Joshua I. White (State Bar No. 278166)
William M. Hogg (State Bar No. 338196)
LAUREL EMPLOYMENT LAW
808 Wilshire Boulevard, Suite 200
Santa Monica, CA 90401
Tel.: (323) 551-9221
Fax: (310) 564-4093
josh@laurelemploymentlaw.com
william@laurelemploymentlaw.com

Attorneys for Stoklos, on Behalf of the State of California and Aggrieved Employees

SUPERIOR COURT OF CALIFORNIA

COUNTY OF RIVERSIDE

RHONDA L. STOKLOS, on behalf of the State of California and Aggrieved Employees,

Plaintiff,

vs.

KPC MT. PALOMAR WINERY LLC, a California Limited Liability Company; and DOES 1 through 10, Inclusive,

Defendants.

Case No. CVRI2601698

COMPLAINT FOR CIVIL PENALTIES PURSUANT TO THE PRIVATE ATTORNEYS GENERAL ACT OF 2004 FOR:

1. Civil Penalties Pursuant to Labor Code § 2699(a); and
2. Civil Penalties Pursuant to Labor Code § 2699(f).

[UNLIMITED JURISDICTION]

Plaintiff Rhonda Stoklos ("Stoklos"), on behalf of the State of California and Aggrieved Employees, complains and alleges as follows:

SUMMARY

1. Stoklos, on behalf of the State of California and other Aggrieved Employees, brings this enforcement action pursuant to the Private Attorneys General Act of 2004, as amended ("PAGA"), against Defendant KPC Mt. Palomar Winery, LLC and Does 1 through 10, inclusive (collectively, "Mt. Palomar" or "Defendants") on behalf of individuals who work for or have worked for Mt. Palomar as non-exempt employees.

2. Stoklos seeks to recover civil penalties resulting from Mt. Palomar's violations of the Labor Code as described herein, including violations of Labor Code §§ 98.6, 201–204, 226, 226.7, 432.5, 510, 512, 1174, 1174.5, 1194, 1198.5, and 2751.

3. As detailed below, Mt. Palomar implemented and enforced uniform policies and practices that unlawfully deprived Stoklos and the other Aggrieved Employees of their earned wages, commissions, statutorily mandated breaks, and other workplace rights.

4. Throughout the relevant time period, Mt. Palomar maintained and enforced policies and practices that systematically denied Stoklos and the other Aggrieved Employees compliant, duty-free meal periods, as required by Labor Code § 512, and failed to pay the required premium for each workday a lawful meal period was not provided, in violation of Labor Code §§ 226.7 and 512.

5. Mt. Palomar also failed to authorize and permit duty-free rest periods, or to pay premium wages for missed or on-duty rest periods, as required by Labor Code § 226.7.

6. During the same period, Mt. Palomar failed to pay Stoklos and the other Aggrieved Employees all overtime compensation for hours worked in excess of the statutory daily and weekly limits, in violation of Labor Code §§ 510 and 1194.

7. Mt. Palomar's failure to pay Stoklos and the other Aggrieved Employees all overtime compensation owed in a timely fashion violates Labor Code § 204.

8. Mt. Palomar further failed to timely pay all earned wages, including final wages upon separation of employment, in violation of Labor Code §§ 201–204.

9. Stoklos and the other Aggrieved Employees who earned commissions were required to work without proper written commission agreements, and Mt. Palomar failed to provide written commission contracts in violation of Labor Code § 2751.

10. Mt. Palomar also attempted to enforce invalid waivers of statutory wage and hour rights in violation of Labor Code § 432.5.

11. During the relevant time period, Mt. Palomar knowingly and intentionally failed to provide accurate, itemized wage statements as required by Labor Code § 226.

12. Mt. Palomar failed to maintain complete and accurate payroll and employment records in violation of Labor Code §§ 1174 and 1198.5.

13. Mt. Palomar also retaliated against Stoklos for asserting her wage and hour rights in violation of Labor Code § 98.6.

14. Stoklos brings these claims pursuant to PAGA to challenge Mt. Palomar's various policies and practices which violate the Labor Code and applicable IWC Wage Order(s).

15. Stoklos brings this Action to recover all civil penalties and other PAGA damages on behalf of the State of California and the other Aggrieved Employees.

JURISDICTION & VENUE

16. This Court has jurisdiction over the State of California's claims for civil penalties, by and through Stoklos as the deputized PAGA representative, pursuant to the California Constitution, Article VI, section 10, which grants the Superior Court "original jurisdiction on 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.

17. Stoklos electronically filed her written PAGA Notice with the Labor and Workforce Development Agency ("LWDA") on September 18, 2025, bearing LWDA Case No. LWDA-CM-1126228-25.

18. A true and correct copy of Stoklos's LWDA Notice is attached herein as **Exhibit 1** and is incorporated by reference.

19. The Court has general personal jurisdiction over Mr. Palomar because, upon information and belief, Mt. Palomar is a California limited liability company with its principal place of business located in Corona, Riverside County, California.

20. Venue is proper in this judicial district pursuant to CCP §§ 393 and/or 395.5.

21. Mt. Palomar maintains its principal offices in Riverside County.

22. Mt. Palomar has employed Aggrieved Employees, including Stoklos, within Riverside County, and therefore liability under PAGA arises in this County.

Parties

23. Stoklos is an adult individual residing in Riverside County, California.

24. Stoklos was employed by Mt. Palomar in Temecula, California as a non-exempt server from approximately August 2021 to July 2025.

25. Stoklos was paid on an hourly rate basis, plus commissions.

26. Stoklos brings this action on behalf of the State of California and on behalf of all of Mt. Palomar's current and former non-exempt employees who suffered one or more Labor Code violations Stoklos suffered, which are enumerated in Labor Code §§ 2698, *et seq.*, and who worked for Mt. Palomar any time since one year and 65 days before the filing of this Complaint until final resolution of this Action

27. These employees are referred to as the "Aggrieved Employees."

28. Stoklos is an "Aggrieved Employee" within the meaning of Labor Code § 2699(c) because Mt. Palomar employed her, and she suffered one or more of the alleged Labor Code and/or Wage Order violations committed by Mt. Palomar within the relevant limitations period.

29. Defendant KPC MT. PALOMAR WINERY, LLC is a California Limited Liability Company, with its principal place of business located in Corona, Riverside County, California.

30. Mt. Palomar may be served with process through its registered agent, **CSC – Lawyers Incorporating Service, 2710 Gateway Oaks Drive, Suite 150N, Sacramento, California 95833.**

31. Stoklos is informed and believes, and based thereupon alleges, that at all times relevant hereto, Defendants, and each of them, were the agents, employees, managing agents,

supervisors, co-conspirators, parent corporation, joint employers, alter ego, and/or joint ventures of the other Defendants, and each of them, and in doing the things alleged herein, were acting at least in part within the course and scope of said agency, employment, conspiracy, joint employer, alter ego status, and/or joint venture and with the permission and consent of each of the other Defendants.

