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SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF ORANGE

Assigned for All Purposes Judge Lon F. Hurwitz

BRENDA CARDENAS, on behalf of the
State of California, as a private attorney
general,

Case No. 30-2023-01328419-CU-OE-CXC

**REPRESENTATIVE ACTION
COMPLAINT FOR:**

Plaintiff,

vs.

AM RETAIL GROUP, INC., a
Corporation; and DOES 1 through 50,
inclusive,

Defendants.

1. Civil Penalties Pursuant to Labor Code
§ 2699, *et seq.* for violations of Labor
Code §§ 201, 202, 203, 204 *et seq.*, 210,
218, 221, 226(a), 226.7, 227.3, 246 *et
seq.*, 510, 512, 558(a)(1)(2), 1194, 1197,
1197.1, 1198, 2802, California Code of
Regulations, Title 8, Section 11040,
Subdivision 5(A)-(B), California Code of
Regulations, Title 8, Section 11070(14)
(Failure to Provide Seating), and the
applicable Wage Order(s).

1 Plaintiff Brenda Cardenas (“PLAINTIFF”), on behalf of the people of the State of
2 California and as an “aggrieved employee” acting as a private attorney general under the Labor
3 Code Private Attorney General Act of 2004, § 2699, *et seq.* (“PAGA”) only, alleges on
4 information and belief, except for her own acts and knowledge which are based on personal
5 knowledge, the following:

6 INTRODUCTION

7 1. PLAINTIFF brings this action against AM Retail Group, Inc. (referred to as
8 “DEFENDANT”) seeking only to recover PAGA civil penalties for herself, and on behalf of
9 all current and former aggrieved employees that worked for DEFENDANT. PLAINTIFF does
10 **not seek to recover anything other than penalties as permitted by California Labor Code**
11 **§ 2699**. To the extent that statutory violations are mentioned for wage violations, PLAINTIFF
12 does not seek underlying general and/or special damages for those violations, but simply the
13 civil penalties permitted by California Labor Code § 2699.

14 2. California has enacted the PAGA to permit an individual to bring an action on
15 behalf of herself and on behalf of others for PAGA penalties *only*, which is the precise and sole
16 nature of this action.

17 3. Accordingly, PLAINTIFF seeks to obtain all applicable relief for
18 DEFENDANT’s violations under PAGA and solely for the relief as permitted by PAGA – that
19 is, penalties and any other relief the Court deems proper pursuant to the PAGA. Nothing in this
20 complaint should be construed as attempting to obtain any relief that would not be available in
21 a PAGA-only action.

22 THE PARTIES

23 4. AM Retail Group, Inc. (“DEFENDANT”) is a Corporation that at all relevant
24 times mentioned herein conducted and continues to conduct substantial business in the state of
25 California.

26 5. DEFENDANT owns and operates clothing stores in California.

27 6. PLAINTIFF was employed by DEFENDANT in California from January of 2022
28

1 to April 6, 2022 and was at all times classified by DEFENDANT as a non-exempt employee,
2 paid on an hourly basis, and entitled to the legally required meal and rest periods and payment
3 of minimum and overtime wages due for all time worked.

4 7. PLAINTIFF, and such persons that may be added from time to time who satisfy
5 the requirements and exhaust the administrative procedures under the Private Attorney General
6 Act, brings this Representative Action on behalf of the State of California with respect to herself
7 and all individuals who are or previously were employed by DEFENDANT in California,
8 including any employees staffed with DEFENDANT by a third party, and classified as non-
9 exempt employees ("AGGRIEVED EMPLOYEES") during the time period of March 22, 2022
10 until a date as determined by the Court (the "PAGA PERIOD").

