

September 4, 2025

VIA ON-LINE SUBMISSION AND MAIL:

<https://dir.tfaforms.net/128> (copy by certified mail to all Defendants)

Private Attorneys General Act

Attn. PAGA Administrator
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LWDA Case No.:

**Re: Labor Code § 2698, et seq. Penalties – PAGA Notice Letter to the LWDA
*Brown v. Lululemon USA, Inc., et al.***



Gentlepersons:

This office represents Plaintiff Nishae Brown (“Plaintiff”) and other similarly situated aggrieved employees (collectively “Aggrieved Employees”) for violations of California Labor Code §§ 201, 202, 203, 204, 210, 221, 226, 226.3, 226.7, 226.8, 227.3, 246, 510, 512, 515, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* (“the Act”). Unless specified below, Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated, Aggrieved Employees, and the State of California, against Defendants, LULULEMON USA INC., a Nevada corporation; LULULEMON, a business entity of unknown form; LULULEMON ATHLETICA USA, INC., and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as “Defendants”).

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along Plaintiff’s Class Action Complaint, which is attached hereto and incorporated by reference herein. The Complaint is being concurrently filed in Los Angeles County Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The Class Action Complaint provides the details of Plaintiff’s class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Plaintiff was employed by Defendants as a non-exempt hourly employee in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present (Plaintiff and Aggrieved Employees are collectively referred to herein as “Aggrieved Employees”). However, with regard to the allegations under Labor Code § 226(a) *only*, Plaintiff expands the scope and definition of the Aggrieved Employees to all employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present.

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay. Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay. First, Defendants implemented an unlawful time-rounding policy and practice which rounded down and reduced the actual working hours recorded by Aggrieved Employees, and upon which their pay was based, and generally did so to the detriment of the Aggrieved Employees, and these unlawfully rounded time entries were inputted into Defendants’ payroll system from which wage statements and payroll



checks were created. Defendants did so with the ostensible intent of paying Aggrieved Employees only for the hours they were scheduled to work, rather than the hours they were actually under Defendants' control. Plaintiff contends this policy is not neutral and results, over time, to the detriment of the Aggrieved Employees by systematically undercompensating them.

Next, Aggrieved Employees were also consistently required to perform work, off-the-clock, for which they were not paid wages. Specifically, Aggrieved Employees were required to wait outside of the store location for their manager to arrive at work and allow them inside for them to clock in using the timeclock. Afterwards, the manager would adjust their clock-in times. Further, after clocking out of work, Aggrieved Employees would discuss work-related issues with their co-workers and supervisors, either on the premises or over the phone. Moreover, Aggrieved Employees were required to download applications and check their schedules off the clock, for which no wages were paid. Lastly, Aggrieved Employees' meal periods were interrupted and not duty-free, and they were not paid any wages for work conducted during their unpaid meal periods. The forgoing and uncompensated working time was under the direction and control of Defendants, for which no wages were paid.

This uncompensated time caused Aggrieved Employees to work in excess of eight (8), ten (10) and/or twelve (12) hours a day and/or forty (40) hours a week, entitling Aggrieved Employees to minimum and overtime wages, which they were systemically denied.

Defendants also failed to Aggrieved Employees overtime wages at the proper and applicable regular rates of pay. Specifically, Aggrieved Employees earned commissions, spiff pay, as well as performance-based non-discretionary bonuses in addition to their hourly pay. However, these supplemental earnings were not accounted for when determining Aggrieved Employees' regular rates of pay, and respective and proper overtime rates of pay.

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take meal periods in compliance with California Law. Specifically, due to understaffing, heavy workloads, and the pre-shift duties noted above, Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Furthermore, Aggrieved Employees were not relieved of all work duties during unpaid meal periods and were required to keep working during meal breaks.

Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal period as part of each work shift; (2) no formal written meal policy that encouraged employees to take their meal periods, or that advised Class Members of their meal and rest period rights; and (3) Defendants' practice of requiring putative class members to continue working through their meal and rest periods due to the excessive workload.

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take rest breaks in compliance with the California Law. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of



each work shift, including second rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Aggrieved Employees of their rest period rights; (3) Defendants' policy and practice of delaying the commencement of Aggrieved Employees' rest breaks due to the mandatory and uncompensated pre-shift duties discussed above.

Furthermore, Defendants failed to pay Aggrieved Employees premium pay wages at their appropriate regular rates of pay for each meal and rest period denied.

Defendants also had a common policy and practice of systemically failing to pay Aggrieved Employees the requisite and accrued vacation time pay in accordance with California Law. Specifically, Aggrieved Employees accrued vested vacation wages during their employment with Defendants. However, Defendants failed to pay all accrued vacation time owed to Aggrieved Employees upon their separation from employment.

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees the requisite sick time pay in accordance with California Law. Specifically, Aggrieved Employees earned commissions, spiff pay, as well as performance-based non-discretionary bonuses in addition to their hourly pay. However, these supplemental earnings were not accounted for when determining Aggrieved Employees' regular rates of pay, and respective and proper sick rates of pay.

Aggrieved Employees were not provided with accurate wage statements as mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage statements as "a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing." Additionally, the wage statements issued to Aggrieved Employees were not recorded in "ink or other indelible form."

Defendants failed to comply with Labor Code section 226(a)(1) as "gross wages earned" were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(2) as "total hours worked by the employee" were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(5) as "net wages earned" were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(9) as "all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee" were not accurately reflected in that: all hours worked, including overtime, were not included.

Furthermore, Defendants failed to provide Aggrieved Employees with paper pay stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE Opinion Letters. Plaintiff's and Aggrieved Employees' wage statement were only provided in electronic format in violation of Labor Code § 226.



Aggrieved Employees were not reimbursed for business expenses incurred in executing their duties under Defendant's employ. Specifically, Aggrieved Employees were required to pay the costs of their cell-phones, which they used to communicate with co-workers and supervisors, their home internet plans which were necessary when working from home, and any stationary they used such as post-it notes, which were all necessary to perform their duties under Defendants' employ. Aggrieved Employees were not reimbursed for these necessary work-related expenses.

Defendants also failed to provide suitable seating to Aggrieved Employees. The operations at Defendant's facilities allowed for the presence and use of a stool or seat by Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. However, Defendant failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting.

PAGA Claim Details, Legal Bases for Violations and Penalties:

As addressed above and in further detail in the Class Action Complaint, the Aggrieved Employees complain of the following violations committed by Defendants:¹

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines "Hours Worked" as "the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "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

¹ Plaintiff hereby reserves the right to seek penalties on behalf of all Aggrieved Employees, for Defendants' violations of the applicable provisions of the Labor Code, suffered by Aggrieved Employees, but not directly suffered by Plaintiff under *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745.



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 attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay. First, Defendants implemented an unlawful time-rounding policy and practice which rounded down and reduced the actual working hours recorded by Aggrieved Employees, and upon which their pay was based, and generally did so to the detriment of the Aggrieved Employees, and these unlawfully rounded time entries were inputted into Defendants' payroll system from which wage statements and payroll checks were created. Defendants did so with the ostensible intent of paying Aggrieved Employees only for the hours they were scheduled to work, rather than the hours they were actually under Defendants' control. Plaintiff contends this policy is not neutral and results, over time, to the detriment of the Aggrieved Employees by systematically undercompensating them.

Next, Aggrieved Employees were also consistently required to perform work, off-the-clock, for which they were not paid wages. Specifically, Aggrieved Employees were required to wait outside of the store location for their manager to arrive at work and allow them inside for them to clock in using the timeclock. Afterwards, the manager would adjust their clock-in times. Further, after clocking out of work, Aggrieved Employees would discuss work-related issues with their co-workers and supervisors, either on the premises or over the phone. Moreover, Aggrieved Employees were required to download applications and check their schedules off the clock, for which no wages were paid. Lastly, Aggrieved Employees' meal periods were interrupted and not duty-free, and they were not paid any wages for work conducted during their unpaid meal periods. The forgoing and uncompensated working time was under the direction and control of Defendants, for which no wages were paid.