32. The true names and capacities, whether a corporation, agent, individual, or otherwise, of DOES 1 through 10, are unknown to Stoklos, who therefore sues said Defendants by such fictitious names. Each Defendant designated herein as a DOE is negligently or otherwise legally responsible in some manner for the events and happenings referred to herein and thereby proximately caused injuries to Stoklos as alleged herein. Stoklos will seek leave of the Court to amend this Complaint to show their true names and capacities when the same have been ascertained.

33. At all times mentioned here, DOES 1 through 10 were the agents, representatives, employees, successors, and/or assigns of Defendants and at all times pertinent hereto were acting within the course and scope of their authority as such agents, representatives, employees, successors, and/or assigns.

34. Stoklos is informed and believes that at all relevant times herein mentioned, Defendant and/or DOES 1 through 10 are and were corporations, business entities, individuals, and partnerships, licensed to do business and actually doing business in the State of California. As such and based upon all the facts and circumstances incident to Defendant's business in California, Defendants are subject to the Labor and Business and Professions Code.

Factual Allegations

35. Mt. Palomar operates a winery in Temecula Valley, which produces various types of wines for consumer consumption, hosts private events, and maintains a restaurant and bar on the winery grounds.

36. In order to provide these services, Mt. Palomar hires non-exempt, hourly-paid employees like Stoklos and the Aggrieved Employees.

37. Stoklos was employed by Mt. Palomar in Temecula from approximately August

2021 to June 2025 as a non-exempt server.

38. At all relevant times, Mt. Palomar paid Stoklos on an hourly rate basis plus commissions.

39. In approximately January 2024 , Mt. Palomar promoted Stoklos to the position of Lead Server and Tasting Room Manager, increasing her hourly wage to $22.00 and expanding her customer-serving duties to include merchandise purchasing and wine club sales. Stoklos continued to earn commissions following her promotion.

40. Mt. Palomar failed to provide Stoklos and the other Aggrieved Employees with compliant, duty-free meal periods as mandated by Labor Code § 512.

41. Stoklos and the other Aggrieved Employees routinely worked shifts exceeding five hours without being afforded a continuous, uninterrupted thirty-minute meal period, often because Defendants scheduled them to work alone with no coverage.

42. Payroll and time records, including Mt. Palomar's own ADP Workforce Now system, show that Stoklos's and the other Aggrieved Employees' timecards were altered to reflect fictitious meal breaks that did not occur.

43. Mt. Palomar also failed to pay Stoklos and the other Aggrieved Employees the required one-hour premium for each workday in which a compliant meal period was not provided, as required by Labor Code § 226.7.

44. Stoklos's and the other Aggrieved Employees' pay stubs show that no premium wages were paid, despite the absence of lawful meal periods.

45. During the relevant time period, Mt. Palomar did not authorize or permit Stoklos and the other Aggrieved Employees to take duty-free, ten-minute rest periods every four hours as required by Labor Code § 226.7.

46. Mt. Palomar's scheduling practices, as well as chronic understaffing, required Stoklos and the other Aggrieved Employees to work alone for extended periods, making it impossible to take uninterrupted rest breaks.

47. Mt. Palomar failed to pay Stoklos and the other Aggrieved Employees overtime compensation for hours worked in excess of eight hours per day or forty hours per week, as required by Labor Code §§ 510 and 1194.

48. Rather, Mt. Palomar paid straight-time wages for overtime hours (*i.e.*, Mt. Palomar paid Stoklos and the other Aggrieved Employees the same hourly rates of pay for their hours worked under 8 in a day or 40 in a week as those hours worked over 8 in a day or 40 in a week).

49. Mt. Palomar's straight-time-for-overtime pay scheme violates the Labor Code's overtime provisions.

50. Throughout the relevant time period, Mt. Palomar presented Stoklos with a purported meal period waiver in 2021 and again after Stoklos returned from medical leave in or around August 2023. Stoklos did not sign the original waiver and expressly refused to sign a new waiver when presented. Mt. Palomar nonetheless attempted to enforce the 2021 waiver after Stoklos's break in service, despite its legal ineffectiveness under Civil Code § 1668.

51. Upon information and belief, Mt. Palomar attempted to enforce other un-executed "waivers" against Aggrieved Employees despite their declination of Mt. Palomar's proposed meal period waivers.

52. Throughout the relevant time period, Mt. Palomar required Stoklos and the other Aggrieved Employees to work under an hourly pay plus commission structure.

53. However, Mt. Palomar failed to provide Stoklos and the other Aggrieved Employees with a compliant written agreement setting forth the method for calculating and paying commissions, in violation of Labor Code § 2751.

54. Payroll records and Stoklos's and the other Aggrieved Employees' pay stubs show commission earnings without a written contract governing the terms.

55. Mt. Palomar did not timely pay Stoklos and the other Aggrieved Employees all wages earned for each pay period as required by Labor Code § 204.

56. Stoklos's and the other Aggrieved Employees' payroll records indicate consistent delays in payment, and Stoklos and the other Aggrieved Employees experienced difficulties accessing wage statements and pay stubs in the ADP Workforce Now system.

57. Mt. Palomar also failed to timely pay all wages due at the time of Stoklos's separation from employment on June 23, 2025, in violation of Labor Code §§ 201-203.

58. Upon information and belief, Mt. Palomar likely failed to timely pay all wages owed to those Aggrieved Employees who left their employment with Mt. Palomar within the applicable limitations period.

59. Throughout the relevant period, Mt. Palomar knowingly and intentionally failed to furnish Stoklos and the other Aggrieved Employees with accurate, itemized wage statements that reflected all hours worked, correct rates of pay, and total compensation, as required by Labor Code § 226.

60. Stoklos's and the other Aggrieved Employees' pay stubs and wage statements repeatedly omitted or misrepresented hours worked, overtime earnings, gross wages, and net wages.

61. Mt. Palomar also failed to maintain and preserve complete and accurate payroll and employment records for a period of at least three years, as required by Labor Code § 1198.5.

62. When Stoklos requested copies of payroll and personnel records, Mt. Palomar did not provide complete or timely responses, and certain timecards and wage statements were missing or inaccurate.

63. After Stoklos complained to Mt. Palomar about numerous wage-and-hour violations and timecard alterations, Mt. Palomar responded by reducing her scheduled hours and demoting her by removing various job responsibilities.

64. Mt. Palomar also subjected Stoklos to unwarranted disciplinary actions.

65. Mt. Palomar's actions were so severe it forced Stoklos to resign in June 2025.

66. Mt. Palomar took these adverse employment actions in retaliation for Stoklos raising valid wage-and-hour complaints.

67. On September 18, 2025, Stoklos electronically filed a written notice to the LWDA, bearing Case No. LWDA-CM-1126228-25 (the "PAGA Notice"). A true and correct copy of Stoklos's PAGA Notice is attached herein as **Exhibit 1** and is incorporated by reference.

