>72.50</td><td>904.42</td><td>5,607.23</td></tr><tr><td>Regular Ti</td><td>40.00</td><td>505.50</td><td>2,097.20</td><td>25,563.34</td></tr><tr><td>S&V Fringe</td><td></td><td></td><td>152.78</td><td>552.97</td></tr><tr><td>Fringe Ben</td><td></td><td></td><td></td><td>11,605.76</td></tr><tr><td>Gross Pay</td><td>52.50</td><td>579.00</td><td>3,259.26</td><td>43,434.16</td></tr></table>					Hours			Earnings			Current	Year To Date	Current	Year To Date	Doubletime	1.00	1.00	104.86	104.86	Overtime	11.50	72.50	904.42	5,607.23	Regular Ti	40.00	505.50	2,097.20	25,563.34	S&V Fringe			152.78	552.97	Fringe Ben				11,605.76	Gross Pay	52.50	579.00	3,259.26	43,434.16
Hours			Earnings																																									
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<table><tr><th colspan="4">Pay Rates</th></tr><tr><th></th><th>Hours</th><th>Pay Rate</th><th>Current</th></tr><tr><td>Doubletime</td><td>1.00</td><td>104.860</td><td>104.86</td></tr><tr><td>Overtime</td><td>11.50</td><td>78.645</td><td>904.42</td></tr><tr><td>Regular Ti</td><td>40.00</td><td>52.430</td><td>2,097.20</td></tr></table>					Pay Rates					Hours	Pay Rate	Current	Doubletime	1.00	104.860	104.86	Overtime	11.50	78.645	904.42	Regular Ti	40.00	52.430	2,097.20																				
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These violations for OT and DT occur throughout the PAGA Period and is evident on the face of the wage statements issued by Defendants to the aggrieved employees.

As a result, Plaintiff Garcia may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code sections 558 (\$50/\$100), 1199 / "Penalties" section of the IWC Wage Orders) (\$50/\$100), and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

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

Labor Code section 512 and the IWC Wage Orders require that employers provide an uninterrupted 30-minute meal period after no more than five hours of work and a second meal

period after no more than 10 hours of work. *See Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal. 4th 1004, 1049. Labor Code section 226.7 requires that if a meal period is late, missed, short, or interrupted, the employer must pay one additional hour of pay at the employee's "regular rate" of compensation. *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal. 5th 858, 862 ("We hold that the terms are synonymous: "regular rate of compensation" under section 226.7(c), like "regular rate of pay" under section 510(a), encompasses all nondiscretionary payments, not just hourly wages"). "[T]ime records showing noncompliant meal periods raise a rebuttable presumption of meal period violations, including at the summary judgment stage." *Donohue v. AMN Services, LLC* (2021) 11 Cal. 5th 58, 61. Labor Code section 1198 renders "employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the [IWC Wage Orders]" unlawful. The IWC Wage Orders, including Section 11 (Meal Periods), further require one uninterrupted 30-minute meal period after no more than five hours of work and a second meal period after no more than 10 hours of work and an additional hour of pay at the employee's regular rate of compensation for each workday that a compliant meal period is not provided.

Defendants violated California's meal period requirements in two distinct ways.

First, as held in *Ferra v. Loews Hollywood Hotel*, Defendants were required to pay meal and rest period premiums at the regular rate of compensation, a formula that models the "regular rate of pay" for overtime compensation. However, instead of including all forms of remuneration (i.e., cash benefits) in the regular rate for purposes of meal period premiums, Defendants excluded them, instead paying aggrieved employees like Plaintiffs at their respective base rate for meal period premiums. An illustrative example of this violation appears on Plaintiff Beltran's wage statement dated 08/01/22 to 08/07/22 (check date of 08/12/22) reflecting the 2.0 premiums being paid at the base rate of \$51.030 rather than at the "regular rate" inclusive of all earnings and factoring in multiple wage rates:

EMPLOYEE 125		Christian E. Beltran			
	Hours		Earnings		
	Current	Year To Date	Current	Year To Date	
Doubletime	.50	1.50	53.03	157.89	
Lunch Pay	2.00	2.00	102.06	102.06	
Overtime	6.50	146.00	447.89	11,261.68	
Regular Ti	23.00	991.00	1,169.40	50,873.95	
Fringe Ben				11,605.76	
S&V Fringe			84.32	2,171.54	
Gross Pay	32.00	1,140.50	1,856.70	76,172.88	
Pay Rates					
	Hours	Pay Rate	Current		
Doubletime	.50	106.060	53.03		
Lunch Pay	2.00	51.030	102.06		
Overtime	2.50	51.885	129.71		
Overtime	4.00	79.545	318.18		
Regular Ti	2.50	34.590	86.48		
Regular Ti	7.00	52.430	367.01		
Regular Ti	13.50	53.030	715.91		

As a result of Defendants failure to include all earnings in the premium rate, Defendants underpaid Plaintiffs and the aggrieved employees in those applicable pay periods.