Defendants have the ability to pay minimum and overtime wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Aggrieved Employees.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). the



other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Aggrieved Employees consistently worked in excess of eight (8), ten (10), and twelve (12) hours a day, and/or forty (40) hours a week. However, Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above caused Aggrieved Employees to work in excess of eight (8), ten (10), and twelve (12) hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants also failed to Aggrieved Employees overtime wages at the proper and applicable regular rates of pay. Specifically, Aggrieved Employees earned commissions, spiff pay, as well as performance-based non-discretionary bonuses in addition to their hourly pay. However, these supplemental earnings were not accounted for when determining Aggrieved Employees' regular rates of pay, and respective and proper overtime rates of pay.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.



When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of 8, 10, and 12 hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code §§ 226.7 and 512 and Penalties

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take meal periods in compliance with California Law. Specifically, due to understaffing, heavy workloads, and the pre-shift duties noted above, Aggrieved Employees were denied the opportunity to take timely meal periods prior to the completion of their fifth hour of work. Furthermore, Aggrieved Employees were not relieved of all work duties during unpaid meal periods and were required to keep working during meal breaks.

Aggrieved Employees were not provided with meal periods of at least thirty (30) minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal period as part of each work shift; and (2) no formal written meal policy that encouraged employees to take their meal periods, or that advised Aggrieved Employees of their meal and rest period rights.

Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.



Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of not scheduling each rest period as part of each work shift, including second rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Aggrieved Employees of their rest period rights; (3) Defendants' policy and practice of delaying the commencement of Aggrieved Employees' rest breaks due to the mandatory and uncompensated pre-shift duties discussed above.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Proper Sick Time

Labor Code Section 246 affords an employee "who works in California for 30 or more days within a year from the commencement of employment [] paid sick days . . . of not less than one hour per every 30 hours worked" and "no less than 24 hours of accrued sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in each 12-month period."

Additionally, Subsection (l) of Section 246 provides:

For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations:

(1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.



Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees the requisite sick time pay in accordance with California Law. Specifically, Aggrieved Employees earned commissions, spiff pay, as well as performance-based non-discretionary bonuses in addition to their hourly pay. However, these supplemental earnings were not accounted for when determining Aggrieved Employees' regular rates of pay, and respective and proper sick rates of pay.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 246, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 246, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Vested Vacation Wages Upon Separation in Violation of Labor Code § 227.3
California Labor Code section 227.3 provides:

Unless otherwise provided by a collective-bargaining agreement, whenever a contract of employment or employer policy provides for paid vacations, and an employee is terminated without having taken off his vested vacation time, all vested vacation shall be paid to him as wages at his final rate in accordance with such contract of employment or employer policy respecting eligibility or time served; provided, however, that an employment contract or employer policy shall not provide for forfeiture of vested vacation time upon termination. The Labor Commissioner or a designated representative, in the resolution of any dispute with regard to vested vacation time, shall apply the principles of equity and fairness.

At all relevant times during the applicable limitations period, Aggrieved Employees accrued vested vacation time during their employment with Defendants. However, Defendants' implemented a common policy and practice of failing to pay Aggrieved Employees for all accrued vacation wages upon separation of employment, in violation of Labor Code 227.3.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 227.3, 1198, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 246, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Aggrieved Employees were required to pay the costs of their cell-phones, which they used to communicate with co-workers and supervisors, their home internet plans which were necessary when working from home, and any stationary they used such as post-it notes, which were all necessary to perform their



duties under Defendants' employ. Aggrieved Employees were not reimbursed for these necessary work-related expenses.

Defendants systematically and uniformly failed to reimburse those lawful and necessary work related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. The wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks.

Additionally, for the purposes of Subsection (a)(9), Plaintiff seeks to expand the scope of the Aggrieved Employees she seeks to represent to extend to all individuals employed by Defendants during the applicable period. The wage statements issued to Aggrieved Employees failed to state all applicable hourly rates for which Aggrieved Employees were paid as required by Labor Code § 226(a)(9).

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are 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) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.



Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a 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, ..."

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code §



204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to provide the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.



Under the PAGA, and following exhaustion of the notice period, Plaintiff asserts PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Suitable Seating

Plaintiff also alleges that operations at Defendants' facilities allowed for the presence and use of a stool or seat by the Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. California Labor Code § 1198 requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.” Paragraph (14)(A) of the applicable IWC Wage Orders provides that “[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.” Paragraph 14(B) of the applicable IWC Wage Orders provides that “[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

In violation of the applicable sections of the California Labor Code and the requirements of the applicable IWC Wage Order, Defendants failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting. Defendants knew or should have known that Aggrieved Employees were entitled to suitable seating and/or were entitled to sit when it did not interfere with the performance of their duties, and that Defendants did not provide suitable seating and did not allow them to sit when it did not interfere with the performance of their duties.

With their conduct, Defendants have violated California Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders by failing to provide suitable seating to Aggrieved Employees. Defendants have violated the California Labor Code, including Section 1198, and regulations promulgated thereunder as herein alleged, including Paragraph 14 of the applicable IWC Wage Orders.

Unfair Competition Under Business and Professions Code § 17200, et seq.

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

Plaintiff's PAGA Claim under Labor Code § 2698 et seq. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the Class Action Complaint, Plaintiff will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other



similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

The Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 226.8, 227.3, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802, including as follows:

(a) Wage Claims: For failure to provide the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked, failure to pay proper reporting time and sick pay under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 226.8, 227.3, 246, 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) Meal and Rest Period Claims: For failure to provide the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a 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, ...";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code



§§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5 and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

D.LAW, INC.

David Keledjian

Cc: LULULEMON USA INC., LULULEMON ATHLETICA USA INC., LULULEMON,
by Certified Mail

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

NISHAE D. BROWN, on behalf of herself and
all others similarly situated, and the general
public,

Plaintiff,

v.

LULULEMON USA INC., a Nevada
corporation; LULULEMON, a business entity
of unknown form; LULULEMON
ATHLETICA USA, INC., a business entity of
unknown form, and DOES 1 through 50,
inclusive,

Defendants.

Case No.:

CLASS ACTION COMPLAINT

1. Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198);
2. Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198);
3. Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1197.1 and 1198);
4. Failure to Pay Proper Sick Pay (Lab. Code § 246);
5. Failure to Pay Proper Vacation Wages (Lab. Code § 227.3);
6. Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a));
7. Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203);
8. Failure to Indemnify (Lab. Code § 2802); and
9. Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*).

JURY TRIAL DEMANDED

1 Plaintiff NISHAE D. BROWN (“Plaintiff”), on behalf of herself, all others similarly situated,
2 and the general public, complains and alleges as follows:

3 **INTRODUCTION**

4 1. Plaintiff brings this class action against Defendants LULULEMON USA INC., a
5 Nevada corporation; LULULEMON, a business entity of unknown form; LULULEMON
6 ATHLETICA USA, INC., a business entity of unknown form; and DOES 1 through 50, inclusive,
7 (collectively referred to as “Defendants”) for alleged violations of the California Labor Code and
8 California Business and Professions Code. As set forth below, Plaintiff alleges that Defendants have:

- 9 a. failed to pay them overtime wages at the correct rate;
10 b. failed to pay them double time wages at the correct rate;
11 c. failed to pay them overtime and/or double time wages by failing to include all
12 applicable remuneration in calculating the regular rate of pay;
13 d. failed to provide them with meal periods;
14 e. failed to provide them with rest periods;
15 f. failed to pay them premium wages for missed meal and rest periods;
16 g. failed to pay them proper sick time pay;
17 h. failure to pay proper vacation wages;
18 i. failed to provide them with accurate written wage statements;
19 j. failed to reimburse them with necessary business expenditures;
20 k. failed to pay them all their final wages following separation of employment.

21 Based on these alleged Labor Code violations, Plaintiff now brings this class action to recover
22 unpaid wages, liquidated damages, penalties, restitution, and related relief on behalf of herself, all
23 others similarly situated, and the general public.