68. More than 65 days calendar days passed after Stoklos submitted the PAGA Notice without notice or intervention from the LWDA.

69. As such, Stoklos has satisfied all administrative prerequisites to commence this PAGA civil action in compliance with Labor Code § 2699.3(a).

Count I

Civil Penalties Pursuant to Labor Code § 2699(a)

70. Stoklos incorporates all other paragraphs by reference.

71. Labor Code § 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.

72. Labor Code § 98.6(a) proscribes "discharg[ing] an employee or in any manner discriminat[ing], retaliat[ing], or tak[ing] any adverse action against any employee" because the employee engaged in protected workplace activity.

73. Labor Code § 98.6(b)(3) provides that, "[i]n addition to other remedies available, an employer who violates this section is liable for a civil penalty not exceeding ten thousand dollars ($10,000) per employee for each violation of this section, to be awarded to the employee or employees who suffered the violation."

74. Labor Code § 210 provides that every person who violates Section 204 is subject to a civil penalty as follows: "For any initial violation, one hundred dollars ($100) for each failure to pay each employee" and "For each subsequent violation, or any willful or intentional violation, two hundred dollars ($200) for each failure to pay each employee, plus 25 percent of the amount unlawfully withheld."

75. Labor Code § 226(a) provides:

> Every employer shall, semimonthly or at the time of each payment of wages, furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or

separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission, (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 his or her 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.

76. Labor Code § 226(e)(1) provides:

> An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees.

77. Labor Code § 226.3 provides:

> Any employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars ($250) per employee per violation in an initial citation and one thousand dollars ($1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the records required in subdivision (a) of Section 226. The civil penalties provided for in this section are in addition to any other penalty provided by law. In enforcing this section, the Labor Commissioner shall take into consideration whether the violation was inadvertent, and in his or her discretion, may decide not to penalize an employer for a first violation when that violation was due to a clerical error or inadvertent mistake.

78. Labor Code § 558(a) and (c) provide:

> (a) Any employer [] who violates, or causes to be violated, a section of this chapter or any provisions regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars ($50) for each underpaid employee for each pay period for which the employee was underpaid 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.... (c) The civil

> penalties provided for in this section are in addition to any other civil or criminal penalty provided by law.

79. Labor Code §§ 1174 and 1174.5 impose a non-waivable duty on the Employer to accurately keep, maintain, and preserve complete payroll records showing hours worked, wages paid, and other required data for each employee for a period of at least three years. This duty includes ensuring that such records are available for inspection and copying by employees and state officials upon request. Any policy or practice that causes records to be missing, incomplete, inaccurate, or not produced as required constitutes a violation.

80. Labor Code § 1174.5 authorizes a civil penalty of $500 for each willful failure to maintain or permit inspection of required payroll records.

81. Mt. Palomar, as alleged in this Complaint, retaliated and discriminated against Stoklos for asserting her Labor Code rights and raising concerns about wage-and-hour violations, in violation of Labor Code § 98.6. Stoklos therefore seeks civil penalties in the amounts described under Labor Code § 98.6(b)(3).

82. Mt. Palomar, as alleged in this Complaint, failed to pay all wages owed to Stoklos and the Aggrieved Employees in a timely manner (twice during each calendar month), including all minimum wages, straight time wages, overtime wages and premium wages as required by Labor Code § 204.

83. Stokos therefore seeks civil penalties for Mt. Palomar's violations of Labor Code § 204 in the amounts described in Labor Code § 210.

84. Mt. Palomar, as alleged in this Complaint, to provide the Aggrieved Employees with accurate, itemized wage statements in compliance with Labor Code § 226(a).

85. Stoklos therefore seeks civil penalties for Mt. Palomar's violations of Labor Code § 226(a) in the amounts established by Labor Code § 226(e).

86. Stoklos also seeks civil penalties in the amounts described under Labor Code § 558 pursuant to Labor Code § 2699(a) for each pay period in which Mt. Palomar, as alleged in this Complaint, failed to pay the Aggrieved Employees for all wages owed each pay period.

87. Mt. Palomar, as alleged in this Complaint, failed to keep or maintain accurate payroll records for Stoklos and the Aggrieved Employees in violation of Labor Code § 1174.

88. Stoklos therefore seeks civil penalties for Mt. Palomar's violations of Labor Code § 1174 in the amounts established by Labor Code § 1174.5.

89. Pursuant to Labor Code § 2699.3(a)(1) and (2), Stoklos provided the LWDA with notice of her intention to file this claim on September 18, 2025. (*See* Exhibit 1.)

90. More than sixty-five (65) calendar days have passed without notice from the LWDA.

91. As such, Stoklos has satisfied all administrative prerequisites to commence this civil action in compliance with § 2699.3(a).

92. Stoklos seeks the aforementioned penalties on behalf of the State and the other Aggrieved Employees as set forth in Labor Code § 2699(g) and (i).

93. Mt. Palomar is liable to the Aggrieved Employees and the State of California for the civil penalties set forth in this Complaint, with interest thereon.

94. Stoklos is also entitled to an award of attorneys' fees and costs as set forth below.

95. Wherefore, Stoklos and the Aggrieved Employees request relief as hereinafter provided.

<u>Count II</u>

Civil Penalties Pursuant to Labor Code § 2699(f)

96. Stoklos incorporates all other paragraphs by reference.

97. Labor Code § 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.

98. Labor Code § 200 defines wages as "all amounts for labor performed by employees of every description, whether the amount is fixed or ascertained by the standard of time, task, piece, commission basis, or other method of calculation." All such wages are subject to California's overtime and double time requirements, including those set forth above.

99. Labor Code § 204(a) provides that "[a]ll wages . . . earned by any person in any employment are due and payable twice during each calendar month[.]"

100. Labor Code § 206 provides that, "[i]n a case of a dispute over wages, the employer shall pay, without condition and within the time set by this article, all wages, or parts thereof, conceded by him to be due, leaving to the employee all remedies he might otherwise be entitled to as to any balance claimed."

101. Under Labor Code § 206(b), if the LWDA "has determined the validity of any employee's claim for wages, the claim is due and payable within 10 days after receipt of notice by the employer that such wages are due."

102. Labor Code § 432.5 provides: "No employer, or agent, manager, superintendent, or officer thereof, shall require an employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer, or agent, manager, superintendent, or officer thereof to be prohibited by law."

103. Labor Code § 510(a) provides as follows:

> Eight hours of labor constitutes a day's work. Any 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. 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.

104. IWC Wage Order 16-2001(3)(A)(1) states that employees:

> …shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 ½) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee

> is compensated for such overtime at not less than … [o]ne and one-half (1½) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including 12 hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek….

105. Labor Code § 1194(a) provides as follows:

> Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorneys' fees, and costs of suit.