11 8. PLAINTIFF, on behalf of herself and all AGGRIEVED EMPLOYEES
12 presently or formerly employed by DEFENDANT during the PAGA PERIOD, brings this
13 representative action pursuant to Labor Code § 2699, *et seq.* seeking fixed civil penalties for
14 DEFENDANT's violation of California Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218,
15 221, 226(a), 226.7, 227.3, 246 *et seq.*, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198,
16 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B),
17 California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), and
18 the applicable Wage Order(s). Based upon the foregoing, PLAINTIFF and all
19 AGGRIEVED EMPLOYEES are aggrieved employees within the meaning of Labor Code §
20 2699, *et seq.*

21 9. The true names and capacities, whether individual, corporate, subsidiary,
22 partnership, associate or otherwise of defendants DOES 1 through 50, inclusive, are
23 presently unknown to PLAINTIFF who therefore sues these Defendants by such fictitious
24 names pursuant to Cal. Civ. Proc. Code § 474. PLAINTIFF will seek leave to amend this
25 Complaint to allege the true names and capacities of Does 1 through 50, inclusive, when
26 they are ascertained. PLAINTIFF is informed and believes, and based upon that information
27 and belief alleges, that the Defendants named in this Complaint, including DOES 1 through
28

1 50, inclusive, are responsible in some manner for one or more of the events and happenings
2 that proximately caused the injuries and damages hereinafter alleged.

3 10. The agents, servants and/or employees of the Defendants and each of them
4 acting on behalf of the Defendants acted within the course and scope of his, her or its
5 authority as the agent, servant and/or employee of the Defendants, and personally
6 participated in the conduct alleged herein on behalf of the Defendants with respect to the
7 conduct alleged herein. Consequently, the acts of each Defendant are legally attributable to
8 the other Defendants and all Defendants are jointly and severally liable to PLAINTIFF and
9 all the AGGRIEVED EMPLOYEES, for the loss sustained as a proximate result of the
10 conduct of the Defendants' agents, servants and/or employees.

11 12 **THE CONDUCT**

13 11. Pursuant to the Industrial Welfare Commission Wage Orders, DEFENDANT
14 was required to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for all their time
15 worked, meaning the time during which an employee is subject to the control of an
16 employer, including all the time the employee is suffered or permitted to work.
17 DEFENDANT requires PLAINTIFF and the AGGRIEVED EMPLOYEES to work without
18 paying them for all the time they are under DEFENDANT's control. Among other things,
19 DEFENDANT requires PLAINTIFF to work while clocked out during what is supposed to
20 be PLAINTIFF's off-duty meal break. PLAINTIFF was from time to time interrupted by
21 work assignments while clocked out for what should have been PLAINTIFF's off-duty meal
22 break. As a result, PLAINTIFF and the AGGRIEVED EMPLOYEES forfeit minimum
23 wage, overtime wage compensation, and off-duty meal breaks by working without their time
24 being correctly recorded and without compensation at the applicable rates. DEFENDANT's
25 policy and practice not to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for all time
26 worked, is evidenced by DEFENDANT's business records.

27 12. State law provides that employees must be paid overtime and meal and rest
28 break premiums at one-and-one-half times their "regular rate of pay." PLAINTIFF and the

1 AGGRIEVED EMPLOYEES are compensated at an hourly rate plus incentive pay that is
2 tied to specific elements of an employee's performance.

3 13. The second component of PLAINTIFF's and the AGGRIEVED
4 EMPLOYEES' compensation is DEFENDANT's non-discretionary incentive program that
5 paid PLAINTIFF and the AGGRIEVED EMPLOYEES incentive wages based on their
6 performance for DEFENDANT. The non-discretionary incentive program provided all
7 employees paid on an hourly basis with incentive compensation when the employees met the
8 various performance goals set by DEFENDANT. However, when calculating the regular
9 rate of pay in order to pay overtime and meal and rest break premiums to PLAINTIFF and
10 the AGGRIEVED EMPLOYEES, DEFENDANT failed to include the incentive
11 compensation as part of the employees' "regular rate of pay" for purposes of calculating
12 overtime pay and meal and rest break premium pay. Management and supervisors described
13 the incentive program to potential and new employees as part of the compensation package.
14 As a matter of law, the incentive compensation received by PLAINTIFF and the
15 AGGRIEVED EMPLOYEES must be included in the "regular rate of pay." The failure to
16 do so has resulted in a underpayment of overtime compensation and meal and rest break
17 premiums to PLAINTIFF and the AGGRIEVED EMPLOYEES by DEFENDANT.