24 **JURISDICTION AND VENUE**

25 2. This Court has subject matter jurisdiction to hear this case because the monetary
26 damages and restitution sought by Plaintiff from Defendants’ conduct exceeds the minimal
27 jurisdiction of the Superior Court of the State of California.

28 3. Venue is proper in the County of Los Angeles pursuant to Code of Civil Procedure

1 sections 395(a) and 395.5 in that liability arose this county because at least some of the transactions
2 that are the subject matter of this Complaint occurred therein and/or each defendant is found,
3 maintains offices, transacts business and/or has an agent therein.

4 4. Venue is proper in Los Angeles County because Defendants have at all times alleged
5 herein, conducted business in Los Angeles County, and throughout California. As such, venue is
6 proper in any county in California.

7 **PARTIES**

8 5. Plaintiff NISHAE D. BROWN is, and at all relevant times mentioned herein, an
9 individual residing in the State of California.

10 6. Plaintiff is informed and believes, and thereupon alleges that Defendant
11 LULULEMON USA INC. is, and at all relevant times mentioned herein, a Nevada corporation doing
12 business in the State of California.

13 7. Plaintiff is informed and believes, and thereupon alleges that Defendant
14 LULULEMON is, and at all relevant times mentioned herein, a business entity of unknown form
15 doing business in the State of California.

16 8. Plaintiff is informed and believes, and thereupon alleges that Defendant
17 LULULEMON ATHLETICA USA, INC. is, and at all relevant times mentioned herein, a business
18 entity of unknown form doing business in the State of California.

19 9. Plaintiff is ignorant of the true names and capacities of the defendants sued herein as
20 DOES 1 through 50, inclusive, and therefore sues these defendants by such fictitious names. Plaintiff
21 will amend this Complaint to allege the true names and capacities of the DOE defendants when
22 ascertained. Plaintiff is informed and believes, and thereupon alleges that each of the fictitiously
23 named defendants are responsible in some manner for the occurrences, acts and omissions alleged
24 herein and that Plaintiff's alleged damages were proximately caused by these defendants, and each of
25 them. Plaintiff will amend this complaint to allege both the true names and capacities of the DOE
26 defendants when ascertained.

27 10. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times
28 mentioned herein, some or all of the defendants were the representatives, agents, employees, partners,

1 directors, associates, joint venturers, joint employers, owners, principals or co-participants of some
2 or all of the other defendants, and in doing the things alleged herein, were acting within the course
3 and scope of such relationship and with the full knowledge, consent, and ratification by such other
4 defendants.

5 11. Plaintiff is informed and believes, and thereupon alleges that, at all relevant times
6 mentioned herein, some of the defendants pursued a common course of conduct, acted in concert and
7 conspired with one another, and aided and abetted one another to accomplish the occurrences, acts
8 and omissions alleged herein.

9 12. Plaintiff is informed and believes and thereon alleges that each Defendant acted in all
10 respects pertinent to this action as the agent of the other Defendants, that Defendants carried out a
11 joint scheme, business plan, or policy in all respects pertinent hereto, and that the acts of each
12 Defendant are legally attributable to the other Defendants. Furthermore, Defendants acted in all
13 respects as the employers or joint employers of Employees. Defendants, and each of them, exercised
14 control over the wages, hours or working conditions of Employees, or suffered or permitted
15 Employees to work, or engaged, thereby creating a common law employment relationship, with
16 Employees. Therefore, Defendants, and each of them, employed or jointly employed Employees.

17 13. This action has been brought and may be maintained as a class action pursuant to Code
18 of Civil Procedure section 382 because there is a well-defined community of interest among the
19 persons who comprise the readily ascertainable classes defined below and because Plaintiff is
20 unaware of any difficulties likely to be encountered in managing this case as a class action.

21 14. **Relevant Time Period:** The relevant time period is defined as the time period
22 beginning four years prior to the filing of this action until judgment is entered.

- 23 a. **Hourly Employee Class:** All persons employed by Defendants, collectively or
24 separately, and/or any staffing agencies and/or any other third parties in hourly or
25 non-exempt positions in California four years prior to the filing of this action and
26 ending on the date that final judgment is entered in this action (“Hourly Employee
27 Class”).
- 26 b. **Meal Period Sub-Class:** All **Hourly Employee Class** members who worked in
27 a shift in excess of five hours during the four years prior to the filing of this action
and ending on the date that final judgment is entered in this action.

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- 1 c. **Rest Period Sub-Class:** All **Hourly Employee Class** members who worked a
2 shift of at least three and one-half (3.5) hours the four years prior to the filing of
3 this action and ending on the date that final judgment is entered in this action.
- 4 d. **Waiting Time Penalties Sub-Class:** All **Hourly Employee Class** members who
5 separated from their employment with Defendants during the period beginning
6 three years before the filing of this action and ending when final judgment is
7 entered.
- 8 e. **Sick-Pay Class:** All persons employed by Defendants in California who, at any
9 time from four years prior to the filing of this action and ending on the date that
10 final judgment is entered in this action, worked for more than 30 days for
11 Defendants, and were not paid for at least one hour of sick time for every 30 hours
12 of work thereafter, or at least 3 days of sick time for every 12-month period of
13 employment.
- 14 f. **Vacation Pay Class:** All persons employed by Defendants in California who
15 earned paid vacation time and/or paid time off without receiving compensation for
16 all vested paid vacation time during the **Relevant Time Period**.
- 17 g. **Wage Statement Class:** All persons employed by Defendants in California during
18 the period beginning one year before the filing of this action and ending when final
19 judgment is entered.
- 20 h. **Expense Reimbursement Class:** All persons employed by Defendants in
21 California who incurred business expenses during the **Relevant Time Period**.
- 22 i. **UCL Class:** All **Hourly Employee Class** and **Expense Reimbursement Class**
23 members employed by Defendants in California during the four years prior to the
24 filing of this action and ending on the date that final judgment is entered in this
25 action.

17 15. **Reservation of Rights:** Pursuant to Rule of Court 3.765(b), Plaintiff reserves the right
18 to amend or modify the class definitions with greater specificity, by further division into sub-classes
19 and/or by limitation to particular issues.

20 16. **Numerosity:** The class members are so numerous that the individual joinder of each
21 individual class member is impractical. While Plaintiff does not currently know the exact number of
22 class members, Plaintiff is informed and believes, and thereupon alleges that the actual number
23 exceeds the minimum required for numerosity under California law.

24 17. **Commonality and Predominance:** Common questions of law and fact exist as to all
25 class members and predominate over any questions which affect only individual class members.
26 These common questions include, but are not limited to:

- 27 a. Whether Defendants maintained a policy or practice of failing to provide
28 employees with their rest periods;

- b. Whether Defendants maintained a policy or practice of failing to provide employees with their meal periods;
- c. Whether Defendants failed to pay premium wages to class members when they have not been provided with meal and rest periods at the appropriate rates of pay;
- d. Whether Defendants failed to pay minimum and/or overtime wages to class members for all time worked;
- e. Whether Defendants failed to pay proper sick time pay;
- f. Whether Defendants failed to pay proper vacation wages;
- g. Whether Defendants failed to provide class members with accurate written wage statements as a result of providing them with written wage statements with inaccurate entries for, among other things, amounts of gross and net wages, and total hours worked;
- h. Whether Defendants applied policies or practices that result in late and/or incomplete final wage payments;
- i. Whether Defendants failed to reimburse class members for all necessary business expenses incurred during the discharge of their duties;
- j. Whether Defendants are liable to class members for waiting time penalties under Labor Code section 203; and
- k. Whether class members are entitled to restitution of money or property that Defendants may have acquired from them through unfair competition;

18. **Typicality:** Plaintiff's claims are typical of the other class members' claims. Plaintiff is informed and believes, and thereupon alleges that Defendants have a policy or practice of failing to comply with the California Labor Code and Business and Professions Code as alleged in this Complaint.

