

11/19/2025 11:22:01 AM

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

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

11 WILLIAM PELLEGRINI, on behalf of other
12 similarly situated employees and the State of
13 California under the Private Attorneys General
14 Act,

Plaintiffs,

15 vs.

16 COMMONWEALTH EQUITY SERVICES,
17 LLC d/b/a COMMONWEALTH FINANCIAL
18 NETWORK; and DOES 1 through 50, inclusive,

Defendants.

Case No. 25CU047729C

Judge: James Mangione
Department: C-75

FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT

1. Failure to Pay All Overtime Wages
2. Paid Sick Leave Violations
3. Untimely Payment of Wages
4. Wage Statement Violations
5. Waiting Time Penalties
6. Unfair Competition
7. Sexual Harassment (Government Code § 12940 (j))
8. Failure to Prevent Harassment (Government Code § 12940 (k))
9. Civil Penalties under the Private Attorneys General Act (Labor Code §§ 2698 et seq.)

Action Filed: September 9, 2025

1 Plaintiff WILLIAM PELLEGRINI, on behalf of all other similarly situated employees and the
2 State of California under the Private Attorneys General Act (“Plaintiff”) brings this FIRST
3 AMENDED CLASS AND REPRESENTATIVE ACTION COMPLAINT against Defendants
4 COMMONWEALTH EQUITY SERVICES, LLC d/b/a COMMONWEALTH FINANCIAL
5 NETWORK; and DOES 1 through 50, inclusive (collectively “Defendants”), alleging as follows:

6 **INTRODUCTION**

7 1. This is a class action filed for wage and hour violations of the California Labor Code.

8 2. Defendants underpaid overtime, paid sick leave, and premiums by failing to properly
9 calculate the regular rate of pay.

10 3. Defendants also failed to take action to prevent harassment Plaintiff faced, despite a
11 complaint being made to Defendants. This harassment occurred on January 31, 2025. Plaintiff made
12 a report of the sexual harassment on February 10, 2025, but Defendants did nothing to stop or prevent
13 it, did not take any action to discipline or deter those engaging in the harassment.

14 4. Defendants’ employment policies, practices, and payroll administration systems
15 enabled and facilitated these violations on a company-wide basis with respect to the class members.

16 5. Defendants are further liable for derivative claims for wage statements, untimely
17 payment, and other associated violations.

18 6. Plaintiff seeks to recover the underpaid damages, plus associated penalties, interests,
19 attorney’s fees and costs.

20 **JURISDICTION & VENUE**

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

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

25 9. This Court has jurisdiction over Defendants because, upon information and belief,
26 Defendants have sufficient minimum contacts in California, or otherwise intentionally avail
27 themselves to the California economy so as to render the exercise of jurisdiction over them by the
28 California courts consistent with traditional notions of fair play and substantial justice.

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

PARTIES

A. Plaintiff William Pellegrini

11. Plaintiff Pellegrini is an individual over 18 years of age who worked for Defendants in California as a non-exempt employee from about January 2023 to Present. Plaintiff worked as a Help Desk Specialist.

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

B. Defendants

13. Defendant Commonwealth Equity Services, LLC dba Commonwealth Financial Network is a Massachusetts limited liability company that maintains operations and conducts business throughout the State of California, including in this county.

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

15. 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.

16. 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.

17. 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.

18. Plaintiff is further informed and believes that Defendants directly and indirectly employed Plaintiff as defined in the FEHA at Gov. Code § 12926. Plaintiff is informed and believes and on that basis alleges that at all relevant times Defendants employed more than five (5) employees in California and was therefore an employer as defined by FEHA at Gov. Code § 12940(j)(4). In addition, Defendants compelled, coerced, aided and abetted the discrimination and retaliation, which is prohibited under FEHA Gov. Code § 12940(i).

CLASS ALLEGATIONS

19. 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.

20. Plaintiff reserves the right to establish various subclass definitions as appropriate at the class certification stage, according to proof.

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

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

GENERAL ALLEGATIONS

23. Plaintiff and the putative class members worked for Defendants as non-exempt employees and were compensated on an hourly basis.