18 14. As a result of their rigorous work schedules, PLAINTIFF and the
19 AGGRIEVED EMPLOYEES were from time to time unable to take thirty (30) minute off
20 duty meal breaks and were not fully relieved of duty for their meal periods. PLAINTIFF
21 and the AGGRIEVED EMPLOYEES were required from time to time to perform work as
22 ordered by DEFENDANT for more than five (5) hours during some shifts without receiving
23 a meal break. Further, DEFENDANT from time to time fails to provide PLAINTIFF and
24 AGGRIEVED EMPLOYEES with a second off-duty meal period for some workdays in
25 which these employees were required by DEFENDANT to work ten (10) hours of work.
26 PLAINTIFF and the AGGRIEVED EMPLOYEES therefore forfeit meal breaks without
27 additional compensation and in accordance with DEFENDANT's corporate policy and
28 practice.

1 15. During the PAGA PERIOD, PLAINTIFF and the AGGRIEVED
2 EMPLOYEES were also required from time to time to work in excess of four (4) hours
3 without being provided ten (10) minute rest periods. Further, these employees were denied
4 their first rest periods of at least ten (10) minutes for some shifts worked of at least two (2)
5 to four (4) hours from time to time, a first and second rest period of at least ten (10) minutes
6 for some shifts worked of between six (6) and eight (8) hours from time to time, and a first,
7 second and third rest period of at least ten (10) minutes for some shifts worked of ten (10)
8 hours or more from time to time. PLAINTIFF and the AGGRIEVED EMPLOYEES were
9 also not provided with one hour wages in lieu thereof. Additionally, the applicable
10 California Wage Order requires employers to provide employees with off-duty rest periods,
11 which the California Supreme Court defined as time during which an employee is relieved
12 from all work related duties and free from employer control. In so doing, the Court held that
13 the requirement under California law that employers authorize and permit all employees to
14 take rest period means that employers must relieve employees of all duties and relinquish
15 control over how employees spend their time which includes control over the locations
16 where employees may take their rest period. Employers cannot impose controls that prohibit
17 an employee from taking a brief walk - five minutes out, five minutes back. Here,
18 DEFENDANT's policy restricted PLAINTIFF and the AGGRIEVED EMPLOYEES from
19 unconstrained walks and is unlawful based on DEFENDANT's rule which states
20 PLAINTIFF and the AGGRIEVED EMPLOYEES cannot leave the work premises during
21 their rest period.

22 16. During the PAGA PERIOD, DEFENDANT failed to accurately record and
23 pay PLAINTIFF and the AGGRIEVED EMPLOYEES for the actual amount of time these
24 employees worked. Pursuant to the Industrial Welfare Commission Wage Orders,
25 DEFENDANT was required to pay PLAINTIFF and the AGGRIEVED EMPLOYEES for
26 all time worked, meaning the time during which an employee was subject to the control of
27 an employer, including all the time the employee was permitted or suffered to permit this
28 work. DEFENDANT required these employees to work off the clock without paying them

1 for all the time they were under DEFENDANT's control. As such, DEFENDANT knew or
2 should have known that PLAINTIFF and the AGGRIEVED EMPLOYEES were under
3 compensated for all time worked. As a result, PLAINTIFF and the AGGRIEVED
4 EMPLOYEES forfeited time worked by working without their time being accurately
5 recorded and without compensation at the applicable minimum wage and overtime wage
6 rates. To the extent that the time worked off the clock does not qualify for overtime
7 premium payment, DEFENDANT fails to pay minimum wages for the time worked off-the-
8 clock in violation of Cal. Lab. Code §§ 1194, 1197, and 1197.1.

9 17. From time to time, DEFENDANT also failed to provide PLAINTIFF and the
10 AGGRIEVED EMPLOYEES with complete and accurate wage statements which failed to
11 show, among other things, the correct gross and net wages earned. Cal. Lab. Code § 226
12 provides that every employer shall furnish each of his or her employees with an accurate
13 itemized wage statement in writing showing, among other things, gross wages earned and all
14 applicable hourly rates in effect during the pay period and the corresponding amount of time
15 worked at each hourly rate. PLAINTIFF and the AGGRIEVED EMPLOYEES were paid on
16 an hourly basis. As such, the wage statements should reflect all applicable hourly rates
17 during the pay period and the total hours worked, and the applicable pay period in which the
18 wages were earned pursuant to California Labor Code Section 226(a). The wage statements
19 DEFENDANT provided to PLAINTIFF and the AGGRIEVED EMPLOYEES failed to
20 identify such information. More specifically, the wage statements failed to identify the
21 accurate total hours worked each pay period. When the hours shown on the wage statements
22 were added up, they did not equal the actual total hours worked during the pay period in
23 violation of Cal. Lab. Code 226(a)(2). Aside, from the violations listed above in this
24 paragraph, DEFENDANT failed to issue to PLAINTIFF an itemized wage statement that
25 lists all the requirements under California Labor Code 226 *et seq.* As a result, DEFENDANT
26 from time to time provided PLAINTIFF and the AGGRIEVED EMPLOYEES with wage
27 statements which violated Cal. Lab. Code § 226.