19. **Adequacy of Class Representative:** Plaintiff is an adequate class representative and has no interests that are adverse to, or otherwise conflict with, the interests of absent class members and is dedicated to vigorously prosecuting this action on their behalf. Plaintiff will fairly and adequately represent and protect the interests of the other class members.

1 20. **Adequacy of Class Counsel:** Plaintiff's counsel are adequate class counsel in that
2 they have no known conflicts of interest with Plaintiff or absent class members, are experienced in
3 wage and hour class action litigation, and are dedicated to vigorously prosecuting this action on behalf
4 of Plaintiff and absent class members.

5 21. **Superiority:** A class action is vastly superior to other available means for fair and
6 efficient adjudication of the class members' claims and would be beneficial to the parties and the
7 Court. Class action treatment will allow a number of similarly situated persons to simultaneously and
8 efficiently prosecute their common claims in a single forum without the unnecessary duplication of
9 effort and expense that numerous individual actions would entail. In addition, the monetary amounts
10 due to many individual class members are likely to be relatively small and would thus make it
11 difficult, if not impossible, for individual class members to both seek and obtain relief. Moreover, a
12 class action will serve an important public interest by permitting class members to effectively pursue
13 the recovery of monies owed to them. Further, a class action will prevent the potential for inconsistent
14 or contradictory judgments inherent in individual litigation.

15 **GENERAL ALLEGATIONS**

16 22. Plaintiff worked for Defendants as a non-exempt employee during the relevant and
17 statutory periods.

18 23. Defendants had a common policy and practice of systemically failing to pay Plaintiff
19 and Class Members proper wages and overtime for all hours worked, at the proper rates of pay. First,
20 Defendants implemented an unlawful time-rounding policy and practice which rounded down and
21 reduced the actual working hours recorded by Plaintiff and Class Members, and upon which their pay
22 was based, and generally did so to the detriment of the Plaintiff and Class Members, and these
23 unlawfully rounded time entries were inputted into Defendants' payroll system from which wage
24 statements and payroll checks were created. Defendants did so with the ostensible intent of paying
25 Plaintiff and Class members only for the hours they were scheduled to work, rather than the hours
26 they were actually under Defendants' control. Plaintiff contends this policy is not neutral and results,
27 over time, to the detriment of the Plaintiff and Class members by systematically undercompensating
28 them.

1 24. Next, Plaintiff and Class Members were also consistently required to perform work,
2 off-the-clock, for which they were not paid wages. Specifically, Plaintiff and Class Members were
3 required to wait outside of the store location for their manager to arrive at work and allow them inside
4 for them to clock in using the timeclock. Afterwards, the manager would adjust their clock-in times.
5 Further, after clocking out of work, Plaintiff and Class Members would discuss work-related issues
6 with their co-workers and supervisors, either on the premises or over the phone. Moreover, Plaintiff
7 and Class Members were required to download applications and check their schedules off the clock,
8 for which no wages were paid. Lastly, Plaintiff and Class Members' meal periods were interrupted
9 and not duty-free, and they were not paid any wages for work conducted during their unpaid meal
10 periods. The forgoing and uncompensated working time was under the direction and control of
11 Defendants, for which no wages were paid.

12 25. This uncompensated time caused Plaintiff and Class Members to work in excess of
13 eight (8), ten (10) and/or twelve (12) hours a day and/or forty (40) hours a week, entitling Plaintiff
14 and Class Members to minimum and overtime wages, which they were systemically denied.

15 26. Defendants also failed to pay Plaintiff and Class Members overtime wages at the
16 proper and applicable regular rates of pay. Specifically, Plaintiff and Class Members earned
17 commissions, spiff pay, as well as performance-based non-discretionary bonuses in addition to their
18 hourly pay. However, these supplemental earnings were not accounted for when determining Plaintiff
19 and Class Members' regular rates of pay, and respective and proper overtime rates of pay.

20 27. Defendants had a common policy and practice of systemically denying Plaintiff and
21 Class Members the opportunity to take meal periods in compliance with the California Law.
22 Specifically, due to understaffing, heavy workloads, and the pre-shift duties noted above, Plaintiff
23 and Class Members were denied the opportunity to take timely meal periods prior to the completion
24 of their fifth hour of work. Furthermore, Plaintiff and Class Members were not relieved of all work
25 duties during unpaid meal periods and were required to keep working during meal breaks.

26 28. Plaintiff and Class Members were not provided with meal periods of at least thirty (30)
27 minutes for each five (5) hour work period due to (1) Defendants' policy of not scheduling each meal
28 period as part of each work shift; (2) no formal written meal policy that encouraged employees to

1 take their meal periods, or that advised Class Members of their meal and rest period rights; and (3)
2 Defendants' practice of requiring putative class members to continue working through their meal and
3 rest periods due to the excessive workload.

4 29. Defendants had a common policy and practice of systemically denying Plaintiff and
5 Class Members the opportunity to take rest periods in compliance with the California Law. Plaintiff
6 and Class Members were not provided with first, second, and third rest periods of at least ten (10)
7 minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy
8 of not scheduling each rest period as part of each work shift, including second rest breaks for shifts
9 of six (6) hours or more; (2) no formal compliant written rest period policy that encouraged employees
10 to take their rest periods, or that properly advised Plaintiff and Class Members of their rest period
11 rights; and (3) Defendants' policy and practice of requiring putative class members to continue
12 working through their rest breaks due to the excessive workload.

13 30. Furthermore, Defendants failed to pay Plaintiff and Class Members premium pay
14 wages at their appropriate regular rates of pay for each meal and rest period denied.

15 31. Plaintiff and Class Members were not provided with accurate wage statements as
16 mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage
17 statements as "a detachable part of the check, draft, or voucher paying the employee's wages, or
18 separately if wages are paid by personal check or cash, an accurate itemized statement in writing."
19 Additionally, the wage statements issued to Plaintiff and Class Members were not recorded in "ink
20 or other indelible form."

21 32. Defendants failed to comply with Labor Code section 226(a)(1) as "gross wages
22 earned" were not accurately reflected in that: all hours worked, including overtime, were not included.

23 33. Defendants failed to comply with Labor Code section 226(a)(2) as "total hours worked
24 by the employee" were not accurately reflected in that: all hours worked, including overtime, were
25 not included.

26 34. Defendants failed to comply with Labor Code section 226(a)(5) as "net wages earned"
27 were not accurately reflected in that: all hours worked, including overtime, were not included.

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1 35. Defendants failed to comply with Labor Code section 226(a)(9) as “all applicable
2 hourly rates in effect during the pay period and the corresponding number of hours worked at each
3 hourly rate by the employee” were not accurately reflected in that: all hours worked, including
4 overtime, were not included.

5 36. Furthermore, Defendants failed to provide Plaintiff and Class Members with paper pay
6 stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE Opinion Letters.
7 Plaintiff’s and Class Members’ wage statement were only provided in electronic format in violation
8 of Labor Code § 226.

9 37. Plaintiff and Class Members were not reimbursed for business expenses incurred in
10 executing their duties under Defendant’s employ. Specifically, Plaintiff and Class Members were
11 required to pay the costs of their cellphones, which they used to communicate with co-workers and
12 supervisors, their home internet plans which were necessary when working from home, and any
13 stationery they used such as post-it notes, which were all necessary to perform their duties under
14 Defendants’ employ. Plaintiff and Class members were not reimbursed for these necessary work-
15 related expenses.

16 38. Defendants also had a common policy and practice of systemically failing to pay
17 Plaintiff and Class Members the requisite and accrued vacation time pay in accordance with
18 California Law. Specifically, Plaintiff and Class Members accrued vested vacation time and/or paid
19 time off. However, Defendants failed to pay all accrued vacation time and/or paid time off owed to
20 Plaintiff and Class Members upon their separation from employment.