24. Defendants failed to pay Plaintiff and the class members overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Defendants failed to pay overtime at the regular rate of pay. Plaintiff and the class members earned bonuses, and other forms of non-discretionary payments which Defendants failed to include in the overtime rate, when earned in the same pay period. An illustrative example of this regular rate of pay violation appears in Plaintiff's wage statement for the pay period of 07/15/2024 to 07/28/2024. During this pay period, Plaintiff earned a bonus of \$1,111 in the same pay period he earned overtime, however Plaintiff's overtime was paid at a straight 1.5x Plaintiff's base rate. Defendants failed to factor in all additional non-excludable remuneration, including bonuses, into the regular rate of pay calculation for the purposes of overtime.

25. For each overtime hour worked during the period in which Plaintiff and the class members earned the additional forms of remuneration, Defendants should have (but failed to) pay overtime "at a rate no less than one and one-half times the regular rate of pay for an employee" and "twice the regular rate of pay" for double time hours as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

26. Defendants failed to comply with California's paid sick leave laws with respect to the class members. To the extent Defendants paid sick leave hours in the same pay period that the class members earned bonuses or other forms of non-excludable remuneration, Plaintiff believes and alleges that Defendants underpaid the paid sick leave by failing to factor all forms of non-discretionary income into the regular rate of pay.

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

3 28. As explained above, Defendants failed to pay Plaintiff and the class members all wages
4 owed for regular, overtime, and sick pay. Therefore, Defendants failed to pay all wages owed no later
5 than seven (7) calendar days following the close of the payroll period in violation of Labor Code
6 section 204(a).

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

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

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

23 32. Because of these policies and practices set forth above, Defendants failed to accurately
24 maintain records in accordance with Labor Code section 1174 and the IWC Wage Orders.

25 33. In addition, Plaintiff was subjected to unwelcome sexual harassment by his supervisor,
26 in violation of the Fair Employment and Housing Act (FEHA). On or about the evening of January
27 31, 2025, during a late office holiday party, Plaintiff’s supervisor approached Plaintiff and a coworker
28 while they were dancing and proceeded to rub his hands across Plaintiff’s body without consent. The

1 supervisor then engaged in similarly inappropriate physical contact with Plaintiff's coworker, in the
2 presence of a third employee. On February 10, 2025, Plaintiff submitted a formal complaint to the
3 Human Resources department detailing the incident. Despite the seriousness of the allegations,
4 Defendant failed to take any disciplinary or corrective action against the supervisor. Furthermore,
5 Plaintiff's repeated requests to adjust his work schedule to avoid further interaction with the supervisor
6 have been ignored. As a result of being forced to continue working in proximity to the offending
7 supervisor, and in light of Defendant's failure to take meaningful action in response to the complaint,
8 Plaintiff has suffered ongoing emotional distress, anxiety, and a hostile work environment.

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12 **FIRST CAUSE OF ACTION**

13 **FAILURE TO PAY ALL OVERTIME WAGES**

14 **Violation of Labor Code §§ 510 and 1194**

15 **(Alleged Against All Defendants)**

16 34. All outside paragraphs of this Complaint are incorporated into this section.

17 35. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code
18 §§ 204, 510, 558, 1194, and 1198, which require non-exempt employees be timely paid overtime
19 wages all overtime hours worked, and which further provide a private right of action for an employer's
20 failure to pay all overtime compensation for overtime hours worked.

21 36. Defendants failed in their affirmative obligation to pay Plaintiff and class members no
22 less than one and one-half times their respective "regular rate of pay" for all hours worked in excess
23 of eight hours in one day, 40 hours in one week, or the first eight hours worked on the seventh day of
24 work in any one workweek, and no less than twice their respective "regular rate of pay" for all hours
25 over 12 hours in one day and any work in excess of eight hours on any seventh day of a workweek for
26 such hours worked, in violation of Labor Code sections 204, 510, 558, 1194, and 1198 and the IWC
27 Wage Orders (the "Hours and Days of Work" sections of the applicable orders).

37. Plaintiff and class members are entitled to recover the full amount of the unpaid overtime, in addition to interest, statutory and civil penalties, and attorneys' fees, and costs to the extent permitted by law.

SECOND CAUSE OF ACTION

FAILURE TO PAY ALL PAID SICK LEAVE WAGES

Violation of Labor Code §§ 200, 218, 246 *et seq.*

(Alleged Against All Defendants)

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

39. Defendants knowingly and intentionally failed in their affirmative obligation to pay sick leave wages to Plaintiff and a paid sick leave subclass in violation of Labor Code section 246 *et seq.* Paid sick leave earnings constitute wages for purposes of California wage and hour law. (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1103 ["Courts have recognized that 'wages' also include those benefits to which an employee is entitled as a part of his or her compensation, including money, room, board, clothing, vacation pay, and sick pay"].)