1 18. Cal. Lab. Code § 204(d) provides, the requirements of this section shall be
2 deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if
3 the wages are paid not more than seven (7) calendar days following the close of the payroll
4 period. Cal. Lab. Code § 210 provides:

5 in [I]n addition to, and entirely independent and apart from, any other penalty provided
6 this article, every person who fails to pay the wages of each employee as provided in
7 Sections. . . .204. . .shall be subject to a civil penalty as follows: (1) For any initial
8 violation, one hundred dollars (\$100) for each failure to pay each employee; (2) For
each subsequent violation, or any willful or intentional violation, two hundred dollars
(\$200) for each failure to pay each employee, plus 25 percent of the amount
unlawfully withheld.

9 19. DEFENDANT from time to time failed to pay PLAINTIFF and the
10 AGGRIEVED EMPLOYEES within seven (7) days of the close of the payroll period in
11 accordance with Cal. Lab. Code § 204(d), including but not limited to for the “Hourly”
12 regular wage payments.

13 20. DEFENDANT underpaid sick pay wages to PLAINTIFF and the
14 AGGRIEVED EMPLOYEES by failing to pay such wages at the regular rate of pay in
15 violation of Cal. Lab. Code Section 246. Specifically, PLAINTIFF and other non-exempt
16 employees earn non-discretionary remuneration. Rather than pay sick pay at the regular rate
17 of pay, DEFENDANT underpays sick pay to PLAINTIFF and the AGGRIEVED
18 EMPLOYEES at their base rates of pay.

19 21. Cal. Lab. Code Section 246(1)(2) requires that paid sick time for nonexempt
20 employees be calculated by dividing the employee’s total wages, not including overtime
21 premium pay, by the employee’s total hours worked in the full pay periods of the prior 90
22 days of employment.

23 22. DEFENDANT violated Cal. Lab. Code Section 246 by failing to pay sick pay
24 at the regular rate of pay. PLAINTIFF and the AGGRIEVED EMPLOYEES routinely
25 earned non-discretionary incentive wages which increased their regular rate of pay.
26 However, when sick pay was paid, it was paid at the base rate of pay for PLAINTIFF and
27 the AGGRIEVED EMPLOYEES, as opposed to the correct, higher regular rate of pay, as
28 required under Cal. Lab. Code Section 246.

1 23. As a pattern and practice, DEFENDANT regularly failed to pay PLAINTIFF
2 and the AGGRIEVED EMPLOYEES their correct wages and accordingly owe waiting time
3 penalties pursuant to Cal. Lab. Code Section 203. Further, PLAINTIFF is informed and
4 believes and based thereon alleges that such failure to pay sick pay at regular rate was
5 willful, such that the AGGRIEVED EMPLOYEES whose employment has separated are
6 entitled to waiting time penalties pursuant to Cal. Lab. Code Sections 201-203.

7 24. Pursuant to Cal. Lab. Code Section 221, "It shall be unlawful for any employer
8 to collect or receive from an employee any part of wages theretofore paid by said employer
9 to said employee." DEFENDANT fails to pay all compensation due to PLAINTIFF and the
10 AGGRIEVED EMPLOYEES, made unlawful deductions from compensation payable to
11 PLAINTIFF and the AGGRIEVED EMPLOYEES, fails to disclose all aspects of the
12 deductions from compensation payable to PLAINTIFF and the AGGRIEVED
13 EMPLOYEES, and thereby fails to pay these employees all wages due at each applicable
14 pay period and upon termination.