Second, when aggrieved employees worked more than 10 hours in a workday, they were entitled to a second meal period or a meal period premium in lieu of such second, uninterrupted 30-minute meal period. Defendants did not maintain a lawful second meal period waiver. Time records from aggrieved employees reveal 10+ hour shifts without a second meal period and without payment of a corresponding meal period premium. Plaintiff Beltran’s time records for the period of 06/20/2022 to 06/26/2022 serve as illustrative examples of the violation:

Beltran, Christian E - PAL

Beltran, Christian E

Range : 06/20/2022 - 06/26/2022

	Regular	Overtime
Period Totals	40	10

Week of : 06/20/2022

Type	Date	In	Out	Breaks	Hours	Job	Task
Punch	Mon 06/20/2022	6:15am	4:45pm	30.00	10.000	10479	OPG6
Punch	Tue 06/21/2022	6:45am	6:45pm	30.00	11.500	10479	OPG6
Punch	Wed 06/22/2022	6:45am	5:45pm	30.00	10.500	10479	OPG6
Punch	Thu 06/23/2022	6:45am	5:15pm	30.00	10.000	10479	OPG6
Punch	Fri 06/24/2022	6:45am	3:15pm	30.00	8.000	10479	OPG6
						</	

As a result, Plaintiffs may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

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

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

conditions of labor prohibited by the [IWC Wage Orders]” unlawful. The IWC Wage Orders, including Section 12 (Rest Periods), further require one uninterrupted 10-minute rest period for each four-hour period (or major fraction thereof) worked and an additional hour of pay at the employee’s regular rate of compensation for each workday that a compliant rest period is not authorized or permitted.

For the same reasons as set forth above in the meal period section, and on information and belief, Plaintiffs allege the aggrieved employees were underpaid rest period premiums (to the extent any were paid). To the extent Plaintiffs and aggrieved employees ever paid rest period premiums they were underpaid, as a result of Defendants’ policy and practice of not including all forms of remuneration in the regular rate of compensation at which such rest period premiums must be paid.

As a result, Plaintiffs may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

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

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

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

As a result, Plaintiffs may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees as provided under Labor Code section 2699

(\$100/\$200) per violation per pay period per employee, and Labor Code section 210 (\$100/\$200) per violation per pay period, along with all other civil penalties permitted by law.

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

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

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

Defendants failed to pay all wages and premiums owed to aggrieved employees during their employment as set forth in this notice, and also failed to timely pay those amounts to departing employees upon separation of employment. Defendants did not pay waiting time penalties for the late payments. As a result, Defendants violated Labor Code sections 201, 202, and 203. Specifically, because Defendants failed to include all forms of remuneration in the "regular rate" of pay/compensation for purposes of overtime and premium compensation, aggrieved employees like Plaintiffs who quit or were terminated from their employment were not paid all wages due upon separation.

As a result, Plaintiffs may recover civil penalties on behalf of aggrieved employees and the State of California as provided under Labor Code section 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

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

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

hourly rates in effect during the pay period and the number of hours worked at each hourly rate by the employee.

Defendants failed to provide accurate itemized wage statements to the aggrieved employees each pay period as a result of the policies and practices set forth in this notice. Defendants violated Labor Code section 226(a)(1) and (5) by not listing the correct “gross wages earned” or “net wages earned,” as the employees earned wages and premiums that were not paid, resulting in an inaccurate reflection, and recording of “gross wages earned” on those wage statements. Likewise, in violation of Labor Code section 226(a)(9), Defendants failed to state on employee wage statements each pay period the applicable hourly rates in effect and the number of hours worked at that rate, as Defendants failed to pay all wages and premiums owed to employees at the lawful “regular rate” inclusive of the additional forms of remuneration discussed in this notice. The amounts and hourly rates stated are instead depreciated and underpaid, resulting in an inaccurate reflection on the pay stub. Specifically, the overtime, doubletime, and meal and rest period rates are misstated and incorrect and Defendants failed to state all meal period premiums owed on the wage statement. This was the result of the alleged regular rate violations, along with the failure to provide premiums for non-compliant second meal periods on 10+ hour shifts.

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

As a result, Plaintiffs may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code sections 226.3 (\$250/\$1,000) and 2699 (\$100/\$200) per violation per pay period per employee, along with all other civil penalties permitted by law.

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

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

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

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

As a result, Plaintiffs may recover civil penalties as an individual and on behalf of the State of California and the aggrieved employees, as provided under Labor Code section 1174.5 (\$500) and 2699 (\$100/\$200), along with all other civil penalties permitted by law.

Attorneys' Fees and Costs
Labor Code § 2699(g)

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

- LITIGATION HOLD NOTICE -

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

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

- CONCLUSION -

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

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

Sincerely,

A handwritten signature in blue ink that reads "Nicholas J. Ferraro". The signature is written in a cursive, flowing style.

Nicholas J. Ferraro

Cc Plaintiffs Steven Garcia and Christian Beltran

Kiley Hawkins, Office Manager, PAL
kiley@palsdg.com