40. Labor Code section 246(l), in conjunction with Labor Code section 248 *et seq.*, 248.1, 248.2, and 248.6, in addition to the applicable County sick pay ordinances in locales worked by class members, govern how Defendants were required to calculate paid sick leave.

41. Defendants failed to pay Plaintiff and class members their paid sick leave wages at one of the lawful rates set forth in the statute or ordinance because Defendants failed to include in their sick leave calculation the additional remuneration received by Plaintiff and class members (i.e., at the regular rate of pay and/or calculated based on total wages earned).

42. Furthermore, to the extent the paid sick leave paid constitutes Covid-related paid sick leave, Defendants knowingly and intentionally failed in their affirmative obligation to pay Covid-19 Supplemental Sick Leave wages to class members at the correct accrual rate or hourly pay rate in violation of Labor Code sections 246, 248.1, 248.2, and 248 *et seq.*

43. As a result, Defendants violated the Labor Code and are liable to Plaintiff and class members for underpaid sick leave wages, in addition to interest, attorneys' fees, and costs.

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Violation of Labor Code §§ 204, 210, 218

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

45. This cause of action is brought pursuant to the IWC Wage Orders and Labor Code

46. Defendants willfully failed in their affirmative obligation to timely pay all wages,

47. Plaintiff and class members are entitled to recover the full amount of the unpaid wages,

WAGE STATEMENT VIOLATIONS

(Alleged Against All Defendants)

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

49. This cause of action is brought by a wage statement subclass pursuant to Labor Code

1 pay period, and which further provide a private right of action for an employer's failure to comply
2 with this obligation.

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

7 51. Defendants' unlawful acts and omissions deprived Plaintiff and class members of
8 accurate itemized wage statements, causing confusion and concealing wage and premium
9 underpayments.

10 52. As a result, Plaintiff and class members are entitled to recover the statutory penalty of
11 \$50 per employee for the initial pay period in which a violation occurred and \$100 per employee for
12 each violation in a subsequent pay period, up to an aggregate penalty of \$4,000 per employee, in
13 addition to interest, attorneys' fees, and costs to the extent permitted by law, including under Labor
14 Code section 226(e).

15 **FIFTH CAUSE OF ACTION**

16 **WAITING TIME PENALTIES**

17 **Violation of Labor Code §§ 201 *et seq.***

18 **(Alleged Against All Defendants)**

19 53. All outside paragraphs of this Complaint are incorporated into this section.

20 54. This cause of action is brought by a waiting time subclass pursuant to Labor Code
21 §§ 201 through 203, which require an employer to timely pay all wages earned upon termination of
22 employment, and which further provide a private right of action to recover statutory waiting time
23 penalties each day an employer fails to comply with this obligation, up to a maximum of 30 days
24 wages.

25 55. Defendants willfully failed and continue to fail in their affirmative obligation to pay all
26 wages earned and unpaid to Plaintiff and class members immediately upon termination of employment
27 or within 72 hours thereafter for employees who did not provide at least 72 hours prior notice of his
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1 or her intention to quit, and further failed to pay those sums for 30 days thereafter in violation of Labor
2 Code sections 201 through 203 and the IWC Wage Orders.

3 56. Plaintiff and class members are entitled to recover a waiting time penalty for a period
4 of up to 30 days, in addition to interest, attorneys' fees, and costs to the extent permitted by law.

5 **SIXTH CAUSE OF ACTION**

6 **UNFAIR COMPETITION**

7 **Violation of Business and Professions Code §§ 17200 *et seq.***

8 **(Alleged Against All Defendants)**

9 57. All outside paragraphs of this Complaint are incorporated into this section.

10 58. Defendants have engaged and continue to engage in unfair and/or unlawful business
11 practices in the State of California in violation of California Business and Professions Code § 17200
12 by committing the foregoing wage and hour violations alleged throughout this Complaint.

13 59. Defendants' dependence on these unfair and/or unlawful business practices deprived
14 Plaintiff and continue to deprive other class members of compensation to which they are legally
15 entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage to
16 Defendants over competitors who have been and/or are currently employing workers in compliance
17 with California's wage and hour laws. These failures constitute unlawful, deceptive, and unfair
18 business acts and practices in violation of Business and Professions Code section 17200 *et seq.*

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

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

27 62. Plaintiff and class members are entitled to injunctive relief against Defendants,
28 restitution, and other equitable relief to return all funds over which Plaintiff and class members have

1 an ownership interest and to prevent future damage and the public interest under Business and
2 Professions Code § 17200 *et seq.* Plaintiff and class members are further entitled to recover interest,
3 attorneys' fees, and costs to the extent permitted by law, including under Code of Civil Procedure
4 § 1021.5.