15 25. DEFENDANT intentionally and knowingly failed to reimburse and indemnify
16 PLAINTIFF and the AGGRIEVED EMPLOYEES for required business expenses incurred
17 by the PLAINTIFF and the AGGRIEVED EMPLOYEES in direct consequence of
18 discharging their duties on behalf of DEFENDANT. Under California Labor Code Section
19 2802, employers are required to indemnify employees for all expenses incurred in the course
20 and scope of their employment. Cal. Lab. Code § 2802 expressly states that "an employer
21 shall indemnify his or her employee for all necessary expenditures or losses incurred by the
22 employee in direct consequence of the discharge of his or her duties, or of his or her
23 obedience to the directions of the employer, even though unlawful, unless the employee, at
24 the time of obeying the directions, believed them to be unlawful."

25 26. In the course of their employment PLAINTIFF and the AGGRIEVED
26 EMPLOYEES as a business expense, were required by DEFENDANT to use their own
27 personal cellular phones as a result of and in furtherance of their job duties as employees for
28 DEFENDANT but are not reimbursed or indemnified by DEFENDANT for the cost

1 associated with the use of their personal cellular phones for DEFENDANT's benefit.
2 Specifically, PLAINTIFF and the AGGRIEVED EMPLOYEES were required by
3 DEFENDANT to use their personal cellular phones. As a result, in the course of their
4 employment with DEFENDANT, PLAINTIFF and the AGGRIEVED EMPLOYEES
5 incurred unreimbursed business expenses which included, but were not limited to, costs
6 related to the use of their personal cellular phones all on behalf of and for the benefit of
7 DEFENDANT.

8 27. In violation of the applicable sections of the California Labor Code and the
9 requirements of the applicable Industrial Welfare Commission ("IWC") Wage Order,
10 DEFENDANT as a matter of company policy, practice and procedure, intentionally,
11 knowingly and systematically failed to provide PLAINTIFF and the other AGGRIEVED
12 EMPLOYEES suitable seating when the nature of these employees' work reasonably
13 permitted sitting.

14 28. DEFENDANT knew or should have known that PLAINTIFF and other
15 AGGRIEVED EMPLOYEES were entitled to suitable seating and/or were entitled to sit
16 when it did not interfere with the performance of their duties, and that DEFENDANT did
17 not provide suitable seating and/or did not allow them to sit when it did not interfere with
18 the performance of their duties.

19 29. By reason of this conduct applicable to PLAINTIFF and all AGGRIEVED
20 EMPLOYEES, DEFENDANT violated California Labor Code Section 1198 and Wage
21 Order 4-2001, Section 14 by failing to provide suitable seats. PLAINTIFF seeks penalties
22 on behalf of PLAINTIFF and other AGGRIEVED EMPLOYEES as provided herein.
23 Providing suitable seating is the DEFENDANT's burden. As a result of DEFENDANT's
24 intentional disregard of the obligation to meet this burden, DEFENDANT violated the
25 California Labor Code and regulations promulgated thereunder as herein alleged.

26 30. The employment of PLAINTIFF and some AGGRIEVED EMPLOYEES has
27 terminated and DEFENDANT has not tendered payment of all wages owed as required by
28 law. Additionally, at all times during the term of PLAINTIFF's employment with