106. Labor Code § 1198 makes it unlawful for employers to employ employees under conditions that violate relevant Wage Order(s).

107. Labor Code § 2751 imposes a non-waivable duty on employers, like Mt. Palomar, to provide a written commission agreement to any employee who is paid in whole or in part by commissions. Such commissions agreements must set forth the method for computing and paying commissions, be signed by the employer, and be provided to the employee, who must also acknowledge receipt.

108. To the extent that any violation alleged herein does not carry penalties under Labor Code § 2699(a), Stoklos seeks civil penalties pursuant to Labor Code § 2699(f) for the Aggrieved Employees for each pay period in which such employee was aggrieved, in the amounts established by Labor Code § 2699(f).

109. Stoklos seeks civil penalties under Labor Code § 2699(f) for Mt. Palomar's violations of Labor Code §§ 201-203, 226(c), 226.7, 432.5, 510, 512, 1194, 1194.5, 1198, 1198.5, and 2751.

110. Pursuant to Labor Code § 2699.3(a)(1) and (2), Stoklos provided the LWDA with notice of her intention to file this claim on September 18, 2025. (*See* Exhibit 1.)

111. More than sixty-five (65) calendar days have passed without notice from the LWDA. Thus, Stoklos satisfied all administrative prerequisites to commence this civil action.

112. Stoklos seeks the aforementioned penalties on behalf of the Aggrieved Employees and the State of California as set forth in Labor Code § 2699(g) and (i).

113. Labor Code § 2699(f)(2) provides a civil penalty of one hundred dollars ($100) for each aggrieved employee per pay period for the initial violation of a Labor Code provision that does not provide for a civil penalty if, at the time of the violation, the employer employs one or more employees. Labor Code § 2699(f)(2) provides for a civil penalty of two hundred dollars ($200) for each aggrieved employee per pay period for each subsequent violation of a Labor Code provision that does not provide a civil penalty if, at the time of the violation, the employer employs one or more employees.

114. Mt. Palomar is liable to the State of California and Aggrieved Employees for the civil penalties set forth in this Complaint.

115. Stoklos is also entitled to an award of attorneys' fees and costs.

116. Wherefore, Stoklos and the Aggrieved Employees request relief as hereinafter provided.

RELIEF REQUESTED

WHEREFORE, Stoklos, on behalf of the State of California and the Aggrieved Employees, requests the following relief:

a. That this action be maintained as a PAGA representative action, and Plaintiff and his counsel be provided with enforcement capability as if the LWDA brought the action;

b. For Plaintiff to be recognized by the Court as serving as the duly authorized Representative of the LWDA, that she be deemed an "Aggrieved Employee," and that she be awarded enhanced compensation for bringing this action, should she prevail and provide benefit to the State of California or other "Aggrieved Employees," subject to the Court's discretion;

c. A declaratory judgment that Mt. Palomar's conduct violated the Labor Code as alleged herein;

d. An order awarding civil penalties against Mt. Palomar to the fullest extent provided for by PAGA;

e. An award of attorneys' fees, costs, and expenses as provided by the California Labor Code, including Labor Code § 2699(g)(1); and/or any other applicable law;

f. Pre- and post-judgment interest on any amounts awarded at the highest applicable allowed by law; and

g. Such other and further relief as this Court deems just and proper.

Dated: March 18, 2026

LAUREL EMPLOYMENT LAW

Joshua I. White, Esq.
William M. Hogg, Esq.

Attorneys for Stoklos, on behalf of the State of California and Aggrieved Employees

SUPERIOR COURT OF CALIFORNIA
COUNTY OF RIVERSIDE
Stoklos v. KPC Mt. Palomar Winery LLC

EXHIBIT 1

Michiko Vartarian, Esq.
michiko@laurelemploymentlaw.com

LAUREL
EMPLOYMENT LAW

September 18, 2025

NOTICE VIA ONLINE SUBMISSION

California Labor and Workforce Development Agency
Private Attorney General Act (PAGA) – Filing

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

KPC Mt. Palomar Winery, LLC
33820 Rancho California Road
Temecula, California 92591

Re: Notice by Rhonda L. Stoklos on Behalf of Herself and all other Aggrieved California Employees of KPC Mt. Palomar Winery, LLC, as an individual and a Representative of the State of California

Dear Labor and Workforce Development Agency and KPC Mt. Palomar Winery, LLC:

Pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code sections 2698, *et seq*., Rhonda L. Stoklos ("Ms. Stoklos" or "Claimant") intends to bring a civil action against KPC Mt. Palomar Winery, LLC ("KPC Mt. Palomar Winery" or "the Employer"), individually and on behalf of all other Aggrieved Employees. This letter serves as Claimant's written notice pursuant to Labor Code section 2699.3(a)(1) providing the Labor and Workforce Development Agency ("LWDA") the opportunity to investigate the allege claims contained herein of the specific provisions of the Labor Code allegedly violated by the Employer and the facts and theories in support of said allegations. This information contained herein is based on currently possessed information and belief.

If the LWDA does not intend to investigate the alleged violations, Claimant intends to file a representative civil action for PAGA penalties on behalf of himself and all other Aggrieved Employees of the Employer and shall seek civil penalties under the PAGA. A copy of this Notice is being sent to the Employer by certified mail at the address above.

Identity of "Employees"

Claimant intends to pursue PAGA civil penalties on their own behalf and on behalf of other current and former employees of the entities/individual referenced below who performed non-exempt work for said entities/individual and were either: 1) classified as a non-exempt employee or 2) should have been classified as a non-exempt employee. Said employees are limited to employees performing work for said entities/individuals at any time during one (1) year prior to the date of this PAGA Notice letter and continuing until the unlawful employment practices are stopped and/or a judgment is entered. Said employees are collectively hereinafter referred to as "Aggrieved Employees." The names of Aggrieved Employees (other than Claimant) are contained within the personnel records of the Employer.

Identity and Capacity of Employers/Joint Employers

Claimant intends to pursue a PAGA action against the Employer and its parent companies, subsidiaries, successors, owners, officers, directors, and managing agents (collectively referred to as "Employer" as well). Claimant will seek to hold all owners, directors, officers, and managing agents of the Employer, personally liable for said violations to the extent permitted under Labor Code section 558 and/or Labor Code section 558.1.

All business entities referenced herein were the alter-egos of each and every other entity and individual referenced herein. There exists, and at all times herein mentioned has existed, a unity of interest and ownership between said entities and individuals such that any separateness between them ceased to exist in that said individuals and other entities have completely controlled, dominated, managed, and operated the business entities and have intermingled the assets of each to suit convenience. Further, each of the business entities is, and at all times mentioned herein were, mere shells, instrumentalities, and conduits through which the other above-referenced entities/individuals carried out their business while exercising complete control and dominance of the business such that individuality or separateness did not truly exist. Therefore, in the PAGA action, Claimant will seek to hold each said individual and/or entity jointly and severally liable for any and/or all violations committed by the other above-referenced individuals and/or entities.