5 **SEVENTH CAUSE OF ACTION**

6 **SEXUAL HARASSMENT**

7 **Violation of Government Code § 12940 (j)**

8 **(Alleged by Plaintiff individually Against All Defendants)**

9 63. All outside paragraphs of this Complaint are incorporated into this section.

10 64. Plaintiff was at all times material hereto an employee covered by California
11 Government Code Section 12940 *et seq.*

12 65. At all times herein mentioned, Plaintiff was an employee of Defendants. Defendants
13 are employers under the Fair Employment and Housing Act ("FEHA"), Government Code Sections
14 12900-12996 and were at all times required to refrain from sexually harassing employees, and to take
15 all actions necessary to prevent such harassment by supervisors, and by non-supervisors if it knows or
16 has reason to know about the harassment.

17 66. Plaintiff timely filed charges of sexual harassment in violation of FEHA with the
18 California Civil Rights Department ("CRD"). The CRD has issued a Right-to-Sue notice pursuant
19 to California Government Code section 12965(b), permitting Plaintiff to bring this action.
20 Therefore, Plaintiff has exhausted his administrative remedies. See **Exhibit 1** attached hereto.

21 67. As discussed herein, Plaintiff was subjected to sexual harassment in the form of
22 unwanted sexual advances by his supervisor. On January 31, 2025, during a late office holiday party,
23 Plaintiff's supervisor approached him and a co-worker while dancing and proceeded to rub his hands
24 across Plaintiff's body. On February 10, 2025, Plaintiff submitted a formal complaint about the
25 inappropriate touching with Human Resources, however, no disciplinary actions have been taken
26 against the offending supervisor. Despite making a request to adjust his schedule to avoid working
27 with his supervisor, Plaintiff was forced to work in the same office with him.

68. As a proximate result of Defendants' willful, knowing, and intentional sexual harassment of Plaintiff, and failure to prevent the same, Plaintiff has sustained and continues to sustain damages, including losses of earnings and benefits, and emotional harm according to proof.

69. Defendants' sexual harassment and complete refusal to prevent the same was undergone intentionally, with malicious, oppressive, and/or fraudulent intent with respect to Plaintiff's rights and well-being. Plaintiff thus requests punitive damages.

70. Plaintiff has incurred and continues to incur legal expenses and attorneys' fees. Plaintiff is entitled to recover reasonable attorney's fees and costs (including expert costs) in an amount according to proof.

71. Plaintiff seeks economic damages, non-economic damages, civil penalties, and punitive damages, as well as attorneys' fees and costs.

EIGHTH CAUSE OF ACTION

FAILURE TO PREVENT HARASSMENT

Violation of Government Code § 12940 (k)

(Alleged by Plaintiff individually Against All Defendants)

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

73. Plaintiff was at all times material hereto an employee covered by California Government Code Section 12940 et seq.

74. At all times herein mentioned, Plaintiff was an employee of Defendants. Defendants are employers under the Fair Employment and Housing Act (“FEHA”), Government Code Sections 12900-12996 and were at all times required to refrain from sexually harassing employees, and to take all actions necessary to prevent such harassment by supervisors, and by non-supervisors if it knows or has reason to know about the harassment.

75. As discussed herein, Plaintiff was subjected to sexual harassment in the form of unwanted sexual advances by Defendants’.

76. On February 10, 2025, Plaintiff submitted a formal complaint to the Human Resources department detailing the January 31, 2025 incident of a sexual harassment. Despite the seriousness of the allegations, Defendants failed to take any disciplinary or corrective action against the supervisor.

1 Furthermore, Plaintiff's repeated requests to adjust his work schedule to avoid further interaction with
2 the supervisor have been ignored. As a result of being forced to continue working in proximity to the
3 offending supervisor, and in light of Defendants' failure to take meaningful action in response to the
4 complaint, Plaintiff has suffered ongoing emotional distress, anxiety, and a hostile work environment.