1 DEFENDANT, PLAINTIFF and other AGGRIEVED EMPLOYEES earned and accrued
2 vested vacation and holiday time on the date of their termination pursuant to
3 DEFENDANT's uniform vacation policies and applicable California law. The amount of
4 vacation pay PLAINTIFF and the other AGGRIEVED EMPLOYEES earned and
5 accumulated is evidenced by DEFENDANT's business records. Additionally,
6 DEFENDANT also underpaid accrued vested vacation wages to PLAINTIFF and other
7 AGGRIEVED EMPLOYEES by failing to pay such wages at the regular rate of pay and
8 more specifically the final rate of pay that included all non-discretionary incentive
9 compensation. Rather than pay vacation wages at the regular rate of pay, DEFENDANT
10 underpaid vacation wages to PLAINTIFF and other AGGRIEVED EMPLOYEES at their
11 base rates of pay, instead of including all of PLAINTIFF's and other AGGRIEVED
12 EMPLOYEES' non-discretionary incentive compensation into the vacation wage payment
13 calculations. DEFENDANT failed to specify in DEFENDANT's written vacation policy the
14 rate at which PLAINTIFF and other AGGRIEVED EMPLOYEES would be paid vacation
15 upon leaving employment with DEFENDANT. As a result of DEFENDANT's unlawful
16 practice, policy and procedure to deny paying the PLAINTIFF and other AGGRIEVED
17 EMPLOYEES all of their vested vacation and holiday time, DEFENDANT failed to pay the
18 PLAINTIFF and other AGGRIEVED EMPLOYEES all vested vacation time as wages due
19 upon employment termination, in violation of the California Labor Code, Sections 201, 202,
20 203 and 227.3. Similarly, DEFENDANT underpaid waiting time penalties to PLAINTIFF
21 and other AGGRIEVED EMPLOYEES at their base rates of pay, instead of including all of
22 PLAINTIFF's and other AGGRIEVED EMPLOYEES' non-discretionary compensation into
23 the waiting time penalty calculations. This failure by DEFENDANT is believed to be the
24 result of DEFENDANT's unlawful, unfair and deceptive refusal to provide compensation for
25 earned, accrued and vested vacation and holiday time, as well as the corresponding waiting
26 time penalties that were paid. DEFENDANT perpetrated this unlawful, unfair and deceptive
27 practice to the detriment of PLAINTIFF and other AGGRIEVED EMPLOYEES.
28 DEFENDANT's uniform practice and policy of failing to pay the AGGRIEVED

1 EMPLOYEES for all vested vacation and holiday time accumulated at employment
2 termination violated and continues to violate Section 227.3 of the California Labor Code.

3 31. All of the conduct and violations alleged herein occurred during the PAGA
4 PERIOD. To the extent that any of the conduct and violations alleged herein did not affect
5 PLAINTIFF during the PAGA PERIOD, PLAINTIFF seeks penalties for those violations
6 that affected the AGGRIEVED EMPLOYEES pursuant to *Carrington v. Starbucks Corp.*
7 2018 AJDAR 12157 (Certified for Publication 12/19/18).

8
9 **JURISDICTION AND VENUE**

10 32. This Court has jurisdiction over this Action pursuant to California Code of
11 Civil Procedure, Section 410.10.

12 33. Venue is proper in this Court pursuant to California Code of Civil Procedure,
13 Sections 395.5 and 393, because DEFENDANT operates in locations across California,
14 employs AGGRIEVED EMPLOYEES across California, including in this County, and
15 committed the wrongful conduct herein alleged in this County against AGGRIEVED
16 EMPLOYEES.

17
18 **FIRST CAUSE OF ACTION**

19 **For Violation of the Private Attorneys General Act**

20 **[Cal. Lab. Code §§ 2698, *et seq.*]**

21 **(By PLAINTIFF and Against All Defendants)**

22 34. PLAINTIFF realleges and incorporates by this reference, as though fully set
23 forth herein, the prior paragraphs of this Complaint.

24 35. PAGA is a mechanism by which the State of California itself can enforce state
25 labor laws through the employee suing under the PAGA who do so as the proxy or agent of
26 the state's labor law enforcement agencies. An action to recover civil penalties under
27 PAGA is fundamentally a law enforcement action designed to protect the public and not to
28 benefit private parties. The purpose of the PAGA is not to recover damages or restitution,

1 but to create a means of "deputizing" citizens as private attorneys general to enforce the
2 Labor Code. In enacting PAGA, the California Legislature specified that "it was ... in the
3 public interest to allow aggrieved employees, acting as private attorneys general to recover
4 civil penalties for Labor Code violations ..." Stats. 2003, ch. 906, § 1. Accordingly, PAGA
5 claims cannot be subject to arbitration.

6 36. PLAINTIFF, and such persons that may be added from time to time who
7 satisfy the requirements and exhaust the administrative procedures under the Private
8 Attorney General Act, brings this Representative Action on behalf of the State of California
9 with respect to herself and all individuals who are or previously were employed by
10 DEFENDANT in California, including any employees staffed with DEFENDANT by a third
11 party, and classified as non-exempt employees ("AGGRIEVED EMPLOYEES") during the
12 time period of March 22, 2022 until a date as determined by the Court (the "PAGA
13 PERIOD").