21 39. Finally, Defendants had a common policy and practice of systemically failing to pay
22 Plaintiff and Class Members the requisite sick time pay in accordance with California Law.
23 Specifically, Plaintiff and Class Members earned commissions, spiff pay, as well as performance-
24 based non-discretionary bonuses in addition to their hourly pay. However, these supplemental
25 earnings were not accounted for when determining Plaintiff and Class Members’ regular rates of pay,
26 and respective and proper sick rates of pay.

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1 **FIRST CAUSE OF ACTION**

2 **FAILURE TO PROVIDE MEAL PERIODS**

3 **(Lab. Code §§ 226.7, 512, 1174, and 1198)**

4 **(Plaintiff and Meal Period Sub-Class)**

5 40. Plaintiff incorporates by reference the preceding paragraphs of the Complaint as if
6 fully alleged herein.

7 41. At all relevant times, Plaintiff and the **Meal Period Sub-Class** members have been
8 non-exempt employees of Defendant entitled to the full meal period protections of both the Labor
9 Code and the applicable Industrial Welfare Commission Wage Order.

10 42. Labor Code section 512 and Section 11 of the applicable Industrial Welfare
11 Commission Wage Order impose an affirmative obligation on employers to provide non-exempt
12 employees with uninterrupted, duty-free meal periods of at least thirty minutes for each work period
13 of five hours, and to provide them with two uninterrupted, duty-free meal periods of at least thirty
14 minutes for each work period of ten hours.

15 43. Labor Code section 226.7 and Section 11 of the applicable Industrial Welfare
16 Commission Wage Order (“Wage Order”) both prohibit employers from requiring employees to work
17 during required meal periods and require employers to pay non-exempt employees an hour of
18 premium wages on each workday that the employee is not provided with the required meal period.

19 44. Compensation for missed meal periods constitutes wages within the meaning of Labor
20 Code section 200.

21 45. Labor Code section 1198 makes it unlawful to employ a person under conditions that
22 violate the applicable Wage Order.

23 46. Section 11 of the applicable Wage Order states:

24 No employer shall employ any person for a work period of more than
25 five (5) hours without a meal period of not less than 30 minutes, except
26 that when a work period of not more than six (6) hours will complete
27 the day’s work the meal period may be waived by mutual consent of
28 the employer and employee. Unless the employee is relieved of all duty
during a 30 minute meal period, the meal period shall be considered an
‘on duty’ meal period and counted as time worked. An ‘on duty’ meal
period shall be permitted only when the nature of the work prevents an
employee from being relieved of all duty and when by written

1 agreement between the parties an on-the-job paid meal period is agreed
2 to. The written agreement shall state that the employee may, in writing,
revoke the agreement at any time.

3 47. At all relevant times, Plaintiff was not subject to a valid on-duty meal period
4 agreement. Plaintiff is informed and believes that, at all relevant times, **Meal Period Sub-Class**
5 members were not subject to valid on-duty meal period agreements with Defendants.

6 48. Plaintiff alleges that, at all relevant times during the applicable limitations period,
7 Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period**
8 **Sub-Class** with uninterrupted, duty-free meal periods for at least thirty (30) minutes for each five (5)
9 hour work period, as required by Labor Code section 512 and the applicable Wage Order.
10 Specifically, due to understaffing, heavy workloads, and the pre-shift duties noted above, Plaintiff
11 and **Meal Period Sub-Class** members were denied the opportunity to take timely meal periods prior
12 to the completion of their fifth hour of work. Furthermore, Plaintiff and **Meal Period Sub-Class**
13 members were not relieved of all work duties during unpaid meal periods and were required to keep
14 working during meal breaks.

15 49. Plaintiff alleges that, at all relevant times during the applicable limitations period,
16 Defendants maintained a policy or practice of failing to pay premium wages to **Meal Period Sub-**
17 **Class** members when they worked five (5) hours without clocking out for any meal period.

18 50. Plaintiff alleges that, at all relevant times during the applicable limitations period,
19 Defendants maintained a policy or practice of not providing Plaintiff and members of the **Meal Period**
20 **Sub-Class** with a second meal period when they worked shifts of ten (10) or more hours and failed
21 to pay them premium wages as required by Labor Code 512 and the applicable Wage Order.

22 51. Moreover, Defendants written policies fail to inform Meal Period Class Members of
23 their meal period rights under the Labor Code and applicable Wage Orders.

24 52. At all relevant times, Defendants failed to pay Plaintiff and the **Meal Period Sub-**
25 **Class** members additional premium wages, and/or were not paid premium wages at the employees'
26 regular rates of pay when required meal periods were not provided.

27 53. Pursuant to Labor Code section 204, 218.6, 226.7 and 512, Plaintiff, on behalf of
28 herself and the **Meal Period Sub-Class** members, seeks to recover unpaid premium wages, interest

1 thereon, and costs of suit.

2 54. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the
3 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and the
4 **Meal Period Sub-Class** members, seeks to recover reasonable attorneys' fees.

5 **SECOND CAUSE OF ACTION**

6 **FAILURE TO PROVIDE REST PERIODS**

7 **(Lab. Code §§ 204, 223, 226.7 and 1198)**

8 **(Plaintiff and Rest Period Sub-Class)**

9 55. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
10 herein.

11 56. At all relevant times, Plaintiff and the **Rest Period Sub-Class** members have been
12 non-exempt employees of Defendants entitled to the full rest period protections of both the Labor
13 Code and the applicable Wage Order.

14 57. Section 12 of the applicable Wage Order imposes an affirmative obligation on
15 employers to permit and authorize employees to take required rest periods at a rate of no less than ten
16 (10) minutes of net rest time for each four (4) hour work period, or major fraction thereof, that must
17 be in the middle of each work period insofar as practicable.

18 58. Labor Code section 226.7 and Section 12 of the applicable Wage Order both prohibit
19 employers from requiring employees to work during required rest periods and require employers to
20 pay non-exempt employees an hour of premium wages at the employees' regular rates of pay, on each
21 workday that the employee is not provided with the required rest period(s).

22 59. Compensation for missed rest periods constitutes wages within the meaning of Labor
23 Code section 200.

24 60. Labor Code section 1198 makes it unlawful to employ a person under conditions that
25 violate the Wage Order.

26 61. Plaintiff alleges that, at all relevant times during the applicable limitations period,
27 Defendants maintained a policy or practice of not providing members of the **Rest Period Sub-Class**
28 with net rest period of at least ten (10) uninterrupted minutes for each four (4) hour work period, or

1 major fraction thereof, as required by the applicable Wage Order.

2 62. Plaintiff and **Rest Period Sub-Class** members were not provided with rest periods of
3 at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1)
4 Defendants' policy of not scheduling each rest period as part of each work shift, including second
5 rest breaks for shifts of six (6) hours or more; (2) no formal compliant written rest period policy that
6 encouraged employees to take their rest periods, or that properly advised **Rest Period Sub-Class**
7 members of their rest period rights; and (3) Defendants' policy and practice of requiring **Rest Period**
8 **Sub-Class** members to continue working through their rest breaks due to the excessive workload.

9 63. At all relevant times, Defendants failed to pay Plaintiff and the **Rest Period Sub-Class**
10 members additional premium wages when required rest periods were not provided.

11 64. Pursuant to Labor Code section 204, 218.6 and 226.7, Plaintiff, on behalf of herself
12 and **Rest Period Sub-Class** members, seeks to recover unpaid premium wages, interest thereon, and
13 costs of suit.

14 65. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the
15 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and **Rest**
16 **Period Sub-Class** members, seeks to recover reasonable attorneys' fees.

17 **THIRD CAUSE OF ACTION**

18 **FAILURE TO PAY HOURLY AND OVERTIME WAGES**

19 **(Lab. Code §§ 223, 510, 1194, 1197 and 1198)**

20 **(Plaintiff and Hourly Employee Class)**

21 66. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
22 herein.

23 67. At all relevant times, Plaintiff and **Hourly Employee Class** members are or have been
24 non-exempt employees of Defendants entitled to the full protections of the Labor Code and the
25 applicable Wage Order.