5 77. Defendants failed to take reasonable steps to prevent Plaintiff's harassment by his
6 supervisor, by, among other things, (1) allowing Plaintiff's supervisor to have unfettered, unsupervised
7 access to Plaintiff throughout his employment with Defendants, (2) failing to take/implement
8 appropriate safety procedures, failing to meaningfully investigate complaints of sexual harassment,
9 and/or failing to take appropriate corrective action, including discipline.

10 78. Plaintiff was harmed, and Defendants' failure to take all reasonable steps to prevent
11 harassment, discrimination and retaliation in violation of the FEHA was a substantial factor in causing
12 Plaintiff's harm. Cal. Gov't Code § 12940(j)(1).

13 79. Plaintiff timely filed charges of sexual harassment in violation of FEHA with the
14 California Civil Rights Department ("CRD"). The CRD has issued a Right-to-Sue notice pursuant
15 to California Government Code section 12965(b), permitting Plaintiff to bring this action.
16 Therefore, Plaintiff has exhausted his administrative remedies. See **Exhibit 1** attached hereto.

17 80. As a result of the above-described conduct, Plaintiff has suffered and continues to
18 suffer emotional distress, physical manifestations of emotional distress including embarrassment, loss
19 of self-esteem, and, humiliation.

20 81. Plaintiff is entitled to compensatory damages in a sum to be shown according to proof,
21 and emotional distress damages in a sum to be shown according to proof. Plaintiff is entitled to
22 reasonable attorneys' fees and litigation expenses, including expert-witness fees and costs, incurred in
23 vindicating her rights by bringing this action and attorney's fees and costs pursuant to Government
24 Code § 12965(b).

25 82. Defendants' sexual harassment and complete refusal to prevent the same was
26 undergone intentionally, with malicious, oppressive, and/or fraudulent intent with respect to Plaintiff's
27 rights and well-being. Plaintiff thus requests punitive damages.

83. In light of the willful, knowing and intentional failure to prevent discrimination and harassment, Plaintiff seeks an award of punitive and exemplary damages in an amount according to proof at trial.

NINTH CAUSE OF ACTION

CIVIL PENALTIES UNDER THE PRIVATE ATTORNEYS GENERAL ACT

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

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

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

85. Plaintiff brings this cause of action as a proxy for the State of California on behalf of the following “aggrieved employees” pursuant to the Private Attorneys General Act (“PAGA”), codified as Labor Code section 2698 et seq.:

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

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

87. 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.”])

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

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

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

6 91. On or about September 5, 2025, Plaintiff paid the requisite PAGA filing fee and
7 provided written notice (by online electronic filing with the LWDA and by certified mail to
8 Defendants) of Defendants’ alleged Labor Code violations, including the facts and theories to support
9 the alleged violations.

10 92. A true and correct copy of Plaintiff’s written PAGA notice, entitled “Notice of Labor
11 Code Violations” is attached hereto as **Exhibit 2** and incorporated by reference as though fully set
12 forth herein (the “PAGA notice”).

13 93. To date, neither Plaintiff nor Plaintiff’s counsel has received a response to Plaintiff’s
14 written PAGA notice from the LWDA.

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

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

22 96. As set forth in the PAGA notice attached as **Exhibit 2** and incorporated into this
23 Complaint, Defendants committed the following violations and are liable for all corresponding civil
24 penalties:

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

27 b. **Unpaid Paid Sick Leave.** Violation of Labor Code §§ 246 through 248.7.
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- c. ***Untimely Payment of Wages During Employment.*** Violation of Labor Code §§ 204, 204b, 210.
- d. ***Untimely Payment of Wages Upon Separation of Employment.*** Violation of Labor Code §§ 201, 202, 203, 256.
- e. ***Non-Compliant Wage Statements.*** Violation of Labor Code §§ 226, 226.3.
- f. ***Failure to Maintain Accurate Records.*** Violation of Labor Code § 1174; IWC Wage Orders.