It should further be noted that the Employer and its parent companies, subsidiaries, successors, owners, officers, directors, and/or managing agents have been engaged in a joint enterprise. Moreover, said persons/individuals are joint employers of Aggrieved Employees for the following reasons: 1) Said entities/individuals directly and/or indirectly exercised control over the wages, hours or working conditions of Aggrieved Employees; 2) Said entities/individuals had knowledge (either personally or through officers, directors and/or managing agents) of the work Aggrieved Employees were doing for them while supposedly being employed by another entity/individual and failed to prevent the work from occurring; and 3) Said entities retained or assumed a general right of control over hiring, direction, supervision, discipline, discharge, and relevant day-to-day aspects of the workplace behavior of Aggrieved Employees.

Violations/Supporting Facts and Theories

At all times herein, the Employer is a winery company doing business in Riverside County, California. The Employer provides wine production, wine tasting, and hospitality services, including sales of wine and related merchandise at a winery facility. The Employer operates within the State of California and has employed/jointly employed Employees (including Claimant) to perform work and services in furtherance of their business and joint enterprise interests.

Claimant worked for the Employer from August 21, 2021, to June 23, 2025, as a Lead Server. During Claimant's employment, Claimant was frequently unable to take uninterrupted 30-minute meal breaks, receive 10-minute rest breaks every four hours, receive overtime pay for hours worked over 8 per day or 40 per week, and obtain accurate itemized wage statements due to systematic timecard alterations.

At all relevant times at least one year prior to the date of this Notice, the Employer subjected Claimant and other Aggrieved Employees to policies and practices that caused the violations of the Labor Code as described herein. Claimant now seeks civil penalties on behalf of all Aggrieved Employees and the State of California based on the alleged violations of the Labor Code and applicable IWC Wage Order, including civil penalties pursuant to Labor Code section 558(a). Claimant's claims are set forth in further detail below.

For reasons set forth herein, Claimant alleges the following violations of the Labor Code and applicable IWC Wage Order on behalf of himself and all other non-exempt Aggrieved Employees of Employer:

1. Failure to Provide Meal Periods (Lab. Code §§ 512)
2. Failure to Provide Rest Periods (Lab. Code § 226.7)
3. Failure to Pay Overtime Wages (Lab. Code §§ 510, 1194)
4. Failure to Provide Written Commission Agreement (Lab. Code § 2751)
5. Invalid Waiver of Wage and Hour Rights (Lab. Code § 432.5)
6. Retaliation for Exercising Labor Code Rights (Lab. Code § 98.6)
7. Failure to Maintain Payroll Records (Lab. Code §§ 1174, 1174.5)
8. Failure to Timely Pay Wages When Due (Lab. Code § 204)
9. Failure to Timely Pay Final Wages at Separation (Lab. Code §§ 201–203)
10. Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226(a))
11. Failure to Maintain Payroll/Wage Records (Lab. Code § 226(b)(c))
12. Failure to Provide Personnel Records Upon Request (Lab. Code § 1198.5)

The violations of the Employer, thus, include the following:

Failure to Provide Meal Periods (Lab. Code §§ 512)

Labor Code section 512 and the applicable IWC Wage Order impose a non-waivable duty on the Employer to provide timely, uninterrupted meal periods of not less than thirty minutes for qualifying shifts and to ensure that employees are relieved of all duty during such periods. This obligation prohibits policies or practices that deny, delay, interrupt, or discourage meal breaks in violation of statutory or IWC requirements. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

The Employer regularly scheduled Claimant to work shifts alone, making it impossible for her to take uninterrupted thirty-minute meal breaks as required. On many occasions, the Employer or its agents knowingly altered time records to falsely reflect meal breaks that Claimant did not receive. When Claimant raised concerns about these violations, the Employer failed to address or correct the unlawful practice and instead continued requiring Aggrieved Employees to work through meal periods without proper relief.

The PAGA civil penalty framework for this Cause of Action is established by Labor Code section 558, which authorizes a penalty of $50.00 per Aggrieved Employee for the initial pay period in which a meal-period violation occurred, and $100.00 per Aggrieved Employee for each subsequent pay period with a violation, as enforced through Labor Code section 2699(a). Civil penalties are allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices, as provided in Labor Code section 2699(m). The default schedule under Labor Code section 2699(f) does not apply. The court may reduce the penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice under Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period in accordance with Labor Code section 2699(i). Penalties may be barred if the Employer cures the violation by making Aggrieved Employees whole and providing written notice as set out in Labor Code section 2699(d). Agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating meal-period violations and their uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers and wage statements, shift logs, emails or messages, and personnel or payroll files documenting meal-break scheduling, recordkeeping, and premium-pay decisions.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Failure to Provide Rest Periods (Lab. Code § 226.7)

Labor Code section 226.7 and the applicable IWC Wage Order impose a non-waivable duty on the Employer to authorize and permit all employees to take compliant rest periods, free of work obligations, as required by law for every four hours or significant fraction thereof worked. The Employer must not require, encourage, or allow employees to skip or shorten rest periods, and is prohibited from adopting or maintaining any policy, practice, or system that fails to ensure the provision of legally compliant rest breaks. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling requirements set forth in Labor Code section 2699.3.

Claimant was consistently denied the opportunity to take ten-minute rest breaks for every four hours worked because the Employer routinely assigned her to shifts without sufficient coverage. The Employer's practices, including maintaining inadequate staffing and altering time records, made it impossible for Aggrieved Employees to take compliant rest breaks and discouraged Claimant from requesting them. These actions resulted in repeated and predictable denial of rest periods for Claimant and other similarly situated employees.

The PAGA civil penalty framework for this Cause of Action is provided by Labor Code section 558, which authorizes a penalty of $50.00 per Aggrieved Employee for the initial pay period in which a rest-period violation occurred and $100.00 per Aggrieved Employee for each subsequent pay period with a violation. These penalties are recoverable through Labor Code section 2699(a) and allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices, as provided in Labor Code section 2699(m). The default schedule under Labor Code section 2699(f) does not apply. The court may reduce any penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice in accordance with Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period in accordance with Labor Code section 2699(i). Penalties may be barred if the Employer cures the violation by making Aggrieved Employees whole and providing written notice as set out in Labor Code section 2699(d). Agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating the rest-period violations and their uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers and wage statements, break logs, expense or commission system data, emails or messages, and personnel or payroll files documenting rest break scheduling, practices, and communications.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Failure to Pay Overtime Wages (Lab. Code §§ 510, 1194)

Labor Code section 510 and Labor Code section 1194, together with the applicable IWC Wage Order, impose a non-waivable duty on the Employer to pay overtime compensation at the required premium rates for all hours worked beyond eight hours in a day, forty hours in a week, or as otherwise mandated. This obligation ensures employees receive proper compensation for all overtime worked and prohibits policies or practices that result in unpaid or underpaid overtime. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as provided by Labor Code section 2699(a), on a representative basis and subject to the prefiling steps in Labor Code section 2699.3.