26 68. Section 2 of the applicable Wage Order defines "hours worked" as "the time during
27 which an employee is subject to the control of the employer, and includes all the time the employee
28 is suffered or permitted to work, whether or not required to do so."

1 69. Section 4 of the applicable Wage Order requires an employer to pay non-exempt
2 employees at least the minimum wage set forth therein for all hours worked, which consist of all hours
3 that an employer has actual or constructive knowledge that employees are working.

4 70. Labor Code section 1194 invalidates any agreement between an employer and an
5 employee to work for less than the minimum or overtime wage required under the applicable Wage
6 Order.

7 71. Labor Code section 1194.2 entitles non-exempt employees to recover liquidated
8 damages in amounts equal to the amounts of unpaid minimum wages and interest thereon in addition
9 to the underlying unpaid minimum wages and interest thereon.

10 72. Labor Code section 1197 makes it unlawful for an employer to pay an employee less
11 than the minimum wage required under the applicable Wage Order for all hours worked during a
12 payroll period.

13 73. Labor Code section 1197.1 provides that it is unlawful for any employer or any other
14 person acting either individually or as an officer, agent or employee of another person, to pay an
15 employee, or cause an employee to be paid, less than the applicable minimum wage.

16 74. Labor Code section 1198 makes it unlawful for employers to employ employees under
17 conditions that violate the applicable Wage Order.

18 75. Labor Code section 204 requires employers to pay non-exempt employees their earned
19 wages for the normal work period at least twice during each calendar month on days the employer
20 designates in advance and to pay non-exempt employees their earned wages for labor performed in
21 excess of the normal work period by no later than the next regular payday.

22 76. Labor Code section 223 makes it unlawful for employers to pay their employees lower
23 wages than required by contract or statute while purporting to pay them legal wages.

24 77. Labor Code section 510 and Section 3 of the applicable Wage Order require employees
25 to pay non-exempt employees overtime wages of no less than one and one-half (1.5) times their
26 respective regular rates of pay for all hours worked in excess of eight (8) hours in one workday, all
27 hours worked in excess of forty (40) hours in one workweek, and/or for the first eight (8) hours
28 worked on the seventh consecutive day of one workweek.

1 78. Labor Code section 510 and Section 3 of the applicable Wage Order also require
2 employers to pay non-exempt employees overtime wages of no less than two (2) times their respective
3 regular rates of pay for all hours worked in excess of twelve (12) hours in one workday and for all
4 hours worked in excess of eight (8) hours on a seventh consecutive workday during the workweek.

5 79. Plaintiff is informed and believes that, at all relevant times, Defendants have applied
6 centrally devised policies and practices to him and **Hourly Employee Class** members with respect to
7 working conditions and compensation arrangements.

8 80. At all relevant times, Defendants failed to pay hourly wages to Plaintiff and **Hourly**
9 **Employee Class** members for all time worked, including but not limited to, overtime hours at
10 statutory and/or agreed rates.

11 81. Plaintiff and **Hourly Employee Class** members were not paid proper wages and
12 overtime for all hours worked, at the proper rates of pay. First, Defendants implemented an unlawful
13 time-rounding policy and practice which rounded down and reduced the actual working hours
14 recorded by Plaintiff and **Hourly Employee Class**, and upon which their pay was based, and
15 generally did so to the detriment of the Plaintiff and **Hourly Employee Class**, and these unlawfully
16 rounded time entries were inputted into Defendants' payroll system from which wage statements and
17 payroll checks were created. Defendants did so with the ostensible intent of paying Plaintiff and
18 **Hourly Employee Class** members only for the hours they were scheduled to work, rather than the
19 hours they were actually under Defendants' control. Plaintiff contends this policy is not neutral and
20 results, over time, to the detriment of the Plaintiff and **Hourly Employee Class** members by
21 systematically undercompensating them.

22 82. Plaintiff and **Hourly Employee Class** members were consistently required to perform
23 work, off-the-clock for which they were not paid wages. Specifically, Plaintiff and **Hourly Employee**
24 **Class** members were required to wait outside of the store location for their manager to arrive at work
25 and allow them inside for them to clock in using the timeclock. Afterwards, the manager would adjust
26 their clock-in times. Further, after clocking out of work, Plaintiff and **Hourly Employee Class**
27 members would discuss work-related issues with their co-workers and supervisors, either on the
28 premises or over the phone. Moreover, Plaintiff and **Hourly Employee Class** members were required

1 to download applications and check their schedules off the clock, for which no wages were paid.
2 Lastly, Plaintiff and **Hourly Employee Class** members' meal periods were interrupted and not duty-
3 free, and they were not paid any wages for work conducted during their unpaid meal periods. The
4 forgoing and uncompensated working time was under the direction and control of Defendants, for
5 which no wages were paid.

6 83. This uncompensated time caused Plaintiff and **Hourly Employee Class** members to
7 work in excess of eight (8), ten (10), and twelve (12) hours a day and/or forty (40) hours a week,
8 entitling Plaintiff and **Hourly Employee Class** members to minimum and overtime wages, which
9 they were systemically denied.

10 84. Defendants also failed to Plaintiff and **Hourly Employee Class** members overtime
11 wages at the proper and applicable regular rates of pay. Specifically, Plaintiff and **Hourly Employee**
12 **Class** members earned commissions, spiff pay, as well as performance-based non-discretionary
13 bonuses in addition to their hourly pay. However, these supplemental earnings were not accounted
14 for when determining Plaintiff and **Hourly Employee Class** members' regular rates of pay, and
15 respective and proper overtime rates of pay.

16 85. As a result of Defendants' unlawful conduct, Plaintiff and **Hourly Employee Class**
17 members have suffered damages in an amount, subject to proof, to the extent they were not paid the
18 full amount of wages earned during each pay period during the applicable limitations period,
19 including overtime wages.

20 86. Pursuant to Labor Code sections 204, 218.6, 223, 510, 1194 and 1194.2, Plaintiff, on
21 behalf of herself and **Hourly Employee Class** members, seeks to recover unpaid straight time and
22 overtime wages, interest thereon and costs of suit.

23 87. Pursuant to Labor Code section 1194, Code of Civil Procedure section 1021.5, the
24 substantial benefit doctrine, and/or the common fund doctrine, Plaintiff, on behalf of herself and
25 **Hourly Employee Class** members, seeks to recover reasonable attorneys' fees.

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FOURTH CAUSE OF ACTION
FAILURE TO PAY PROPER SICK PAY

(Lab. Code § 246)

(Plaintiff and Sick Pay Class)

88. Plaintiff re-alleges and incorporates all preceding paragraphs, as though set forth in full herein.

89. Labor Code Section 246 affords an employee “who works in California for 30 or more days within a year from the commencement of employment [] paid sick days . . . of not less than one hour per every 30 hours worked” and “no less than 24 hours of accrued sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in each 12-month period.”

90. Additionally, Subsection (l) of Section 246 provides:

For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations:

(1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.

91. Defendants had a common policy and practice of systemically failing to pay Plaintiff and **Sick Pay Class** Members the requisite sick time pay in accordance with California Law. Specifically, Plaintiff and **Sick Pay Class** Members worked for Defendants for more than 30 days, but were not paid at least one hour of sick pay for every 30 hours of work, or at least 3 days of sick time for every 12 month period of work. Additionally, the sick pay paid to Plaintiff and **Sick Pay Class** Members did not account for the shift differential pay as well as performance-based non-discretionary bonuses, which were never factored into the rate upon which sick pay was accrued and paid.

92. Therefore, **Sick Pay Class** Members are owed the unpaid balance of said wages pursuant to the Wage order according to proof at trial, interest pursuant to Labor Code §§ 218.6 and 1194(a), Civil Code §§ 3287 and § 3289, and reasonable attorneys' fees and costs and/or penalties

1 pursuant to Labor Code § 558(a).

2 **FIFTH CAUSE OF ACTION**

3 **FAILURE TO PAY VACATION WAGES**

4 **(Lab. Code § 227.3)**

5 **(Plaintiff and Vacation Pay Class)**

6 93. Plaintiff incorporates the preceding paragraphs as if fully alleged herein.