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

PRAYER

Plaintiff prays for judgment as follows:

- a. For certification of this action as a class action;
- b. For appointment of Plaintiff as the class representative;
- c. For appointment of above-captioned counsel for Plaintiff as Class Counsel;
- d. For division of class members into appropriate classes and/or subclasses according to proof;
- e. For recovery of all statutory penalties and liquidated damages;
- f. For disgorgement of all amounts wrongfully obtained to the extent permitted by law;
- g. For restitution and injunctive relief;
- h. For attorneys' fees and costs of suit, including expert fees, to the extent permitted by law, including (without limitation) under Labor Code §§ 218.5, 226, 1194, and Code of Civil Procedure § 1021.5.
- i. For recovery of damages in amount according to proof;
- j. For all recoverable pre- and post-judgment interest;
- k. For this action to be maintained as a representative action under the PAGA;

- 1 l. For Plaintiff and counsel of record to be provided with all enforcement capability as if
2 the action were brought by the State of California or the California Division of Labor
3 Enforcement;
4 m. For recovery of all civil penalties and other recoverable amounts under the PAGA;
5 n. For reasonable attorneys' fees and costs of suit, including expert fees, to the extent
6 permitted by law, associated with the PAGA claims pursuant to Labor Code § 2699,
7 and Code of Civil Procedure section 1021.5 and any other applicable sections; and
8 o. For such other relief the Court deems just and proper.

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10 Dated: November 19, 2025

Ferraro Vega Employment Lawyers, Inc.

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12 Nicholas J. Ferraro

13 Dorota A. James

14 Attorneys for Plaintiff William Pellegrini
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EXHIBIT 1
RIGHT TO SUE



Civil Rights Department

651 Bannan Street, Suite 200 | Sacramento | CA | 95811
1-800-884-1684 (voice) | 1-800-700-2320 (TTY) | California's Relay Service at 711
calcivilrights.ca.gov | contact.center@calcivilrights.ca.gov

March 24, 2025

RE: Notice of Filing of Discrimination Complaint

CRD Matter Number: 202503-28666024

Right to Sue: Pellegrini / Commonwealth Financial Network et al.

To All Respondent(s):

Enclosed is a copy of a complaint of discrimination that has been filed with the Civil Rights Department (CRD) in accordance with Government Code section 12960. This constitutes service of the complaint pursuant to Government Code section 12962. The complainant has requested an authorization to file a lawsuit. A copy of the Notice of Case Closure and Right to Sue is enclosed for your records.

Please refer to the attached complaint for a list of all respondent(s) and their contact information.

No response to CRD is requested or required.

Sincerely,

Civil Rights Department



Civil Rights Department

651 Bannan Street, Suite 200 | Sacramento | CA | 95811
1-800-884-1684 (voice) | 1-800-700-2320 (TTY) | California's Relay Service at 711
calcivilrights.ca.gov | contact.center@calcivilrights.ca.gov

March 24, 2025

William Pellegrini
1640 Pepper Drive
El Cajon, CA 92021

RE: **Notice of Case Closure and Right to Sue**
CRD Matter Number: 202503-28666024
Right to Sue: Pellegrini / Commonwealth Financial Network et al.

Dear William Pellegrini:

This letter informs you that the above-referenced complaint filed with the Civil Rights Department (CRD) has been closed effective March 24, 2025 because an immediate Right to Sue notice was requested.

This letter is also your Right to Sue notice. According to Government Code section 12965, subdivision (b), a civil action may be brought under the provisions of the Fair Employment and Housing Act against the person, employer, labor organization or employment agency named in the above-referenced complaint. The civil action must be filed within one year from the date of this letter.

After receiving a Right-to-Sue notice from CRD, you may have the right to file your complaint with a local government agency that enforces employment anti-discrimination laws if one exists in your area that is authorized to accept your complaint. If you decide to file with a local agency, you must file before the deadline for filing a lawsuit that is on your Right-to-Sue notice. Filing your complaint with a local agency does not prevent you from also filing a lawsuit in court.

To obtain a federal Right to Sue notice, you must contact the U.S. Equal Employment Opportunity Commission (EEOC) to file a complaint within 30 days of receipt of this CRD Notice of Case Closure or within 300 days of the alleged discriminatory act, whichever is earlier.

Sincerely,

Civil Rights Department

**COMPLAINT OF EMPLOYMENT DISCRIMINATION
BEFORE THE STATE OF CALIFORNIA
Civil Rights Department
Under the California Fair Employment and Housing Act
(Gov. Code, § 12900 et seq.)**

In the Matter of the Complaint of

William Pellegrini

CRD No. 202503-28666024

Complainant,

vs.

Commonwealth Financial Network
29 Sawyer Road
Waltham, MA 02453

Commonwealth Equity Services, LLC
29 Sawyer Road
Waltham, MA 02453

Respondents

1. Respondent **Commonwealth Financial Network** is an **employer** subject to suit under the California Fair Employment and Housing Act (FEHA) (Gov. Code, § 12900 et seq.).