The Employer required Claimant to work hours in excess of eight per day and forty per week without paying her at the legally required premium rate. Claimant's wage statements and time records show that the Employer willfully failed to compensate her for overtime, including periods when Claimant worked additional hours yet did not receive the higher overtime rate. The Employer was aware of these requirements and intentionally disregarded them, resulting in systematic underpayment to Aggrieved Employees.

The applicable PAGA civil penalty for this Cause of Action is supplied by Labor Code section 558, which authorizes a penalty of $50.00 per Aggrieved Employee for the initial pay period in which overtime wages were not paid at the proper rate, and $100.00 per Aggrieved Employee for each subsequent pay period with a violation. These penalties are recoverable under Labor Code section 2699(a). They are allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices, as provided by Labor Code section 2699(m). The court may reduce any penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps were taken before or within sixty days after the PAGA notice in accordance with Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period under Labor Code section 2699(i). The default schedule under Labor Code section 2699(f) does not apply. Penalties may be barred if the Employer cures the violation by making Aggrieved Employees whole and providing written notice under Labor Code section 2699(d), and agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating the overtime violations and their uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers, wage statements, shift reports, payment logs, commission system data, emails or messages, and personnel or payroll files for Aggrieved Employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Failure to Provide Written Commission Agreement (Lab. Code § 2751)

Labor Code section 2751 and the applicable IWC Wage Order impose a non-waivable duty on the Employer to provide a written commission agreement to any employee who is paid in whole or in part by commissions. This agreement must set forth the method for computing and paying commissions, be signed by the Employer, and be provided to the employee, who must also acknowledge receipt. The Employer is prohibited from maintaining or enforcing any policy or practice that denies, delays, or fails to provide such agreements as required by law. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling steps set forth in Labor Code section 2699.3.

The Employer paid Claimant commissions based on her sales performance, but failed to provide a written commission agreement outlining the method by which commissions would be calculated and paid. Claimant received compensation statements reflecting commission earnings, yet the Employer did not furnish a signed, written document as required. As a result, Aggrieved Employees lacked clarity on how their commissions were determined and paid, and were deprived of the protections the law affords.

The PAGA civil penalty framework for this Cause of Action is governed by the default penalty under Labor Code section 2699(f), as Labor Code section 2751 does not provide its own civil penalty. The Employer is subject to a penalty of $100.00 per Aggrieved Employee for the initial pay period in which a required written commission agreement was not provided, and $200.00 per Aggrieved Employee for each subsequent pay period in which the violation continued. These penalties are recoverable under Labor Code section 2699(a). They are allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices as provided in Labor Code section 2699(m). The court may reduce the penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice, as set forth in Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period under Labor Code section 2699(i). Penalties may be barred if the Employer cures the violation by providing all required written commission agreements, correcting records, and providing written notice as set out in Labor Code section 2699(d). Agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating failure to provide written commission agreements and their uniform application may include written policies and handbooks, commission-plan templates, acknowledgment forms, training materials, commission system data, timekeeping and scheduling exports, payroll registers and wage statements, emails or messages, and personnel or payroll files for Aggrieved Employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Invalid Waiver of Wage and Hour Rights (Lab. Code § 432.5)

Labor Code section 432.5 and any applicable IWC Wage Order impose a non-waivable duty on the Employer not to require employees or applicants to agree in writing to terms or conditions that the Employer knows are prohibited by law, including waivers of statutory wage and hour rights. This duty prohibits the Employer from enforcing, maintaining, or using any policy, contract, release, or agreement that seeks to waive, restrict, or limit rights or remedies provided under the Labor Code or an IWC Wage Order. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

The Employer knowingly maintained and attempted to enforce a purported meal period waiver against Claimant that was not properly executed or effective under the law. When Claimant returned to work after a break in employment, the Employer attempted to use the previous waiver rather than obtaining a new, lawful waiver. The Employer's use of an invalid waiver was intentional and deprived Aggrieved Employees of rights guaranteed by law.

The PAGA civil penalty framework for this Cause of Action is governed by the default penalty under Labor Code section 2699(f) because Labor Code section 432.5 does not provide its own civil penalty. The Employer is subject to a penalty of $100.00 per Aggrieved Employee for the initial pay period in which the unlawful waiver was required, used, or maintained, and $200.00 per Aggrieved Employee for each subsequent pay period in which the violation continued. These penalties are recoverable under Labor Code section 2699(a). They are allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices as provided in Labor Code section 2699(m). The court may reduce the penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice as provided by Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period in accordance with Labor Code section 2699(i). Penalties may be barred if the Employer cures the violation by rescinding the unlawful waiver, restoring all affected rights, making Aggrieved Employees whole, and providing written notice as required by Labor Code section 2699(d). Agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating invalid waivers of wage and hour rights and their uniform application may include written policies and handbooks, contract templates, onboarding forms, training materials, timekeeping and scheduling exports, payroll registers and wage statements, logs, emails or messages, and personnel or payroll files showing use, enforcement, or reliance on unlawful waivers for Aggrieved Employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Retaliation for Exercising Labor Code Rights (Lab. Code § 98.6)

Labor Code section 98.6 imposes a non-waivable duty that prohibits the Employer from discharging, retaliating against, or otherwise taking adverse action against any employee or applicant because that person exercised or attempted to exercise rights protected by the Labor

Code. This obligation includes, but is not limited to, reporting wage violations, filing claims or complaints, and participating in investigations or proceedings as regulated by Labor Code section 98.6. Claimant brings this Cause of Action solely for civil penalties under Labor Code section 2699(a) on a representative basis and has complied with all prefiling requirements in Labor Code section 2699.3.

After Claimant complained to the Employer about wage and hour violations and timecard alterations, the Employer reduced her work hours and removed her job responsibilities. The Employer also subjected Claimant to unwarranted disciplinary actions and created a hostile work environment, ultimately forcing her to resign. The Employer took these adverse actions because Claimant exercised her protected rights, and its retaliation was deliberate and direct.

The applicable PAGA civil penalty for this Cause of Action is expressly established in Labor Code section 98.6, which authorizes a penalty of up to $10,000.00 per employee for each discrete retaliatory act. This penalty is recoverable under Labor Code section 2699(a). It is allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to all Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) and twenty-five percent (25%) for earlier notices as specified in Labor Code section 2699(m). The default penalty under Labor Code section 2699(f) does not apply to this Cause of Action. The court may reduce any penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps were taken to comply before notice or within sixty days after notice as set forth in Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double counted for the same employee or pay period under Labor Code section 2699(i). Penalties may be barred if the Employer cures the violation by making the employee whole and providing written notice under Labor Code section 2699(d), and agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

The Employer and any joint employers or agents set, knew of, controlled, or failed to correct the policies and practices that resulted in adverse action against employees for engaging in conduct protected by Labor Code section 98.6. This Cause of Action proceeds on a representative basis for civil penalties only and does not seek unpaid wages, waiting-time penalties, or damages, which are reserved for non-PAGA claims.