14 37. On March 22, 2023, PLAINTIFF gave written notice by electronic mail to the
15 Labor and Workforce Development Agency (the "Agency") and by certified mail to the
16 employer of the specific provisions of this code alleged to have been violated as required by
17 Labor Code § 2699.3. See **Exhibit #1**, attached hereto and incorporated by this reference
18 herein (*PAGA Notice only without draft complaint*). The statutory waiting period for
19 PLAINTIFF to add these allegations to the Complaint has expired. As a result, pursuant to
20 Section 2699.3, PLAINTIFF may now commence a representative civil action under PAGA
21 pursuant to Section 2699 as the proxy of the State of California with respect to all
22 AGGRIEVED EMPLOYEES as herein defined.

23 38. The policies, acts and practices heretofore described were and are an unlawful
24 business act or practice because DEFENDANT (a) failed to provide PLAINTIFF and the
25 AGGRIEVED EMPLOYEES accurate itemized wage statements, (b) failed to properly
26 record and provide legally required meal and rest periods, (c) failed to pay minimum wages,
27 (d) failed to pay overtime wages and sick pay wages, (e) failed to reimburse employees for
28 required expenses, (f) failed to provide wages when due, and (g) failed to provide suitable

1 seating, all in violation of the applicable Labor Code sections listed in Labor Code §§ 201,
2 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246 *et seq.*, 510, 512,
3 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8,
4 Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1
5 1070(14) (Failure to Provide Seating), and the applicable Wage Order(s), and thereby gives
6 rise to civil penalties as a result of such conduct.¹ PLAINTIFF hereby seeks recovery of
7 only civil penalties as prescribed by the Labor Code Private Attorney General Act of 2004 as
8 the representative of the State of California for the illegal conduct perpetrated on
9 PLAINTIFF and the AGGRIEVED EMPLOYEES.

10
11 **PRAYER FOR RELIEF**

12 WHEREFORE, PLAINTIFF prays for judgment against each Defendant, jointly and
13 severally, as follows:

14 1. On behalf of the State of California and with respect to all AGGRIEVED
15 EMPLOYEES:

16 A) Recovery of civil penalties as prescribed by the Labor Code Private
17 Attorneys General Act of 2004; and,

18 B) An award of attorneys' fees and cost of suit, as allowable under the
19 law, including, but not limited to, pursuant to Labor Code §2699.

20 Dated: May 30, 2023 BLUMENTHAL NORDREHAUG BHOWMIK DE BLOUW
21 LLP

22
23 By: /s/ Nicholas De Blouw
24 Norman B. Blumenthal
25 Kyle R. Nordrehaug
26 Nicholas J. De Blouw
27 *Attorneys for Plaintiff*

28 ¹Plaintiff specifically excludes and/or does not allege any claims under California Labor Code §558(a)(3).

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EXHIBIT 1

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March 22, 2023

CA2901

VIA ONLINE FILING TO LWDA AND CERTIFIED MAIL TO DEFENDANT

Labor and Workforce Development Agency
Online Filing

AM Retail Group, Inc.
Certified Mail #70223330000181863906
CSC - Lawyers Incorporating Service
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2710 GATEWAY OAKS DRIVE, Suite 150N
SACRAMENTO, CA 95833

Re: Notice Of Violations Of California Labor Code Sections §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246 *et seq.*, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of Applicable Industrial Welfare Commission Wage Order(s), and Pursuant To California Labor Code Section 2699.5.

Dear Sir/Madam:

“Aggrieved Employees” refers to all individuals who are or previously were employed by AM Retail Group, Inc. in California, including any employees staffed with AM Retail Group, Inc. by a third party, and classified as non-exempt employees during the time period of March 22, 2022 until a date as determined by the Court. Our offices represent Plaintiff Brenda Cardenas (“Plaintiff”) and other Aggrieved Employees in a lawsuit against AM Retail Group, Inc. (“Defendant”). Plaintiff was employed by Defendant in California from January of 2022 to April 6, 2022. Plaintiff was at all times classified by Defendant as a non-exempt employee, paid on an hourly basis, and entitled to the legally required meal and rest periods and payment of minimum and overtime wages due for all time worked. Defendant, however, unlawfully failed to record and pay Plaintiff and other Aggrieved Employees for, including but not limited to, all of their time worked, including minimum and overtime wages and sick pay wages at the correct rate, for all of their missed meal and rest breaks at the correct regular rates, and for all of their time spent working off the clock. Moreover, when Defendant required Plaintiff and Aggrieved Employees to report for work, but “furnished less than half said employee’s usual or scheduled day’s work,” Defendant violated Cal. Code Regs., tit. 8 § 11040, subd. 5(A) by failing to pay Plaintiff and Aggrieved Employees for at least two (2) hours’ worth of work at their regular rate of pay. In addition, when Defendant required Plaintiff and Aggrieved Employees to respond to and engage in additional work, this resulted in a second reporting for work in a single workday, and Defendant failed to pay these employees reporting time pay as required by Cal. Code Regs., tit. 8, § 11040, subd. 5(B). Further, Defendant failed to advise Plaintiff and the other Aggrieved Employees of their right to take separately and hourly paid duty-free ten (10) minute rest periods.

See Vaquero v. Stoneledge Furniture, LLC, 9 Cal. App. 5th 98, 110 (2017). Additionally, pursuant to Labor Code § 204 *et seq.*, Defendant failed to timely provide Plaintiff and other Aggrieved Employees with their wages. Plaintiff further contends that Defendant failed to provide accurate wage statements to her, and other Aggrieved Employees, in violation of California Labor Code section 226(a). Specifically, PLAINTIFF and the AGGRIEVED EMPLOYEES were paid on an hourly basis. As such, the wage statements should reflect all applicable hourly rates during the pay period and the total hours worked, and the applicable pay period in which the wages were earned pursuant to California Labor Code Section 226(a). The wage statements Defendant provided to PLAINTIFF and the AGGRIEVED EMPLOYEES failed to identify such information. More specifically, the wage statements failed to identify the accurate total hours worked each pay period in violation of Cal. Lab. Code Section 226(a)(2). Additionally, Plaintiff contends that Defendant failed to comply with Industrial Wage Order 7(A)(3) in that Defendant failed to keep time records showing when Plaintiff began and ended each shift and meal period. Plaintiff and other Aggrieved Employees perform tasks that reasonably permit sitting, and a seat would not interfere with their performance of any of their tasks that may require them to stand. Defendant failed to provide Plaintiff and other Aggrieved Employees with suitable seats. Said conduct, in addition to the foregoing, as well as the conduct alleged in the incorporated Complaint, violates Labor Code §§ 201, 202, 203, 204 *et seq.*, 210, 218, 221, 226(a), 226.7, 227.3, 246, 510, 512, 558(a)(1)(2), 1194, 1197, 1197.1, 1198, 2802, California Code of Regulations, Title 8, Section 11040, Subdivision 5(A)-(B), California Code of Regulations, Title 8, Section 1 1070(14) (Failure to Provide Seating), Violation of the applicable Industrial Welfare Commission Wage Order(s), and is therefore actionable under California Labor Code section 2699.3.

A true and correct copy of the Complaint by Plaintiff against Defendant, which (i) identifies the alleged violations, (ii) details the facts and theories which support the alleged violations, (iii) details the specific work performed by Plaintiff, (iii) sets forth the people/entities, dates, classifications, violations, events, and actions which are at issue to the extent known to Plaintiff, and (iv) sets forth the illegal practices used by Defendant, is attached hereto. This information provides notice to the Labor and Workforce Development Agency of the facts and theories supporting the alleged violations for the agency's reference. Plaintiff therefore incorporates the allegations of the attached Complaint into this letter as if fully set forth herein. If the agency needs any further information, please do not hesitate to ask.

This notice is provided to enable Plaintiff to proceed with the Complaint against Defendant as authorized by California Labor Code section 2699, *et seq.* The lawsuit consists of other Aggrieved Employees. As counsel, our intention is to vigorously prosecute the claims as alleged in the Complaint, and to procure civil penalties as provided by the Private Attorney General Statue of 2004 on behalf of Plaintiff and all Aggrieved Employees.

Your earliest response to this notice is appreciated. If you have any questions of concerns, please do not hesitate to contact me at the above number and address.

Respectfully,

/s/ Nicholas J. De Blouw

Nicholas J. De Blouw, Esq.