2. Complainant is naming **Commonwealth Equity Services, LLC** business as Co-Respondent(s).

3. Complainant **William Pellegrini**, resides in the City of **El Cajon**, State of **CA**.

4. Complainant alleges that on or about **January 31, 2025**, respondent took the following adverse actions:

Complainant was harassed because of complainant's sex/gender, gender identity or expression, sexual harassment.

Additional Complaint Details: During a late office holiday party on the night of 01/31/2025, Complainant's supervisor approached complainant and a coworker while dancing and proceeded to rub his hands across Complainant's body. After which the supervisor inappropriately touched Complainant's coworker in a similar manner in front of a third coworker.

1 Complainant made a complaint to Respondent's Human Resources department about the
2 inappropriate touching on 2/10/2025. At the time of this writing no disciplinary actions have
3 been taken against offending supervisor. Complainant's request to adjust scheduling to
4 avoid working with this supervisor have been continually ignored.
5 Being made to continue working alongside this supervisor, and knowing that no substantial
6 action has been taken in response to Complainant's HR complaint, has resulted in
7 Complainant experiencing emotional harm and severe discomfort.
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1 VERIFICATION

2 I, **Dorota James**, am the **Attorney** in the above-entitled complaint. I have read the
3 foregoing complaint and know the contents thereof. The matters alleged are based on
4 information and belief, which I believe to be true. The matters alleged are based on
information and belief, which I believe to be true.

5 On March 24, 2025, I declare under penalty of perjury under the laws of the State of
6 California that the foregoing is true and correct.

7 **San Diego, California**

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EXHIBIT 2
NOTICE OF LABOR CODE VIOLATIONS

FERRARO VEGA

SAN DIEGO EMPLOYMENT LAWYERS

Nicholas J. Ferraro
nick@ferrarovega.com
Lauren N. Vega
lauren@ferrarovega.com
Dorota A. James
dorota@ferrarovega.com

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

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

September 5, 2025

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

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

Commonwealth Financial Network
29 Sawyer Road
Waltham, Massachusetts 02453

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

Commonwealth Equity Services, LLC
29 Sawyer Road
Waltham, Massachusetts 02453

Dear LWDA Officer and Company Representatives:

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

COMMONWEALTH FINANCIAL NETWORK; COMMONWEALTH EQUITY SERVICES, LLC

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

This office serves as legal counsel for Plaintiff. If the California Labor and Workforce Development Agency (“LWDA”) does not investigate the facts, allegations, and violations set forth in this notice within the statutorily prescribed 65-day period under Labor Code section 2699.3, Plaintiff intends to commence a civil action against Defendants as a proxy and agent of the State of California under the Private Attorneys General Act (“PAGA”). “PAGA allows an ‘aggrieved employee’—a person affected by at least one Labor Code violation committed

by an employer—to pursue penalties for all the Labor Code violations committed by that employer.” *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745, 751; *Kim v. Reins International California, Inc.* (2020) 9 Cal.5th 73, 79. Plaintiff maintains standing to pursue these claims against Defendants as an aggrieved employee.

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

- BACKGROUND -

Defendants employed Plaintiff during the PAGA Period in the position of Help Desk Specialist from about January 2023 to the Present. During their employment Plaintiff and the other aggrieved employees were subject to the wage and hour and employment protections set forth in the California Labor Code and IWC Wage Orders.

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

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

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

- PAGA CLAIMS -

Unpaid Overtime

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

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

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

Defendants failed to pay Plaintiff and the aggrieved employees overtime wages and the lawful rate of pay for overtime hours worked, resulting in unpaid overtime wages. Defendants failed to pay overtime at the regular rate of pay. Plaintiff and the aggrieved employees earned bonuses, and other forms of non-discretionary payments which Defendants failed to include in the overtime rate, when earned in the same pay period.

An illustrative example of this regular rate of pay violation appears in Plaintiff’s wage statement below:

ID# N04453	Name WILLIAM J PELLEGRINI	SSN xxx-xx-3258	Period Start 07/01/2024
Pay Date 07/15/2024	Department 5300	Location CA-01	Federal W-4 SOMFS
		Pay Method SALARY	Period End 07/31/2024

EARNINGS:	Description	Rate	Hours	Amount	Year-to-Date
	REGULAR			\$	31,507.48
	OVERTIME			\$	153.07
	HOLIDAY			\$	1,860.72
	BONUS: OTHER			\$	2,840.69
	BONUS: REFER			\$	2,500.00
	BONUS: YREND4			\$	2,865.00
	TXBL: GTL			\$	34.30
	PTO			\$	3,339.74
	PTO PAYOUT			\$	574.39
	SICK PAY			\$	511.48
			\$ 1,111.00		
				\$	46,186.87
	Total Earnings:			\$ 1,111.00	\$ 46,186.87