Evidence substantiating the violation and its uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers, wage statements, complaint or discipline logs, emails or messages, and personnel or payroll files for affected employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Failure to Maintain Payroll Records (Lab. Code §§ 1174, 1174.5)

Labor Code section 1174 and Labor Code section 1174.5, as well as the applicable IWC Wage Order, impose a non-waivable duty on the Employer to accurately keep, maintain, and preserve complete payroll records showing hours worked, wages paid, and other required data for each employee for a period of at least three years. This duty includes ensuring that such records are available for inspection and copying by employees and state officials upon request. Any policy or practice that causes records to be missing, incomplete, inaccurate, or not produced as required constitutes a violation. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling steps set forth in Labor Code section 2699.3.

The Employer did not keep or maintain accurate payroll records for Claimant and other Aggrieved Employees. Records provided to Claimant were missing, incomplete, or inconsistent with actual hours worked and compensation earned. The Employer's payroll system was unreliable, and requests for correction or inspection of records were routinely ignored or inadequately addressed.

The PAGA civil penalty framework for this Cause of Action is expressly established in Labor Code section 1174.5, which authorizes a civil penalty of $500.00 for each willful failure to maintain or permit inspection of required payroll records. Penalties are recoverable under Labor Code section 2699(a). They are allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices as provided by Labor Code section 2699(m). The court may reduce the penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice under Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period as provided in Labor Code section 2699(i). The default schedule under Labor Code section 2699(f) does not apply. Penalties may be barred if the Employer cures the violation by making Aggrieved Employees whole and providing written notice under Labor Code section 2699(d), and agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating failure to maintain payroll records and its uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers and wage statements, audit logs, emails or messages, and personnel or payroll files that document deficiencies, gaps, inaccuracies, or denials of access regarding payroll records for Aggrieved Employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Failure to Timely Pay Wages When Due (Lab. Code § 204)

Labor Code section 204 imposes a non-waivable duty on the Employer to pay all earned wages, including commissions and incentive compensation, no less frequently than semimonthly or on other lawfully designated paydays, as established by the statute and any applicable IWC Wage Order. This requirement ensures employees receive timely payment for all hours worked in compliance with statutory deadlines and wage orders. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling steps in Labor Code section 2699.3.

The Employer regularly failed to pay Claimant all earned wages, including overtime, commissions, and premiums, on designated paydays. Payroll records show that Claimant often did not receive the full amount owed within the required pay periods. These failures were not isolated and affected Aggrieved Employees throughout their employment, causing financial harm and uncertainty.

The applicable PAGA civil penalty for this Cause of Action is expressly provided by Labor Code section 210, which authorizes a penalty of $100.00 per Aggrieved Employee for the initial pay period in which timely wages were not paid, and $200.00 per Aggrieved Employee for each subsequent pay period, plus twenty-five percent (25%) of the amount unlawfully withheld in that period for willful or continued violations. Penalties are recoverable under Labor Code section 2699(a) and allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices, as specified in Labor Code section 2699(m). The default schedule under Labor Code section 2699(f) does not apply. The court may reduce the penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice under Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period in accordance with Labor Code section 2699(i). Penalties may be barred if the Employer cures the violation by making Aggrieved Employees whole and providing written notice under Labor Code section 2699(d), and agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating the violation and its uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers and wage statements, commission system data, emails or messages, and personnel or payroll files documenting pay cycles, withheld compensation, and payment timelines.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Failure to Timely Pay Final Wages at Separation (Lab. Code §§ 201–203)

Labor Code section 201 and Labor Code section 202, along with the applicable IWC Wage Order, impose a non-waivable duty on the Employer to pay all earned final wages, including accrued but unpaid compensation, immediately upon discharge or within seventy-two hours after voluntary separation without notice. This requirement prohibits any policy or practice that causes delay, underpayment, or nonpayment of final wages at separation. Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

When Claimant's employment ended, the Employer failed to pay all outstanding wages, including earned commissions and premiums, within the legal deadline. Claimant did not receive her final compensation in a timely manner after her separation from employment. This delay was part of a broader pattern of noncompliance affecting other Aggrieved Employees.

The PAGA civil penalty framework for this Cause of Action is governed by the default penalty under Labor Code section 2699(f), as Labor Code sections 201 and 202 do not provide their own civil penalty. The Employer is subject to a penalty of $100.00 per Aggrieved Employee for the initial post-separation pay period in which final wages were not timely paid, and $200.00 per Aggrieved Employee for each subsequent pay period in which the violation continued. These penalties are recoverable under Labor Code section 2699(a). They are allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices as set forth in Labor Code section 2699(m). The court may reduce the penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice under Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period under Labor Code section 2699(i). Penalties may be barred if the Employer cures the violation by paying all owed final wages to Aggrieved Employees and providing written notice as required by Labor Code section 2699(d). Agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating failure to timely pay final wages at separation and its uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers and wage statements, separation or termination logs, exit paperwork, emails or messages, and personnel or payroll files for Aggrieved Employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders pursuant to Labor Code section 203.

Failure to Provide Accurate Itemized Wage Statements (Lab. Code § 226(a))

Labor Code section 226(a) and the applicable IWC Wage Order impose a non-waivable duty on the Employer to furnish each employee with accurate, itemized wage statements that set forth all required information, including hours worked, wages earned, pay periods, deductions, and employer identification details. The Employer must not adopt any policy or practice that results in missing, incomplete, or inaccurate wage statements, or otherwise frustrates employees' ability to verify and understand their compensation. Claimant asserts this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to all prefiling steps in Labor Code section 2699.3.

The Employer issued wage statements to Claimant that contained errors and omissions, such as missing or inaccurate reporting of hours worked, overtime, and meal period premiums. These wage statements prevented Claimant and Aggrieved Employees from verifying their pay and understanding how their compensation was calculated. The Employer's ongoing failure to issue correct wage statements was knowing and systematic.