7 94. California Labor Code section 227.3 provides:

8 Unless otherwise provided by a collective-bargaining agreement,
9 whenever a contract of employment or employer policy provides for
10 paid vacations, and an employee is terminated without having taken off
11 his vested vacation time, all vested vacation shall be paid to him as
12 wages at his final rate in accordance with such contract of employment
13 or employer policy respecting eligibility or time served; provided,
14 however, that an employment contract or employer policy shall not
15 provide for forfeiture of vested vacation time upon termination. The
16 Labor Commissioner or a designated representative, in the resolution
17 of any dispute with regard to vested vacation time, shall apply the
18 principles of equity and fairness.

14 95. At all relevant times during the applicable limitations period, Plaintiff and members
15 of the **Vacation Pay Class** accrued vacation time, and/or paid time off, during their employment
16 with Defendants.

17 96. However, Defendants implemented a common policy and practice of failing to pay
18 Plaintiff and **Vacation Pay Class** members for all accrued vacation wages upon separation of
19 employment, in violation of Labor Code 227.3.

20 97. By reason of the above, Plaintiff and the members of the **Vacation Pay Class** are
21 entitled to restitution for all unpaid amounts due and owing to within four (4) years of the date of
22 the filing of the original Complaint until the date of entry of judgment.

23 98. Plaintiff, on behalf of herself and the members of the **Vacation Pay Class**, seeks
24 interest thereon pursuant to California Labor Code section 218.6, costs pursuant to California
25 Labor Code section 218.6, and reasonable attorneys' fees pursuant to California Code of Civil
26 Procedure section 1021.5.

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1 **SIXTH CAUSE OF ACTION**

2 **FAILURE TO PROVIDE ACCURATE WRITTEN WAGE STATEMENTS**

3 **(Lab. Code § 226)**

4 **(Plaintiff and Wage Statement Penalties Sub-Class)**

5 99. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
6 herein.

7 100. Labor Code section 226(a) states:

8 An employer, semimonthly or at the time of each payment of wages,
9 shall furnish to his or her employee, either as a detachable part of the
10 check, draft, or voucher paying the employee's wages, or separately if
11 wages are paid by personal check or cash, an accurate itemized
12 statement in writing showing (1) gross wages earned, (2) total hours
13 worked by the employee, except as provided in subdivision (j), (3) the
14 number of piece-rate units earned and any applicable piece rate if the
15 employee is paid on a piece-rate basis, (4) all deductions, provided that
16 all deductions made on written orders of the employee may be
17 aggregated and shown as one item, (5) net wages earned, (6) the
18 inclusive dates of the period for which the employee is paid, (7) the
19 name of the employee and only the last four digits of his or her social
20 security number or an employee identification number other than a
21 social security number, (8) the name and address of the legal entity that
22 is the employer and, if the employer is a farm labor contractor, as
23 defined in subdivision (b) of Section 1682, the name and address of the
24 legal entity that secured the services of the employer, and (9) all
25 applicable hourly rates in effect during the pay period and the
26 corresponding number of hours worked at each hourly rate by the
27 employee and, beginning July 1, 2013, if the employer is a temporary
28 services employer as defined in Section 201.3, the rate of pay and the
total hours worked for each temporary services assignment. The
deductions made from payment of wages shall be recorded in ink or
other indelible form, properly dated, showing the month, day, and year,
and a copy of the statement and the record of the deductions shall be
kept on file by the employer for at least three years at the place of
employment or at a central location within the State of California. For
purposes of this subdivision, 'copy' includes a duplicate of the itemized
statement provided to an employee or a computer-generated record that
accurately shows all of the information required by this subdivision.

101. The Division of Labor Standards Enforcement ("DLSE") has sought to harmonize the
"detachable part of the check" provision and the "accurate itemized statement in writing" provision
of Labor Code section 226(a) by allowing for electronic wage statements so long as each employee
retains the right to elect to receive a written paper stub or record and that those who are provided with
electronic wage statements retain the ability to easily access the information and convert the electronic

1 statements into hard copies at no expense to the employee. (DLSE Opinion Letter July 6, 2006).

2 102. Plaintiff is informed and believes that, at all relevant times during the applicable
3 limitations period, Defendants have failed to provide Plaintiff and **Wage Statement Class** members
4 with written wage statements as described above. Additionally, the wage statements issued to class
5 members failed to account for the unpaid minimum wages, overtime, and premium pay wages
6 described above.

7 103. Furthermore, Defendants failed to provide Plaintiff and **Wage Statement Class**
8 Members with paper pay stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE
9 Opinion Letters. Plaintiff's and **Wage Statement Class** members' wage statements were only
10 provided in electronic format in violation of Labor Code § 226.

11 104. Plaintiff is informed and believes that Defendants' failure to provide Plaintiff and
12 **Wage Statement Class** members with accurate written wage statements was intentional in that
13 Defendants have the ability to provide them with accurate wage statements but have intentionally
14 provided them with written wage statements that Defendants have known do not comply with Labor
15 Code section 226(a).

16 105. Plaintiff and **Wage Statement Class** members have suffered injuries, in that
17 Defendants have violated their legal rights to receive accurate wage statements and have misled them
18 about their actual rates of pay and wages earned. In addition, inaccurate information on their wage
19 statements has prevented immediate challenges to Defendants' unlawful pay practices, has required
20 discovery and mathematical computations to determine the amount of wages owed, has caused
21 difficulty and expense in attempting to reconstruct time and pay records, and/or has led to the
22 submission of inaccurate information about wages and deductions to federal and state government
23 agencies.

24 106. Pursuant to Labor Code section 226(e), Plaintiff, on behalf of herself and **Wage**
25 **Statement Class** members, seeks the greater of actual damages or \$50.00 for the initial pay period in
26 which a violation of Labor Code section 226(a) occurred, and \$100.00 for each subsequent pay period
27 in which a violation of Labor Code section 226(a) occurred, not to exceed an aggregate penalty of
28 \$4000.00 per class member, as well as awards of reasonable attorneys' fees and costs.

SEVENTH CAUSE OF ACTION
FAILURE TO TIMELY PAY ALL FINAL WAGES
(Lab. Code §§ 201-203)
(Plaintiff and Waiting Time Penalties Sub-Class)

107. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged herein.

108. At all relevant times, Plaintiff and **Waiting Time Penalties Sub-Class** members have been entitled, upon the end of their employment with Defendants, to timely payment of all wages earned and unpaid before termination or resignation.

109. At all relevant times, pursuant to Labor Code section 201, employees who have been discharged have been entitled to payment of all final wages immediately upon termination.

110. At all relevant times, pursuant to Labor Code section 202, employees who have resigned after giving at least seventy-two (72) hours' notice of resignation have been entitled to payment of all final wages at the time of resignation.

111. Plaintiff is informed and believes that, at all relevant times during the applicable limitations period, Defendants have failed to timely pay **Waiting Time Penalties Sub-Class** members all their final wages in accordance with the Labor Code.

112. Plaintiff is informed and believes that, at all relevant times during the applicable limitations period, Defendants have maintained a policy or practice of paying **Waiting Time Penalties Sub-Class** members their final wages without regard to the requirements of Labor Code sections 201 or 202 by failing to timely pay them all final wages.

113. Plaintiff is informed and believes, and thereupon alleges that Defendants' failure to timely pay all final wages to him and **Waiting Time Penalties Sub-Class** members has been willful in that Defendants have the ability to pay final wages in accordance with Labor Code sections 201 and/or 202 but have intentionally adopted policies or practices that are incompatible with those requirements.

114. Pursuant to Labor Code sections 203 and 218.6, Plaintiff, on behalf of herself and **Waiting Time Penalties Sub-Class** members, seeks waiting time penalties from the dates that their

1 final wages have first become due until paid, up to a maximum of thirty days, and interest thereon.