TAXES:	Description	Amount	Year-to-Date
	FEDERAL W/H	\$ 244.42	\$ 4,896.82
	SOCIAL SEC	\$ 68.89	\$ 2,799.96
	MEDICARE	\$ 16.11	\$ 654.83
	CA STATE W/H	\$ 113.66	\$ 2,118.88
	CA SDI	\$ 12.22	\$ 496.38
	Total Taxes:	\$ 455.30	\$ 10,966.87

DEDUCTIONS:	Description	Amount	Year-to-Date
	401(K)	\$	2,352.70
	DENTAL	\$	34.53
	MEDICAL	\$	948.92
	VISION	\$	42.84
	Total Deductions:		\$ 3,378.99

Extract from Plaintiff's wage statement for pay period 07/01/2024 to 07/31/2024

ID# N04453	Name WILLIAM J PELLEGRINI	SSN xxx-xx-3258	Period Start 07/15/2024
Pay Date 08/02/2024	Department 5300	Location CA-01	Federal W-4 SOMFS
		Pay Method SALARY	Period End 07/28/2024

EARNINGS:	Description	Rate	Hours	Amount	Year-to-Date
	REGULAR	34.0993	63.2500	\$ 2,156.78	\$ 36,085.31
	OVERTIME	51.1489	0.2500	\$ 12.79	\$ 165.86
	HOLIDAY			\$	2,133.51
	SICK PAY	34.0993	15.5000	\$ 528.54	\$ 1,040.02
	BONUS: OTHER			\$	2,840.69
	BONUS: REFER			\$	2,500.00
	BONUS: YREND4			\$	2,865.00
	TXBL: GTL*			\$ 2.52	\$ 39.34
	PTO			\$	3,339.74
	PTO PAYOUT			\$	574.39
				\$	574.39
	Total Earnings:			\$ 2,156.78	\$ 36,085.31

TAXES:	Description	Amount	Year-to-Date
	FEDERAL W/H	\$ 225.27	\$ 5,346.48
	SOCIAL SEC	\$ 162.11	\$ 3,123.92
	MEDICARE	\$ 37.91	\$ 730.59
	CA STATE W/H	\$ 93.46	\$ 2,305.45
	CA SDI	\$ 28.73	\$ 553.80
	Total Taxes:	\$ 547.48	\$ 12,060.24

Extract from Plaintiff's wage statement for pay period 07/15/2024 to 07/28/2024

Here, Plaintiff earned a bonus of \$1,111 in the same pay period he earned overtime, however Plaintiff's overtime was paid at a straight 1.5x Plaintiff's base rate. Defendants failed to factor in all additional non-excludable remuneration, including bonuses, into the regular rate of pay calculation for the purposes of overtime.

For each overtime hour worked during the period in which Plaintiff and the aggrieved employees earned the additional forms of remuneration, Defendants should have (but failed to) pay overtime “at a rate no less than *one and one-half times the regular rate of pay* for an employee” and “twice the regular rate of pay” for double time hours as required by the plain language of Labor Code section 510(a) and the IWC Wage Orders.

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

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

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

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

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

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

Defendants failed to comply with California’s paid sick leave laws with respect to the aggrieved employees. To the extent Defendants paid sick leave hours in the same pay period that the aggrieved employees earned bonuses or other forms of non-excludable remuneration, Plaintiff

believes and alleges that Defendants underpaid the paid sick leave by failing to factor all forms of non-discretionary income into the regular rate of pay.

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

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

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

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

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

As explained above, Defendants failed to pay Plaintiff and the aggrieved employees all wages owed for regular, overtime, and sick pay. Therefore, Defendants failed to pay all wages owed no later than seven (7) calendar days following the close of the payroll period in violation of Labor Code section 204(a).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- LITIGATION HOLD NOTICE -

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

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

- CONCLUSION -

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

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

Sincerely,

A handwritten signature in black ink that reads "Dorota James". The script is cursive and elegant, with the first letters of each name being capitalized and prominent.

Dorota A. James

Cc Plaintiff William Pellegrini

Human Resources for Defendants
Allison Vassallo
avassallo@commonwealth.com