The PAGA civil penalty framework for this Cause of Action is expressly established in Labor Code section 226.3, which authorizes a penalty of $250.00 per Aggrieved Employee for the initial pay period in which a wage-statement violation occurred, and $1,000.00 per Aggrieved Employee for each subsequent pay period with a violation. These penalties are recoverable under Labor Code section 2699(a). They are allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices as provided in Labor Code section 2699(m). The court may reduce the penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice, in accordance with Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period under Labor Code section 2699(i). The default schedule under Labor Code section 2699(f) does not apply. Penalties may be barred if the Employer cures the violation by making Aggrieved Employees whole and providing written notice as provided in Labor Code section 2699(d). Agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating wage-statement violations and their uniform application may include written policies and handbooks, training materials, timekeeping and scheduling exports, payroll registers and wage statements, error or exception logs, emails or messages, and personnel or payroll files for Aggrieved Employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Failure to Maintain Required Payroll/Wage Records (Lab. Code § 226(b)(c))

Labor Code section 226(b) and Labor Code section 226(c), as well as the applicable IWC Wage Order, impose a non-waivable duty on the Employer to permit employees to inspect or copy their wage statements upon request within the statutory timeframes. This obligation requires the Employer to maintain a process for responding to such requests promptly. It prohibits any policy or practice that results in the delay or denial of access to these records, as regulated by Labor Code section 226(b) and Labor Code section 226(c). Claimant brings this Cause of Action solely for civil penalties under PAGA, as authorized by Labor Code section 2699(a), on a representative basis and subject to the prefiling requirements in Labor Code section 2699.3.

Claimant requested access to her wage statements and payroll records, but the Employer failed to provide copies or permit inspection within the required timeframe. The Employer delayed or denied these requests without justification, leaving Claimant and Aggrieved Employees without timely access to important payroll information. This conduct frustrated efforts to confirm proper compensation.

The PAGA civil penalty framework for this Cause of Action is established by Labor Code section 226(f), which authorizes a penalty of $750.00 per Aggrieved Employee for each instance in which the Employer fails to permit inspection or copying of requested wage statements within the required period. This penalty is recoverable under Labor Code section 2699(a) and allocated sixty-five percent (65%) to the LWDA and thirty-five percent (35%) to Aggrieved Employees for notices filed on or after June 19, 2024, and seventy-five percent (75%) to the LWDA and twenty-five percent (25%) to Aggrieved Employees for earlier notices as set forth in Labor Code section 2699(m). The default schedule under Labor Code section 2699(f) does not apply. The court may reduce the penalty if a full assessment would be unjust, arbitrary, oppressive, or confiscatory under Labor Code section 2699(e)(2). Mitigation caps may apply if the Employer proves all reasonable steps to comply were taken before or within sixty days after the PAGA notice, under Labor Code section 2699(g) and Labor Code section 2699(h). Penalties are not double-counted for the same Aggrieved Employee and pay period in accordance with Labor Code section 2699(i). Penalties may be barred if the Employer cures the violation by making Aggrieved Employees whole and providing written notice as provided in Labor Code section 2699(d). Agency action on the same facts or theories may bar or limit penalties under Labor Code section 2699(l).

This Cause of Action seeks civil penalties only on a representative basis. The Employer and any joint employers or agents are responsible if they set, knew of, controlled, or failed to correct the challenged policies or practices, and this section does not seek unpaid wages, waiting-time penalties, or other damages, which are reserved for non-PAGA claims.

Evidence substantiating the failure to provide wage statements upon request and its uniform application may include written policies and handbooks, training materials, request logs, timekeeping and scheduling exports, payroll registers and wage statements, exception reports, emails or messages, and personnel or payroll files for Aggrieved Employees.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Civil Penalties for Violation of the Labor Code and IWC Wage Orders

Labor Code section 558 subjects any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of Part 2, Chapter 1, of the Labor Code or any provision regulating hours and days of work in any IWC Wage Order to a civil penalty in the amount of $50.00 for any initial violation for each pay period in which an employee is underpaid in addition to an amount sufficient to recover underpaid wages, and $100.00 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

Labor Code section 558.1(a) states: "Any employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission ("IWC"), or violates, or causes to be violated, sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the employer for such violation." Labor Code section 558.1(b) expressly defines "other person acting on behalf of an employer" to include a "natural person who is an owner, director, officer, or managing agent of the employer."

Labor Code section 1197.1 states that any employer or other person acting either individually or as an officer, agent or employee of another person, which pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission shall be subject to a civil penalty and restitution of wages payable to the employee in an amount of $100.00 for the initial violation for each pay period in which an employee underpaid in addition to an amount sufficient to recover underpaid wages, and $250.00 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

As set forth above, Employers violated the IWC Wage Order regulating the hours and days of work, Labor Code sections 510, 1197, and 1198, and caused the employees to be paid less than the minimum set by the IWC Wage Order. As a result, Employers are liable for civil penalties under Labor Code sections 558, 558.1, and 1197.1.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Duties of Employer

Labor Code section 1174 describes specific duties of every employer in this state. Subsection (d) of this labor code section requires that payroll records show the hours worked daily by employees and the corresponding wages to be paid for the hours worked. Employer violated this requirement by their failure to accurately record employee hours and wages owed for meal and rest period premiums and reporting time pay. Labor Code section 1174.5 imposes a civil penalty of $500.00 for an employer's failure to maintain accurate and complete records. This civil penalty is in addition to the civil penalty of $100 per pay period, per non-exempt aggrieved employee that would be imposed pursuant to Labor Code section 2699 for a violation of Labor Code section 1174(d). Furthermore, Claimant and all other aggrieved current and former non-exempt employees are entitled to collect thirty-five percent (35%) of the penalty imposed pursuant to section 2699.

The Employer failed to record meal periods accurately and failed to record all accurate wages to be paid, as a result of the Employer's policy of not paying meal and rest period premiums for non-compliant breaks.

Accordingly, Claimant now seeks civil penalties pursuant to the PAGA on behalf of all Aggrieved Employees based on the alleged violations of the Labor Code and applicable IWC Wage Orders.

Attorneys' Fees, Costs, Interest, and Penalties

Labor Code sections 218.6, 226(e), 1194, 1194.2, and 2699, *et seq*., give employees the right to recover in a civil action the unpaid balance of the full amount of minimum wages, regular wages, overtime compensation, damages, liquidated damages, and penalties, including interest thereon, reasonable attorney's fees, and costs of suit.

Pursuant to Labor Code section 2699(m), Aggrieved Employees are entitled to collect 35% of the civil penalty assessment. Accordingly, Employers are liable for these items in addition to the unpaid wages. Claimant has already incurred actual damages, costs, and attorney's fees and will continue to incur costs because of the Employer's unlawful actions.

Conclusion

If the State of California intends to investigate the matters set forth herein, please inform our offices as soon as possible, as prompt administrative action will permit the unlawful identified practices to be rectified in a prompt fashion. If the State of California does not send notification of its intent to investigate the alleged violations set forth herein, then pursuant to Labor Code sections 2698, *et seq*. (PAGA), Claimant reserves the right to file a PAGA cause of action seeking all available damages, penalties, and remedies as well as attorneys' fees, interest, and costs against Employer, as permitted under the PAGA. Should the State of California require any additional information, please do not hesitate to contact the undersigned.

Sincerely,
Laurel Employment Law APC

Michiko Vartarian, Esq.