2 115. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine
3 and/or the common fund doctrine, Plaintiff, on behalf of herself and **Waiting Time Penalties Sub-**
4 **Class** members, seeks awards of reasonable attorneys' fees and costs.

5 **EIGHTH CAUSE OF ACTION**

6 **FAILURE TO INDEMNIFY**

7 **(Lab. Code § 2802)**

8 **(Plaintiff and Reimbursement Class)**

9 116. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
10 herein.

11 117. Labor Code section 2802(a) states:

12 An employer shall indemnify his or her employee for all necessary
13 expenditures or losses incurred by the employee in direct consequence
14 of the discharge of his or her duties, or of his or her obedience to the
15 directions of the employer, even though unlawful, unless the employee,
16 at the time of obeying the directions, believed them to be unlawful.

17 118. Plaintiff and **Expense Reimbursement Class** members were not reimbursed for
18 business expenses incurred in executing their duties under Defendant's employ. Specifically, Plaintiff
19 and **Expense Reimbursement Class** members were required to pay the costs of their cell-phones,
20 which they used to communicate with co-workers and supervisors, their home internet plans which
21 were necessary when working from home, and any stationary they used such as post-it notes, which
22 were all necessary to perform their duties under Defendants' employ. Plaintiff and **Expense**
23 **Reimbursement Class Members** were not reimbursed for these necessary work-related expenses.

24 119. Accordingly, Plaintiff and **Expense Reimbursement Class** members are entitled to
25 restitution for all unpaid amounts due and owing to within four (4) years of the date of the filing of
26 the Complaint and until the date of entry of judgment.

27 120. Plaintiff, on behalf of herself, and **Expense Reimbursement Class** members, seeks
28 interest thereon and costs pursuant to Labor Code section 218.6, and reasonable attorneys' fees and
costs pursuant to Code of Civil Procedure section 1021.5.

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1 **NINTH CAUSE OF ACTION**

2 **UNFAIR COMPETITION**

3 **(Bus. & Prof. Code §§ 17200 *et seq.*)**

4 **(Plaintiff and UCL Class)**

5 121. Plaintiff incorporates the preceding paragraphs of the Complaint as if fully alleged
6 herein.

7 122. Business and Professions Code section 17200 defines “unfair competition” to include
8 any unlawful business practice.

9 123. Business and Professions Code sections 17203-17204 allow a person who has lost
10 money or property as a result of unfair competition to bring a class action in accordance with Code
11 of Civil Procedure section 382 to recover money or property that may have been acquired from
12 similarly situated persons by means of unfair competition.

13 124. California law requires employers to pay hourly, non-exempt employees for all hours
14 they are permitted or suffered to work, including hours that the employer knows or reasonable should
15 know that employees have worked.

16 125. Plaintiff and the **UCL Class** members re-allege and incorporate the FIRST, SECOND,
17 THIRD, FOURTH, FIFTH, AND EIGHTH causes of action herein.

18 126. Plaintiff lost money or property as a result of the aforementioned unfair competition.

19 127. Defendants have or may have acquired money by means of unfair competition.

20 128. Plaintiff is informed and believes, and thereupon alleges that by committing the Labor
21 Code violations described in this Complaint, Defendants violated Labor Code sections 215, 216, 225,
22 226.6, 226.7, 227.3, 246, 354, 408, 512, 510, 553, 1175, 1174, 1194, 1194.2, 1197, 1197.1, 1198,
23 1199, and 2802 as well as applicable Wage Orders, which make it a misdemeanor to commit the
24 violations alleged herein.

25 129. Defendants have committed criminal conduct through their policies and practices of,
26 *inter alia*, failing to comport with their affirmative obligations as an employer to: provide non-exempt
27 employees with compliant meal and rest periods; pay for all hours worked at the proper rates of pay;
28 proper sick time pay; proper vacation wages; and reimbursement for necessary business expenditures.

1 130. Defendants' unlawful conduct as alleged in this Complaint amounts to and constitutes
2 unfair competition within the meaning of Business and Professions Code section 17200 *et seq.*
3 Business and Professions Code section 17200 *et seq.* protects against unfair competition and allows
4 a person who has suffered an injury-in-fact and has lost money or property as a result of an unfair,
5 unlawful or fraudulent business practice to seek restitution on his own behalf and on behalf of
6 similarly situated persons in a class action proceeding.

7 131. As a result of Defendants' violations of the Labor Code during the applicable
8 limitations period, Plaintiff has suffered an injury-in-fact and has lost money or property in the form
9 of earned wages. Specifically, Plaintiff has lost money or property as a result of Defendants' conduct.

10 132. Plaintiff is informed and believes that other similarly situated persons have been
11 subject to the same unlawful policies or practices of Defendants.

12 133. Due to the unfair and unlawful business practices in violation of the Labor Code,
13 Defendants have gained a competitive advantage over other comparable companies doing business in
14 the State of California that comply with their legal obligations.

15 134. California's Unfair Competition Law ("UCL") permits civil recovery and injunctive
16 relief for "any unlawful, unfair or fraudulent business act or practice," including if a practice or act
17 violates or is considered unlawful under any other state or federal law.

18 135. Accordingly, pursuant to Business and Professions Code sections 17200 and 17203,
19 Plaintiff requests the issuance of temporary, preliminary and permanent injunctive relief enjoining
20 Defendants, and each of them, and their agents and employees, from further violations of the Labor
21 Code and applicable Wage Orders.

22 136. Accordingly, pursuant to Bus. & Prof. Code sections 17200 and 17203, Plaintiff
23 requests the issuance of temporary, preliminary and permanent injunctive relief enjoining
24 Defendants, and each of them, and their agents and employees, from further violations of the Labor
25 Code and applicable Industrial Welfare Commission Wage Orders; and upon a final hearing seeks
26 an order permanently enjoining Defendants, and each of them, and their respective agents and
27 employees, from further violations of the Labor Code and applicable Industrial Welfare Commission
28 Wage Orders.

137. Pursuant to Business and Professions Code section 17203, Plaintiff, on behalf of herself and **UCL Class** members, seeks declaratory relief and restitution of all monies rightfully belonging to them that Defendants did not pay them or otherwise retained by means of its unlawful and unfair business practices.

138. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine and/or the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover reasonable attorneys' fees in connection with their unfair competition claims.

139. Pursuant to Business and Professions Code section 17203, Plaintiff, on behalf of herself and **UCL Class** members, seeks declaratory relief and restitution of all monies rightfully belonging to them that Defendants did not pay them or otherwise retained by means of its unlawful and unfair business practices.

140. Pursuant to Code of Civil Procedure section 1021.5, the substantial benefit doctrine and/or the common fund doctrine, Plaintiff and **UCL Class** members are entitled to recover reasonable attorneys' fees in connection with their unfair competition claims.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, on behalf of herself, all others similarly situated, and the general public, prays for relief and judgment against Defendants as follows:

- a. An order that the action be certified as a class action;
- b. An order that Plaintiff be appointed class representative;
- c. An order that counsel for Plaintiff be appointed class counsel;
- d. Unpaid wages and overtime;
- e. Actual damages;
- f. Liquidated damages;
- g. Unreimbursed expenses;
- h. Restitution;
- i. Declaratory relief;
- j. Pre-judgment interest;
- k. Statutory penalties;

- 1 l. Costs of suit;
2 m. Reasonable attorneys' fees; and
3 n. Such other relief as the Court deems just and proper.
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5 Dated: September 3, 2025

D.LAW, INC.

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8 _____
9 David Keledjian
10 Svetlana Hovhannisyan
11 Attorneys for Plaintiff
12 NISHAE D. BROWN, and the putative class
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DEMAND FOR JURY TRIAL

Plaintiff, on behalf of herself, all other similarly situated, and the general public, hereby demands a jury trial on all issues so triable.

Dated: September 3, 2025 D.LAW, INC.



David Keledjian
Svetlana Hovhannisyan
Attorneys for Plaintiff
NISHAE D. BROWN, and the putative class